

September 30, 2017

Virtus Contrarian Value Fund

Virtus KAR Capital Growth Fund

Virtus KAR Global Quality Dividend Fund

Virtus KAR Mid-Cap Core Fund

Virtus KAR Mid-Cap Growth Fund

Virtus KAR Small-Cap Core Fund

Virtus KAR Small-Cap Growth Fund

Virtus KAR Small-Cap Value Fund

Virtus Rampart Enhanced Core Equity Fund

Virtus Tactical Allocation Fund

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



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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 period 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.

This report is not authorized for distribution to prospective investors in the Funds of Virtus Equity Trust unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, each Fund’s record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:



I am pleased to present the annual report for your fund, covering a partial, six-month period from April 1, 2017 through September 30, 2017 following the change in fiscal year-end from March 31 to September 30. The fund's last annual report was for the 12 months ended March 31, 2017.

During the past six months, the Federal Reserve ("the Fed") raised interest rates for the third time since last December, and in October 2017 began the process of unwinding the balance sheet debt it had accumulated since 2008 in its efforts to stimulate the economy – a clear signal that it believes the U.S. is back on a growth path. Global economic growth also strengthened, with other major central banks preparing to taper their own stimulus policies. Rounding out the optimistic picture, corporate earnings were generally strong during the period.

Against this positive backdrop, equity markets have surged. U.S. large- and small-cap stocks returned 7.71% and 8.27%, as measured by the performance of the S&P 500® Index and Russell 2000® Index, respectively. Within international equities, emerging markets outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 14.66%, compared with the MSCI EAFE® Index (net), which returned 11.86%.

Demand for U.S. Treasuries also remained strong, driven by foreign investors who favored their yield advantage and credit quality over many foreign government bonds. On September 30, 2017, the benchmark 10-year U.S. Treasury yielded 2.33%, compared with 2.31% six months earlier. 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 2.31% for the six months, while non-investment grade bonds gained 4.19%, 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. The Virtus Funds have even more investment options following Virtus Investment Partners' ("Virtus") acquisition of RidgeWorth Investments. We now offer 26 additional funds, including equity, fixed income, international, and asset allocation strategies from three new Virtus affiliates – Ceredex Value Advisors, Seix Investment Advisors, and Silvant Capital Management – and from subadvisers WCM Investment Management and Zevenbergen Capital Investments. I invite you to learn more about our 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

October 2017

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 EQUITY TRUST
DISCLOSURE OF FUND EXPENSES (Unaudited)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2017 TO SEPTEMBER 30, 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 Equity 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 period ended September 30, 2017. The following Expense Table illustrates a Fund's costs in two ways.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

The second section of the accompanying table 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 the ongoing costs of investing in your Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the 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.

Expense Table

	Beginning Account Value April 1, 2017	Ending Account Value September 30, 2017	Annualized Expense Ratio	Expenses Paid During Period*
Contrarian Value Fund				
Actual				
Class A	\$1,000.00	\$1,041.90	1.46%	\$7.47
Class C	1,000.00	1,038.20	2.20	11.24
Class I	1,000.00	1,043.50	1.19	6.10
Class R6	1,000.00	1,044.00	1.07	5.48
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.75	1.46	7.38
Class C	1,000.00	1,014.04	2.20	11.11
Class I	1,000.00	1,019.10	1.19	6.02
Class R6	1,000.00	1,019.70	1.07	5.42
KAR Capital Growth Fund				
Actual				
Class A	\$1,000.00	\$1,160.10	1.30%	\$7.04
Class C	1,000.00	1,155.10	2.08	11.24
Class I	1,000.00	1,160.90	1.08	5.85
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.55	1.30	6.58
Class C	1,000.00	1,014.64	2.08	10.50
Class I	1,000.00	1,019.65	1.08	5.47
KAR Global Quality Dividend Fund				
Actual				
Class A	\$1,000.00	\$1,043.10	1.35%	\$6.91
Class C	1,000.00	1,038.60	2.10	10.73
Class I	1,000.00	1,044.10	1.10	5.64
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.30	1.35	6.83
Class C	1,000.00	1,014.54	2.10	10.61
Class I	1,000.00	1,019.55	1.10	5.57
KAR Mid-Cap Core Fund				
Actual				
Class A	\$1,000.00	\$1,087.00	1.20%	\$6.28
Class C	1,000.00	1,082.80	1.95	10.18
Class I	1,000.00	1,088.20	0.95	4.97
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,019.05	1.20	6.07
Class C	1,000.00	1,015.29	1.95	9.85
Class I	1,000.00	1,020.31	0.95	4.81
KAR Mid-Cap Growth Fund				
Actual				
Class A	\$1,000.00	\$1,134.80	1.40%	\$7.49
Class C	1,000.00	1,130.10	2.15	11.48
Class I	1,000.00	1,135.80	1.15	6.16
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.05	1.40	7.08
Class C	1,000.00	1,014.29	2.15	10.86
Class I	1,000.00	1,019.30	1.15	5.82

VIRTUS EQUITY TRUST
DISCLOSURE OF FUND EXPENSES (Unaudited) (Continued)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2017 TO SEPTEMBER 30, 2017

Expense Table

	Beginning Account Value April 1, 2017	Ending Account Value September 30, 2017	Annualized Expense Ratio	Expenses Paid During Period*
KAR Small-Cap Core Fund				
Actual				
Class A	\$1,000.00	\$1,159.20	1.33%	\$7.20
Class C	1,000.00	1,154.70	2.08	11.24
Class I	1,000.00	1,161.00	1.08	5.85
Class R6	1,000.00	1,161.40	0.99	5.36
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.40	1.33	6.73
Class C	1,000.00	1,014.64	2.08	10.50
Class I	1,000.00	1,019.65	1.08	5.47
Class R6	1,000.00	1,020.10	0.99	5.01
KAR Small-Cap Growth Fund				
Actual				
Class A	\$1,000.00	\$1,204.10	1.50%	\$8.29
Class C	1,000.00	1,199.20	2.25	12.40
Class I	1,000.00	1,205.10	1.25	6.91
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.55	1.50	7.59
Class C	1,000.00	1,013.79	2.25	11.36
Class I	1,000.00	1,018.80	1.25	6.33
KAR Small-Cap Value Fund				
Actual				
Class A	\$1,000.00	\$1,085.60	1.32%	\$6.90
Class C	1,000.00	1,081.70	2.06	10.75
Class I	1,000.00	1,087.20	1.07	5.60
Class R6	1,000.00	1,087.80	1.01	5.29
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.45	1.32	6.68
Class C	1,000.00	1,014.74	2.06	10.40
Class I	1,000.00	1,019.70	1.07	5.42
Class R6	1,000.00	1,020.00	1.01	5.11
Rampart Enhanced Core Equity Fund				
Actual				
Class A	\$1,000.00	\$1,092.60	1.23%	\$6.45
Class C	1,000.00	1,089.10	1.98	10.37
Class I	1,000.00	1,094.10	0.98	5.14
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.90	1.23	6.23
Class C	1,000.00	1,015.14	1.98	10.00
Class I	1,000.00	1,020.16	0.98	4.96
Tactical Allocation Fund				
Actual				
Class A	\$1,000.00	\$1,092.50	1.36%	\$7.13
Class C	1,000.00	1,088.00	2.11	11.04
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.25	1.36	6.88
Class C	1,000.00	1,014.49	2.11	10.66

* Expenses are equal to the relevant 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 (183) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period.

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 a Fund's expenses in the Financial Statements section that follows. For additional information on operating expenses and other shareholder costs, refer to a Fund's prospectus.

VIRTUS EQUITY TRUST
KEY INVESTMENT TERMS (Unaudited)
SEPTEMBER 30, 2017

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.

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.

Chicago Board Options Exchange Volatility Index® (“CBOE VIX®”)

The CBOE VIX® shows the market’s expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500® Index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The CBOE VIX® is a widely used measure of market risk and is often referred to as the “investor fear gauge.” The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment

Exchange-Traded Funds (“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 Reserve (the “Fed”)

The Central Bank of the U.S., the Fed is responsible for controlling 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.

Global Quality Dividend Linked Benchmark

The Global Quality Dividend Linked Benchmark consists of the Russell Developed Large Cap Index (net), a free-float market capitalization-weighted index constructed to provide a comprehensive and unbiased barometer for the large-cap segment in the developed world, 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 is not available for direct investment. Performance of the Global Quality Dividend Linked Benchmark prior to 2/1/2017 is that of the Russell 1000® Value Index.

Gross Domestic Product (“GDP”)

The gross domestic product represents the market value of all goods and services produced by the economy during the period measured, including personal consumption, government purchases, private inventories, paid-in construction costs and the foreign trade balance.

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 foreign 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.

VIRTUS EQUITY TRUST
KEY INVESTMENT TERMS (Unaudited) (Continued)
SEPTEMBER 30, 2017

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 Investment Trust (“REIT”)

A publicly traded company that owns, develops and operates income-producing real estate such as apartments, office buildings, hotels, shopping centers and other commercial properties.

Russell 1000® Growth Index

The Russell 1000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest 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.

Russell 1000® Value Index

The Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 1,000 largest 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.

Russell 2000® Growth Index

The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 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.

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.

Russell 2000® Value Index

The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 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.

Russell Developed Large Cap Index (net)

The Russell Developed Large Cap Index (net) is a free-float market capitalization-weighted index constructed to provide a comprehensive and unbiased barometer for the large-cap segment in the developed world. 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.

Russell Midcap® Growth Index

The Russell Midcap® Growth Index is a market capitalization-weighted index of medium-capitalization, growth-oriented stocks of 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.

Russell Midcap® Index

The Russell Midcap® Index is a market capitalization-weighted index of medium-capitalization stocks of 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.

VIRTUS EQUITY TRUST
KEY INVESTMENT TERMS (Unaudited) (Continued)
SEPTEMBER 30, 2017

Russell Midcap[®] Value Index

The Russell Midcap[®] Value Index is a market capitalization-weighted index of medium-capitalization, value-oriented stocks of 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.

SPDR

Represents shares of an open-end exchange-traded fund.

Sponsored ADR (“American Depositary Receipt”)

An ADR which is issued with the cooperation of the company whose stock will underlie the ADR. Sponsored ADRs generally carry the same rights normally given to stockholders, such as voting rights. ADRs must be sponsored to be able to trade on a major U.S. exchange such as the New York Stock Exchange (“NYSE”).

Tactical Allocation Fund Linked Benchmark

The Tactical Allocation Fund Linked Benchmark consists of 45% Russell 1000[®] Growth Index (a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies, calculated on a total return basis with dividends reinvested), 15% MSCI EAFE[®] Index (a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada, calculated on a total return basis with net dividends reinvested), and 40% Bloomberg Barclays U.S. Aggregate Bond Index (an index that measures the U.S. investment grade fixed rate bond market, 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. Performance of the Tactical Allocation Fund Linked Benchmark prior to 9/7/2016 represents an allocation consisting of 50% S&P 500[®] Index and 50% Bloomberg Barclays U.S. Aggregate Bond Index.

Contrarian Value Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Sasco Capital, Inc.

- The Fund is diversified and has an investment objective of long-term growth of capital. *There is no guarantee that the Fund will achieve its objective.*
- Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.
- For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 4.19%*, Class C shares at NAV returned 3.82%*, Class I shares at NAV returned 4.35%* and Class R6 shares at NAV returned 4.40%*. For the same period, the Russell Midcap® Value Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 3.54%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

- The bull market continued to charge ahead during the six months, setting new records as markets remained resilient in the face of rate hikes by the Federal Reserve (Fed), natural disasters, and the war of words with North Korea. Performance was varied among the economic sectors. Earnings reports were generally favorable, which lifted a number of economically sensitive holdings. Oil and commodity prices rose, which helped these types of stocks. Interest rates hit bottom at the height of the North Korea fears, which favored utilities. Investors apparently looked beyond the tragic hurricanes of late August and early

September 2017 and saw rebuilding potential, which drove infrastructure stocks higher. Technology was by far the best-performing sector, while consumer stocks continued to languish under the weight of the online retailing threat.

- By mid-September 2017, the economy was looking good enough for the Fed to not only start tapering its balance sheet holdings, but also signal that higher interest rates were forthcoming by year end, with three more rate rises to follow in 2018. The 10-year Treasury yield jumped from a low of 2.04% in early September 2017 to 2.31% by the end of the month, thus driving financials higher. Growth stocks had the edge early in the six-month period, but by the end of September 2017, value stocks managed to finish slightly ahead. The market broadened considerably during the third quarter of 2017, which helped propel many benchmarks to new highs.

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

- The Fund posted solid performance for the six-month fiscal period ended September 30, 2017. As the market continued to move higher, a number of the Fund's holdings were rewarded for their restructuring efforts. The Fund outperformed the Russell Midcap® Value Index for the six months despite the headwind of not owning the strong performing financials and information technology sectors.
- The most significant contribution to Fund returns came from Owens Illinois, FMC, Allegheny Technologies, Raytheon, and Owens Corning. Materials and industrials were the top-performing sectors, while the Fund's consumer staples stocks continued to languish under the cloud of Amazon.com's penetration into groceries with its acquisition of Whole Foods. The only significant underperformer was the Fund's small position in Mattel, which continued to face challenges as new leadership took charge.

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.

Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Limited Number of Investments: *Because the Fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.*

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.*

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Materials	28%
Industrials	24
Consumer Discretionary	13
Energy	11
Consumer Staples	10
Real Estate	6
Utilities	4
Other (includes short-term investments)	4
Total	<u>100%</u>

Contrarian Value Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years	Since Inception	Inception Date
Class A shares at NAV²	9.04%	8.16%	4.73%	—	—
Class A shares at POP^{3,4}	2.77	6.89	4.11	—	—
Class C shares at NAV² and with CDSC⁴	8.24	7.36	3.95	—	—
Class I shares at NAV²	9.33	8.43	—	7.18%	3/10/08
Class R6 shares at NAV²	9.48	—	—	1.43	11/12/14
Russell Midcap[®] Value Index	13.37	14.33	7.85	— ⁵	—

Fund Expense Ratios⁶: Class A shares: 1.43%; Class C shares: 2.14%; Class I shares: 1.11%; Class R6 shares: 0.99%.

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 5.75% sales charge.

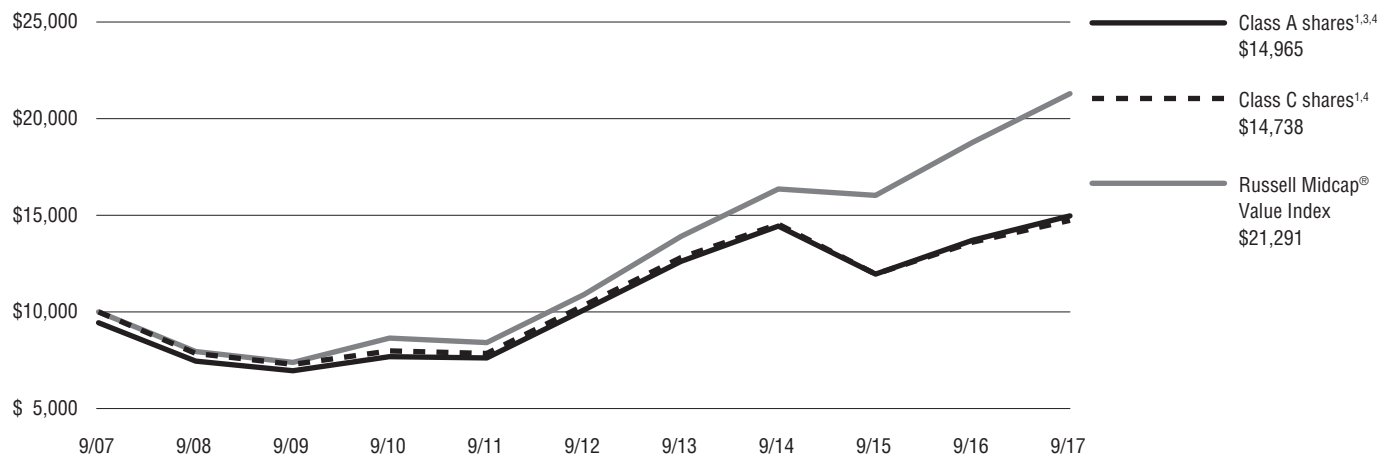
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The index returned 10.40% for Class I shares and 8.03% for Class R6 shares from the inception date of the respective share class.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 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. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares and Class C shares including any applicable sales charges or fees. The performance of the other share classes may be greater or less than that shown based on differences in inception dates, fees and sales charges. Performance assumes reinvestment of dividends and capital gain 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 4.

KAR Capital Growth Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

- The Fund is diversified and has an investment objective of long-term capital growth. *There is no guarantee that the Fund will meet its objective.*
- Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.
- For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 16.01%* ++, Class C shares at NAV returned 15.51%*, and Class I shares at NAV returned 16.09%*. For the same period, the Russell 1000® Growth Index, which serves as the Fund's broad-based and style-specific benchmark appropriate the comparison, returned 10.84%*.

* Returns less than 1 year are not annualized.

++ See footnote 6 on page 11.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

- The six-month fiscal period was a good environment for the U.S. stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71% for the six months. Growth stocks continued to outpace value stocks, with the Russell 1000® Growth Index up 10.84% and the Russell 1000® Value Index advancing 4.50%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.
- During the fiscal period, the best performing sectors in the Russell 1000 Growth® Index were

utilities, information technology, and health care. The worst performing sectors were energy, consumer staples, and telecommunication services.

- Despite being in the midst of a raging bull market, we were dealing with a multitude of negative issues including historic natural disasters, potential nuclear war, deadly violence over Civil War monuments, senseless mass shootings, and rigged elections the world over, all of which provided seemingly endless sources of unease. Yet the S&P 500® Index put up its eighth straight quarterly advance, with a serene average daily change of just 0.3%, the lowest since 1968.
- A number of factors continued to paint a positive backdrop for equities. Interest rates remained subdued as the lack of inflation weighed on long-term rates and limited what the Federal Reserve (Fed) could do with short-term rates. Domestic unemployment remained low, wages were on the rise, and home prices continued to appreciate, putting the consumer on solid footing. A synchronized global pickup reduced the risk of contagion from weakness elsewhere in the world.

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

- The Fund outperformed the Russell 1000® Growth Index for the six-month fiscal period ending September 30, 2017. The outperformance was driven by strong stock selection in the information technology and consumer staples sectors. Negative stock selection and an overweight exposure in the energy sector; and negative stock selection and an underweight in the health care sector detracted from performance.

For the reporting period, the largest contributors to performance were Alibaba and Facebook.

- Alibaba's two marketplaces, Taobao and Tmall.com, combine to form the largest online commerce company in the world. Management has committed to a number of social initiatives to further improve mobile monetization over time. Alibaba's marketplaces have huge network effects, and the company made efforts to foster the ecosystem with investments in payments and logistics partnerships. Taobao, in particular, has become a destination for consumers, merchants, and key opinion leaders to interact and engage in what Alibaba calls social commerce. E-commerce

penetration, mobile usage, and growth in Chinese consumer spending power were all durable long-term tailwinds benefitting the company during the fiscal period. Alibaba has attempted to seize the opportunity by using data to improve targeting and increasingly consummating transactions through Alipay, its leading mobile payment offering.

- Facebook continued to grow advertising revenue and take share in the online digital marketing space. The company delivered an unprecedented global reach of approximately 30% of the earth's population to advertisers in a measurable way. Facebook's user growth remained stunning despite its scale, and Instagram's Stories format was a resounding success in fighting off competitors like Snapchat.

The largest detractors from performance were Pioneer National Resources Company and Core Laboratories.

- Pioneer National Resources has amassed valuable, contiguous acreage in the Midland Basin which, with the discovery of fracking and horizontal drilling techniques, has become one of the most prolific and lowest cost basins in the U.S. With upwards of eight billion barrels of oil equivalent in reserves, Pioneer has decades of inventory to drill and had one of the strongest balance sheets in the energy complex for the fiscal period, with investment grade debt and an industry-low debt-to-equity ratio. Early in the third quarter, the company reported issues with pressure in larger fields which required additional per-well development costs and weighed on the shares. While it does not change the ultimate size of the asset, the additional costs and delays forced Pioneer to trim guidance for the current year.

- Core Laboratories' shares suffered from lower commodity prices and from a short seller's report claiming the company misrepresented its end-market exposure and its cyclical nature.

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.

Ticker Symbols:

A Share: PSTAX

C Share: SSTFX

I Share: PLXGX

KAR Capital Growth Fund (Continued)

Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

Limited Number of Investments: Because the Fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.

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.

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Information Technology	42%
Consumer Discretionary	24
Health Care	11
Consumer Staples	7
Industrials	6
Financials	5
Energy	3
Other (includes short-term investments)	2
Total	<u>100%</u>

KAR Capital Growth Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years
Class A shares at NAV ²	22.53%	14.51%	6.39%
Class A shares at POP ^{3,4}	15.48	13.16	5.76
Class C shares at NAV ² and with CDSC ⁴	21.65	13.63	5.60
Class I shares at NAV ²	22.85	14.79	6.67
Russell 1000 [®] Growth Index	21.94	15.26	9.08

Fund Expense Ratios⁵: Class A Shares: 1.30%; Class C Shares: 2.11%; Class I Shares: 1.06%.

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 fund 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 5.75% sales charge.

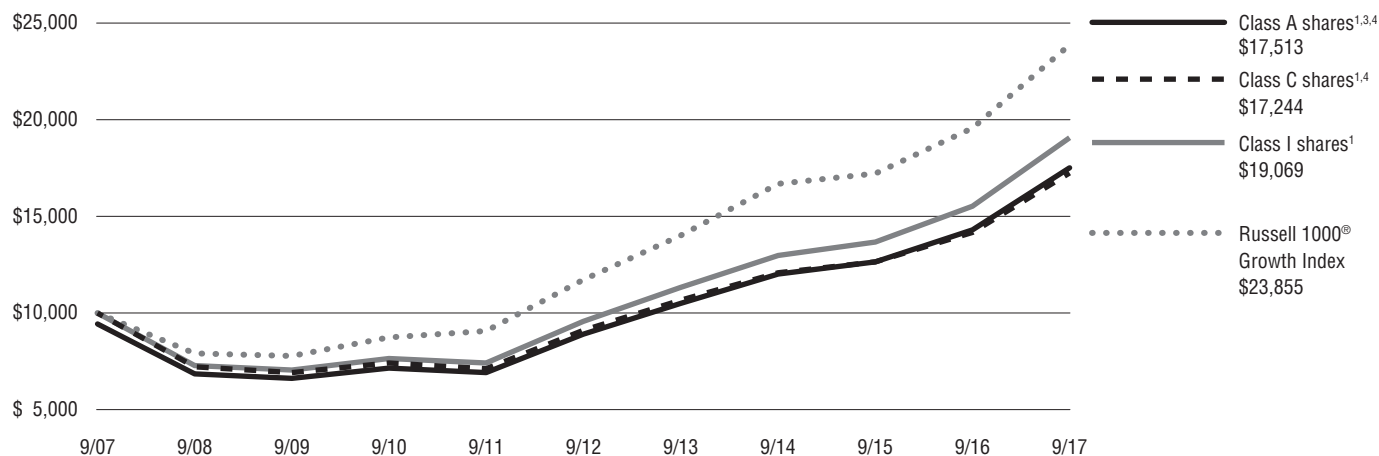
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

⁶ The total return for Class A presented in the Financial Highlights section of the report differs from that presented on page 9. The total return for the Financial Highlights is calculated based on the NAV at which shareholder transactions were processed, but also takes into account certain adjustments that are necessary under U.S. generally accepted accounting principles required in the annual report and semi-annual report.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares, Class C shares, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain 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.

KAR Global Quality Dividend Fund

Fund Summary (Unaudited)

Ticker Symbols:

A Share: PPTAX

C Share: PPTCX

I Share: PIPTX

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

- The Fund is diversified and has an investment objective of total return, consisting of both capital appreciation and current income. *There is no guarantee that the Fund will meet its objective.*
- Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.
- For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 4.31%*, Class C shares at NAV returned 3.86%* and Class I shares at NAV returned 4.41%*. For the same period, the Russell Developed Large Cap Index (net), which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 9.12%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

- The six-month fiscal period was a good environment for stock markets overall. Domestically, smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71% for the six months. Growth stocks continued to outpace value stocks, with the Russell 1000® Growth Index up 10.84% and the Russell 1000® Value Index advancing 4.50%. International markets were stronger than the U.S. during the period, with the MSCI EAFE® Index (net) up 12.18% and the MSCI Emerging Markets Index up 14.93%.

- During the fiscal period, the best performing sectors in the Russell Developed Large Cap Index were information technology, materials, and industrials. The worst performing sectors were energy, consumer staples, and telecommunication services.
- Despite being in the midst of a raging bull market, we were dealing with a multitude of negative issues including historic natural disasters, potential nuclear war, deadly violence over Civil War monuments, senseless mass shootings, and rigged elections the world over, all of which provided seemingly endless sources of unease. Yet the S&P 500® Index put up its eighth straight quarterly advance, with a serene average daily change of just 0.3%, the lowest since 1968.
- A number of factors continued to paint a positive backdrop for equities. Interest rates remained subdued as the lack of inflation weighed on long-term rates and limited what the Federal Reserve (Fed) could do with short-term rates. Domestic unemployment remained low, wages were on the rise, and home prices continued to appreciate, putting the consumer on solid footing. A synchronized global pickup reduced the risk of contagion from weakness elsewhere in the world.

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

- The Fund underperformed the Russell Developed Large Cap Index for the six-month fiscal period ended September 30, 2017. The underperformance was driven by negative stock selection in the consumer staples sector, and by negative stock selection and an underweight exposure in the information technology sector. Positive stock selection in financials and energy contributed to performance.

For the reporting period, the largest contributors to performance were HSBC and Royal Dutch Shell.

- HSBC performed well as an improving global economy led to strong demand for loans and to higher interest rates, which both contributed to strong revenue growth.
- Royal Dutch Shell outperformed as energy prices rose during the period, and contributed to the strong performance.

The largest detractors from performance during the period were Altria Group and Meredith.

- Altria Group was negatively impacted by a U.S. Food and Drug Administration (FDA) announcement regarding nicotine levels in cigarettes.

- Meredith's shares suffered during the period as many investors had anticipated that its acquisition of TIME, Inc. would be a positive for the company. However, in April 2017, TIME announced that it was no longer for sale.

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.

Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Limited Number of Investments: *Because the Fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.*

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.*

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Financials	18%
Telecommunication Services	14
Utilities	10
Energy	9
Consumer Staples	9
Health Care	9
Real Estate	8
Other (includes short-term investment)	23
Total	100%

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 4.

KAR Global Quality Dividend Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years	Since Inception	Inception Date
Class A shares at NAV ²	12.54%	10.65%	3.92%	—	—
Class A shares at POP ^{3,4}	6.07	9.34	3.31	—	—
Class C shares at NAV ² and with CDSC ⁴	11.62	9.80	3.13	—	—
Class I shares at NAV ²	12.78	10.90	—	6.33%	6/6/08
Russell Developed Large Cap Index (net)	18.28	11.23	4.44	8.58 ⁵	—
Global Quality Dividend Linked Benchmark	21.72	14.47	6.51	5.57 ⁵	—

Fund Expense Ratios⁶: Class A Shares: Gross 1.44%, Net 1.35%; Class C Shares: Gross 2.21%, Net 2.10%; Class I Shares: Gross 1.21%, Net 1.10%.

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 fund 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 5.75% sales charge.

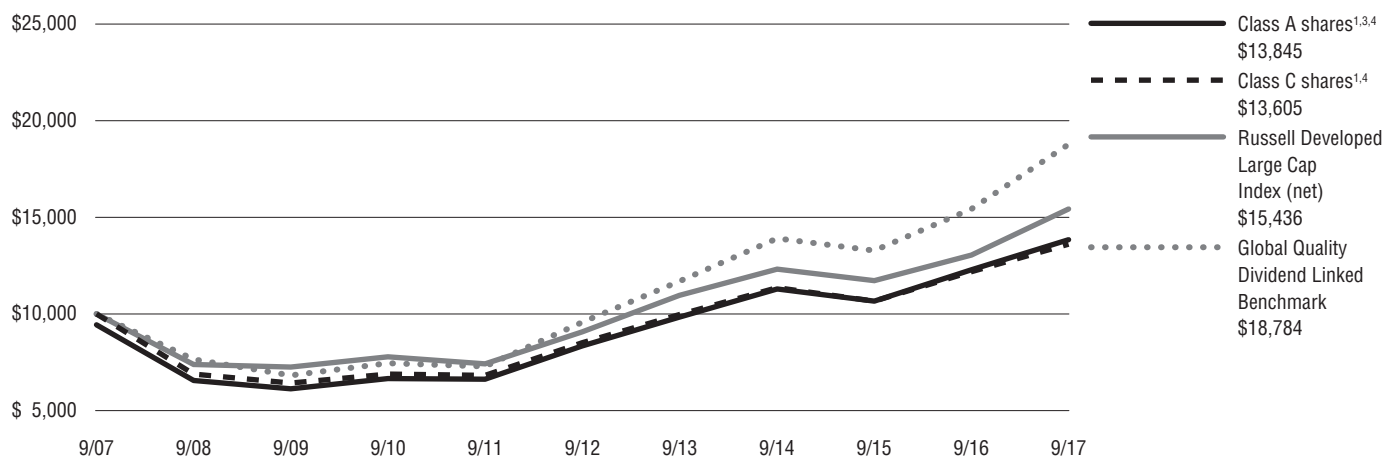
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The index returns are from Class I shares' inception date.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver, in effect through July 31, 2018. 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 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares and Class C shares including any applicable sales charges or fees. The performance of the other share class may be greater or less than that shown based on differences in inception date, fees and sales charges. Performance assumes reinvestment of dividends and capital gain 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.

KAR Mid-Cap Core Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

■ The Fund is diversified and has an investment objective of long-term capital appreciation. *There is no guarantee that the Fund will meet its objective.*

■ Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.

■ For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 8.70%*, Class C shares at NAV returned 8.28%* and Class I shares at NAV returned 8.82%*. For the same period, the Russell Midcap® Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 6.27%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

■ The six-month fiscal period was a good environment for the U.S. stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71% and the Russell Midcap® Index return of 6.27% for the six months. Growth stocks continued to outpace value stocks, with the Russell Midcap® Growth Index up 9.72% and the Russell Midcap® Value Index advancing 3.54%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.

■ During the fiscal period, the best performing sectors in the Russell Midcap® Index were technology, producer durables, and health care. The worst

performing sectors were energy, consumer staples, and consumer discretionary.

■ Despite the change of administration in Washington, D.C., there was no substantial legislation from the Republican-controlled White House and Congress. The repeal of the Affordable Care Act was pushed aside to focus on tax reform. The market reacted positively to tax plan outlines put forth by the White House.

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

■ The Fund outperformed the Russell Midcap® Index for the six-month fiscal period ended September 30, 2017. The outperformance was driven by strong stock selection in the consumer discretionary and producer durables sectors. Negative stock selection in financials and materials and processing detracted from performance.

For the reporting period, the largest contributors to performance were AMETEK and WABCO Holdings.

■ AMETEK's stock outperformed due to improving energy and industrial end markets. The company benefited from a differentiated, technical product portfolio and superior capital allocation.

■ WABCO Holdings' shares increased during the period after the company reported sales results that were above expectations and management increased its profit guidance for the year. WABCO benefited from new safety standards that were implemented in key markets like the U.S. and China, and from an improving economy in Europe.

The largest detractors from performance were Signature Bank and Bank of the Ozarks.

■ Signature Bank's shares came under pressure as short-term interest rate increases by the Federal Reserve (Fed) and low long-term rates compressed the bank's net interest margin. In addition, increased loan prepayments made management cautious about hitting their net loan growth targets for the year. Despite these near-term headwinds, we view Signature Bank as one of the most efficient banks in the U.S. due to its loan growth and profitability metrics.

■ Bank of the Ozarks' shares suffered from a slower-than-expected rolling back of regulations for financial institutions. In addition, the Fed did not appear

ready to accelerate its schedule of short-term rate hikes while long-term rates remained low. While these macro issues pressured all bank stocks, Bank of the Ozarks also struggled with the continuation of a multi-quarter slowdown in loan volumes. While slower loan growth disappointed some investors, we remain focused on credit metrics and profitability – both of which remain well above peers.

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Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Limited Number of Investments: *Because the Fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.*

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.*

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

Asset Allocations

The following table presents the portfolio holding within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Industrials	22%
Information Technology	19
Health Care	14
Financials	13
Consumer Discretionary	10
Consumer Staples	7
Materials	4
Other (includes short-term investments)	11
Total	100%

KAR Mid-Cap Core Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 year	Since Inception	Inception Date
Class A shares at NAV²	17.58%	14.38%	15.05%	6/22/09
Class A shares at POP^{3,4}	10.82	13.03	14.23	6/22/09
Class C shares at NAV² and with CDSC⁴	16.68	13.53	14.18	6/22/09
Class I shares at NAV²	17.84	14.65	15.32	6/22/09
Russell Midcap[®] Index	15.32	14.26	16.93⁵	—

Fund Expense Ratios⁶: Class A shares: Gross 1.51%, Net 1.20%; Class C shares: Gross 2.29%, Net 1.95%; Class I shares: Gross 1.28%, Net 0.95%.

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 fund 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 5.75% sales charge.

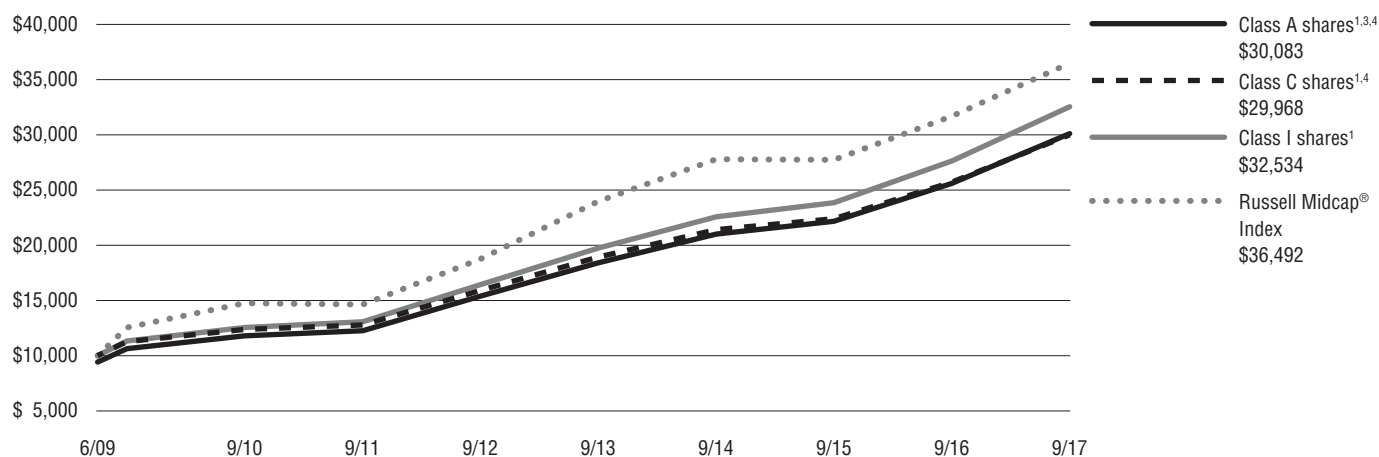
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The index returns are from the Fund's inception date.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver, in effect through July 31, 2018. 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 9/30

This chart assumes an initial investment of \$10,000 made on June 22, 2009 (inception date of the Fund), for Class A shares, Class C shares, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain 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.

KAR Mid-Cap Growth Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

- The Fund is diversified and has an investment objective of capital appreciation. *There is no guarantee that the Fund will meet its objective.*
- Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.
- For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 13.48%*, Class C shares at NAV returned 13.01%*, and Class I shares at NAV returned 13.58%*. For the same period, the Russell Midcap® Growth Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 9.72%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

- The six-month fiscal period was a good environment for the U.S stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71% and the Russell Midcap® Index return of 6.27% for the six months. Growth stocks continued to outpace value stocks, with the Russell Midcap® Growth Index up 9.72% and the Russell Midcap® Value Index advancing 3.54%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.
- During the fiscal period, the best performing sectors in the Russell Midcap® Growth Index were

utilities, information technology, and financials. The worst performing sectors were energy, consumer staples, and consumer discretionary.

- Despite being in the midst of a raging bull market, we were dealing with a multitude of negative issues including historic natural disasters, potential nuclear war, deadly violence over Civil War monuments, senseless mass shootings, and rigged elections the world over, all of which provided seemingly endless sources of unease. Yet the S&P 500® Index put up its eighth straight quarterly advance, with a serene average daily change of just 0.3%, the lowest since 1968.
- A number of factors continued to paint a positive backdrop for equities. Interest rates remained subdued as the lack of inflation weighed on long-term rates and limited what the Federal Reserve (Fed) could do with short-term rates. Domestic unemployment remained low, wages were on the rise, and home prices continued to appreciate, putting the consumer on solid footing. A synchronized global pickup reduced the risk of contagion from weakness elsewhere in the world.

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

- The Fund outperformed the Russell Midcap® Growth Index for the six-month fiscal period ended September 30, 2017. The outperformance was driven by strong stock selection and an overweight exposure in the information technology sector, as well as strong stock selection in the consumer discretionary sector. Negative stock selection in the financials sector and an overweight exposure to energy detracted from performance.

For the reporting period, the largest contributors to performance were Autohome and Kite Pharma.

- Autohome reported robust revenue growth and profit improvement that surpassed expectations, as its financial results continued to benefit from the secular shift of advertising budgets from offline to online media. It is worth noting that just before the end of the fiscal period, two senior executives at Autohome resigned for personal reasons. Based on follow-up conversations we had with the company, these departures were not related to the fundamentals of the business, and management planned to maintain the current corporate strategy.

Therefore, given Autohome's strong competitive positioning, improved capital allocation and the expected long-term growth of the Chinese car market, the Fund remained invested in the business as of the end of the period.

- Kite Pharma was acquired by Gilead Sciences in the third quarter of 2017 at a 29% premium to the previous closing price. Shares tripled from the start of 2017 through September 30, 2017.

The largest detractors from performance were Ellie Mae and MSC Industrial Direct.

- Ellie Mae reported slightly weaker-than-expected results and lowered guidance for 2017. The company underestimated the impact of the material drop-off in refinance loan volume in 2017 and the associated impact on closed-loan fees. Additionally, Ellie Mae saw delayed revenue due to longer implementation times for recent deals with larger customers.
- MSC Industrial, as with all industrial distributors, benefits greatly from inflation, which helps to create pricing power. Not only was inflation absent during the fiscal period, increasingly transparent online models created an environment of price deflation within the group.

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Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Limited Number of Investments: *Because the Fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.*

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.*

Ticker Symbols:

A Share: PHSKX

C Share: PSKCX

I Share: PICMX

KAR Mid-Cap Growth Fund (Continued)

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Information Technology	32%
Consumer Discretionary	25
Health Care	14
Consumer Staples	8
Financials	8
Industrials	7
Energy	3
Other (includes short-term investment)	<u>3</u>
Total	<u><u>100%</u></u>

KAR Mid-Cap Growth Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years
Class A shares at NAV²	20.99%	11.57%	5.20%
Class A shares at POP^{3,4}	14.03	10.26	4.58
Class C shares at NAV² and with CDSC⁴	20.04	10.74	4.42
Class I shares at NAV²	21.29	11.85	5.47
Russell Midcap[®] Growth Index	17.82	14.18	8.20

Fund Expense Ratios⁵: Class A shares: Gross 1.49%, Net 1.40%; Class C shares: Gross 2.34%, Net 2.15%; Class I shares: Gross 1.27%, Net 1.15%.

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 fund 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.

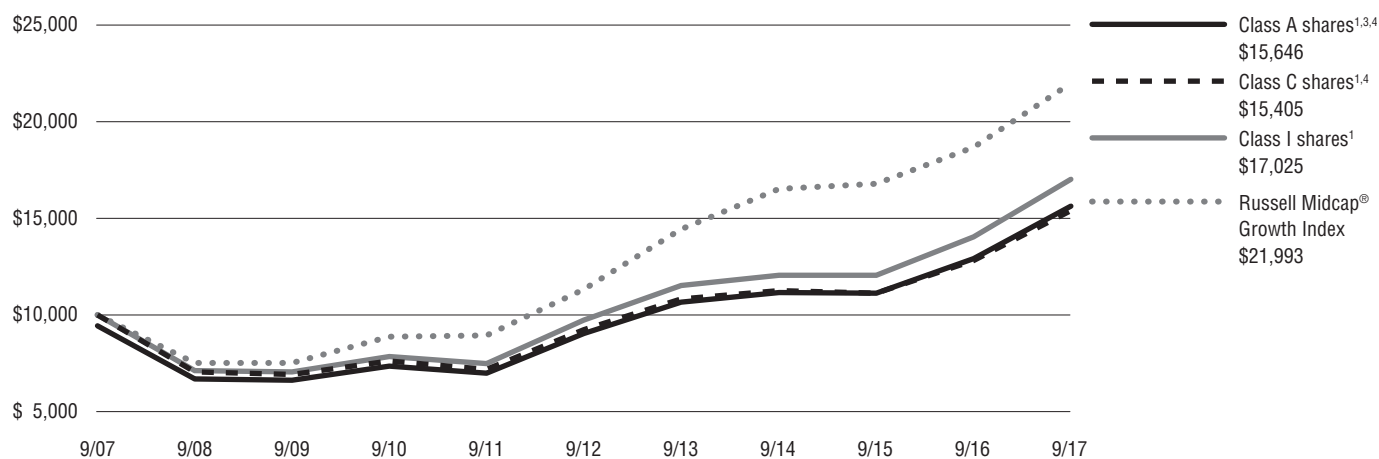
³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 5.75% sales charge.

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 July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver, in effect through July 31, 2018. 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 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares, Class C shares and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain 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.

KAR Small-Cap Core Fund

Fund Summary (Unaudited)

Ticker Symbols:
 A Share: PKSAX
 C Share: PKSCX
 I Share: PKSFX
 R6 Share: VSCRX

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

■ The Fund is diversified and has an investment objective of long-term capital appreciation, with dividend income a secondary consideration. *There is no guarantee that the Fund will meet its objective.*

■ Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.

■ For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 15.92%*, Class C shares at NAV returned 15.47%*, Class I shares at NAV returned 16.10%*, and Class R6 shares at NAV returned 16.14%*. For the same period, the Russell 2000® Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 8.27%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

■ The six-month fiscal period was a good environment for the U.S. stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71%. Growth stocks continued to outpace value stocks, with the Russell 2000® Growth Index up 10.88% and the Russell 2000® Value Index advancing 5.81%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.

■ During the fiscal period, the best performing sectors in the Russell 2000® Index were health care, producer durables, and technology. The worst performing sectors were energy, consumer staples, and materials and processing.

■ Despite the change of administration in Washington, D.C., there was no substantial legislation from the Republican-controlled White House and Congress. The repeal of the Affordable Care Act was pushed aside to focus on tax reform. The market reacted positively to tax plan outlines put forth by the White House.

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

■ The Fund outperformed the Russell 2000® Index for the six-month period ended September 30, 2017. The outperformance was driven by strong stock selection in the technology and consumer discretionary sectors. Negative stock selection and an underweight exposure in health care, as well as an underweight exposure in energy, detracted from performance.

For the reporting period, the largest contributors to performance were Autohome and Fox Factory Holding.

■ Autohome reported robust revenue growth and profit improvement that surpassed expectations, as its financial results continued to benefit from the secular shift of advertising budgets from offline to online media. It is worth noting that just before the end of the period, two senior executives at Autohome resigned for personal reasons. Based on follow-up conversations we had with the company, these departures were not related to the fundamentals of the business, and management planned to maintain the current corporate strategy. Therefore, given Autohome's strong competitive positioning, improved capital allocation, and the expected long-term growth of the Chinese car market, the Fund remained invested in the business as of the end of the period.

■ Fox Factory's growth accelerated due to new model specification wins in its mountain bike segment and the initiation of production of on-road sports trucks by its original equipment manufacturer customers.

The largest detractors from performance were Dril-Quip and Core Laboratories.

■ Dril-Quip's shares lagged, driven by continuous weakness in deep water drilling activity due to depressed crude oil prices. Our favorable view of the company's competitive positioning remained intact, however. Dril-Quip has a long-term track record of disciplined capital allocation, with a focus on organic growth and returning excess cash to shareholders, and the company's balance sheet was debt-free during the period.

■ Core Labs' shares lagged due to challenging operating conditions resulting from lower crude oil prices. However, we continued to believe in the company's long-term market positioning. Core Labs, which has been recognized as the industry's innovation leader, introduced a number of revolutionary products during the period. The company remained a strong free-cash-flow generator, as it returned excess cash to shareholders in the form of cash dividends and share repurchases.

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Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

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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.*

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

Asset Allocations

The following table presents the portfolio holding within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Industrials	30%
Information Technology	20
Financials	15
Consumer Discretionary	12
Energy	5
Real Estate	4
Health Care	3
Other (includes short-term investment)	11
Total	100%

KAR Small-Cap Core Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years	Since Inception	Inception Date
Class A shares at NAV²	30.53%	14.65%	9.40%	—	—
Class A shares at POP^{3,4}	23.02	13.30	8.76	—	—
Class C shares at NAV² and with CDSC⁴	29.55	13.80	8.59	—	—
Class I shares at NAV²	30.90	14.93	9.69	—	—
Class R6 shares at NAV²	30.97	—	—	14.82%	11/12/14
Russell 2000[®] Index	20.74	13.79	7.85	9.80⁵	—

Fund Expense Ratios⁶: Class A shares: 1.37%; Class C shares: 2.11%; Class I shares: 1.10%; Class R6 shares: 1.00%.

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 fund 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 5.75% sales charge.

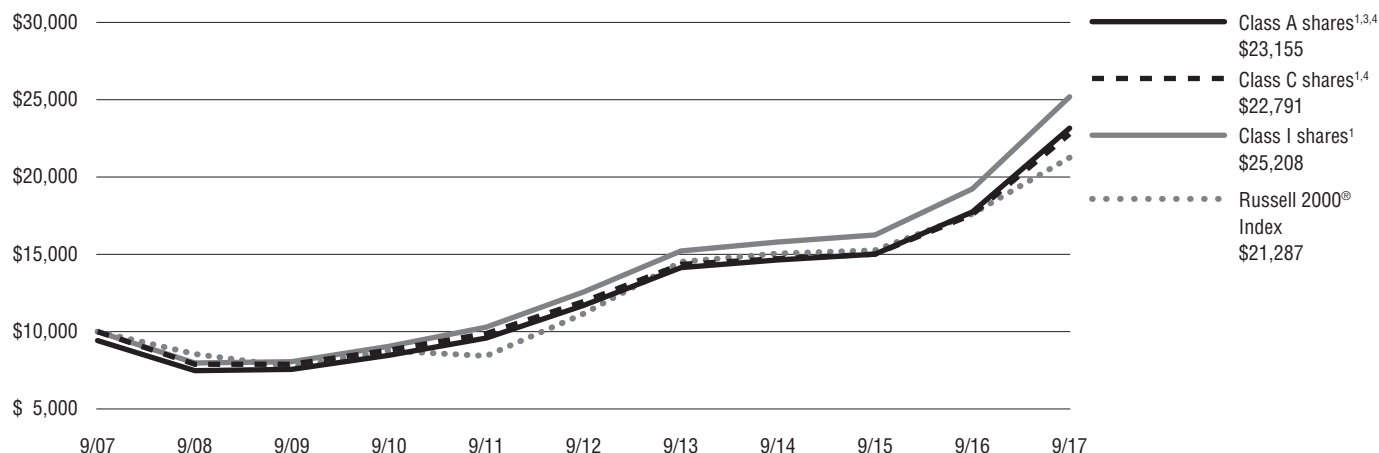
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The index returns are from Class R6 shares' inception date.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares, Class C shares, and Class I shares including any applicable sales charges or fees. The performance of the other share class may be greater or less than that shown based on differences in inception dates, fees, and sales charges. Performance assumes reinvestment of dividends and capital gain 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.

KAR Small-Cap Growth Fund

Fund Summary (Unaudited)

Ticker Symbols:

A Share: PSGAX

C Share: PSGCX

I Share: PXSGX

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

■ The Fund is diversified and has an investment objective of long-term capital appreciation. *There is no guarantee that the Fund will meet its objective.*

■ Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.

■ For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 19.92%*⁺⁺, and Class C shares at NAV returned 19.92%*⁺⁺, and Class I shares at NAV returned 20.51%*⁺⁺. For the same period, the Russell 2000® Growth Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 10.88%*.

⁺⁺ See footnote 6 on page 22.

* Returns less 1 year are not annualized

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

■ The six-month fiscal period was a good environment for the U.S. stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71%. Growth stocks continued to outpace value stocks, with the Russell 2000® Growth Index up 10.88% and the Russell 2000® Value Index advancing 5.81%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.

■ During the fiscal period, the best performing sectors in the Russell 2000® Growth Index were health care, utilities, and producer durables. The

worst performing sectors were energy, consumer staples, and materials and processing.

■ Despite the change of administration in Washington, D.C., there was no substantial legislation from the Republican-controlled White House and Congress. The repeal of the Affordable Care Act was pushed aside to focus on tax reform. The market reacted positively to tax plan outlines put forth by the White House.

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

■ The Fund outperformed the Russell 2000® Growth Index for the six-month period ended September 30, 2017. The outperformance was driven by strong stock selection in the consumer discretionary and technology sectors. An underweight exposure in utilities detracted slightly from performance.

For the reporting period, the largest contributors to performance were Autohome and National Research.

■ Autohome reported robust revenue growth and profit improvement that surpassed expectations, as its financial results continued to benefit from the secular shift of advertising budgets from offline to online media. It is worth noting that just before the end of the period, two senior executives at Autohome resigned for personal reasons. Based on follow-up conversations we had with the company, these departures were not related to the fundamentals of the business, and management planned to maintain the current corporate strategy. Therefore, given Autohome's strong competitive positioning, improved capital allocation, and the expected long-term growth of the Chinese car market, the Fund remained invested in the business as of the end of the period.

■ National Research's shares increased after the company reported solid financial results, driven by new client wins and higher contracts with existing clients.

The largest detractors from performance were Ellie Mae and Financial Engines.

■ Ellie Mae reported slightly weaker-than-expected results and lowered guidance for 2017. The company underestimated the impact of the material drop-off in refinance loan volume in 2017 and the

associated impact on closed-loan fees. Additionally, Ellie Mae saw delayed revenue due to longer implementation times for recent deals with larger customers.

■ Financial Engine's shares suffered due to lower fees, higher spending on a new service offering, and moderating asset flows as withdrawals have begun to exceed contributions in the overall 401(k) retirement plan market due to the aging of the U.S. population.

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Information Technology	21%
Consumer Discretionary	20
Industrials	18
Financials	14
Health Care	7
Consumer Staples	6
Other (includes short-term investment)	14
Total	<u>100%</u>

KAR Small-Cap Growth Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 Years
Class A shares at NAV²	32.77%	19.00%	11.32%
Class A shares at POP^{3,4}	25.13	17.60	10.66
Class C shares at NAV² and with CDSC⁴	31.71	18.11	10.48
Class I shares at NAV²	33.08	19.29	11.50
Russell 2000[®] Growth Index	20.98	14.28	8.47

Fund Expense Ratios⁵: Class A shares: 1.49%; Class C shares: 2.25%; Class I shares: 1.25%.

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 fund 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 5.75% sales charge.

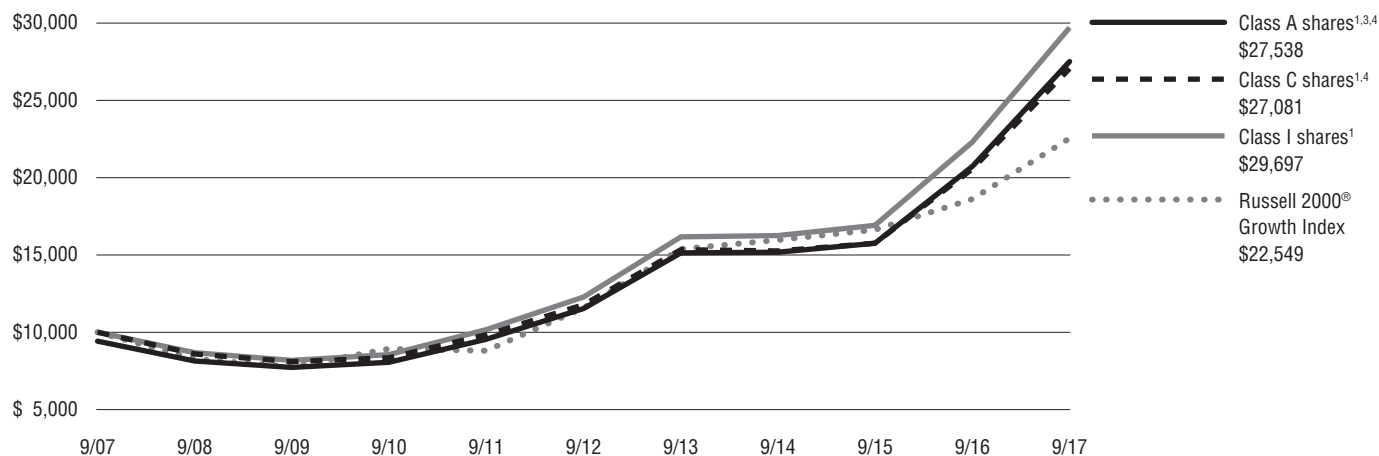
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

⁶ The total return for Class C and Class I presented in the Financial Highlights section of the report differs from that presented on page 21. The total return for the Financial Highlights is calculated based on the NAV at which shareholder transactions were processed, but also takes into account certain adjustments that are necessary under U.S. generally accepted accounting principles required in the annual report and semi-annual report.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares, Class C shares, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain 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.

KAR Small-Cap Value Fund

Fund Summary (Unaudited)

Ticker Symbols:
 A Share: PQSAX
 C Share: PQSCX
 I Share: PXQSX
 R6 Share: VQSRX

Portfolio Manager Commentary by Kayne Anderson Rudnick Investment Management, LLC

■ The Fund is diversified and has an investment objective of long-term capital appreciation. *There is no guarantee that the Fund will meet its objective.*

■ Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.

■ For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 8.56%*, Class C shares at NAV returned 8.17%*, Class I shares at NAV returned 8.72%*, and Class R6 shares, returned 8.78%*. For the same period, the Russell 2000® Value Index, which serves as the Fund's broad-based and style-specific benchmark appropriate for comparison, returned 5.81%*.

* Returns less than 1 year are not annualized.

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How did the markets perform during the six-month fiscal period ended September 30, 2017?

■ The six-month fiscal period was a good environment for the U.S. stock market overall. Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71%. Growth stocks continued to outpace value stocks, with the Russell 2000® Growth Index up 10.88% and the Russell 2000® Value Index advancing 5.81%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.

■ During the fiscal period, the best performing sectors in the Russell 2000® Value Index were health

care, producer durables, and consumer discretionary. The worst performing sectors were energy, consumer staples, and materials and processing.

■ Despite the change of administration in Washington, D.C., there was no substantial legislation from the Republican-controlled White House and Congress. The repeal of the Affordable Care Act was pushed aside to focus on tax reform. The market reacted positively to tax plan outlines put forth by the White House.

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

■ The Fund outperformed the Russell 2000® Value Index for the six-month period ended September 30, 2017. The outperformance was driven by strong stock selection in the consumer staples and producer durables sectors. Negative stock selection in consumer discretionary and health care detracted from performance.

For the reporting period, the largest contributors to performance were National Beverage and Thor Industries.

■ Robust sales of National Beverage's La Croix brand fueled positive performance, as the company reported strong growth in consolidated revenue and earnings per share in the third quarter of 2017.

■ Thor's stock increased as sales for both Thor and the recreational vehicle industry surpassed the prior peak, which was reached in 2006. Shares also benefited from positive reactions to the company's acquisition of competitor Jayco. That acquisition was reasonably priced, gave Thor additional scale, and increased its mix in the fast-growing towable segment.

The largest detractors from performance were Cheesecake Factory and Cinemark Holdings.

■ Cheesecake Factory reported somewhat weaker-than-expected results in the third quarter of 2017. The company experienced weakness in its lunch business, which may have stemmed from the challenges in mall traffic. We met with management and were impressed with the company's operating improvements, as well as incremental opportunities to drive top-line growth.

■ Cinemark's underperformance was driven by a generally weaker slate of films in 2017 relative to the record performance in 2016. Cinemark delivered box office growth in excess of the industry, which drove strong growth in concession sales. But investors were concerned about recent discussions surrounding shrinking windows, which give exhibitors exclusive rights to show a film in a set period.

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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.*

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

Asset Allocations

The following table presents the portfolio holding within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Industrials	19%
Consumer Discretionary	14
Financials	14
Information Technology	14
Real Estate	12
Consumer Staples	7
Health Care	6
Other (includes short-term investment)	14
Total	<u>100%</u>

KAR Small-Cap Value Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years	Since Inception	Inception Date
Class A shares at NAV²	26.08%	15.40%	8.24%	—	—
Class A shares at POP^{3,4}	18.83	14.04	7.60	—	—
Class C shares at NAV² and with CDSC⁴	25.22	14.55	7.44	—	—
Class I shares at NAV²	26.48	15.70	8.52	—	—
Class R6 shares at NAV²	—	—	—	32.25%	11/3/16
Russell 2000[®] Value Index	20.55	13.27	7.14	27.87⁵	—

Fund Expense Ratios⁶: Class A shares: 1.34%; Class C shares: 2.06%; Class I shares: 1.05%; Class R6 shares: 0.96%.

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 fund 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 5.75% sales charge.

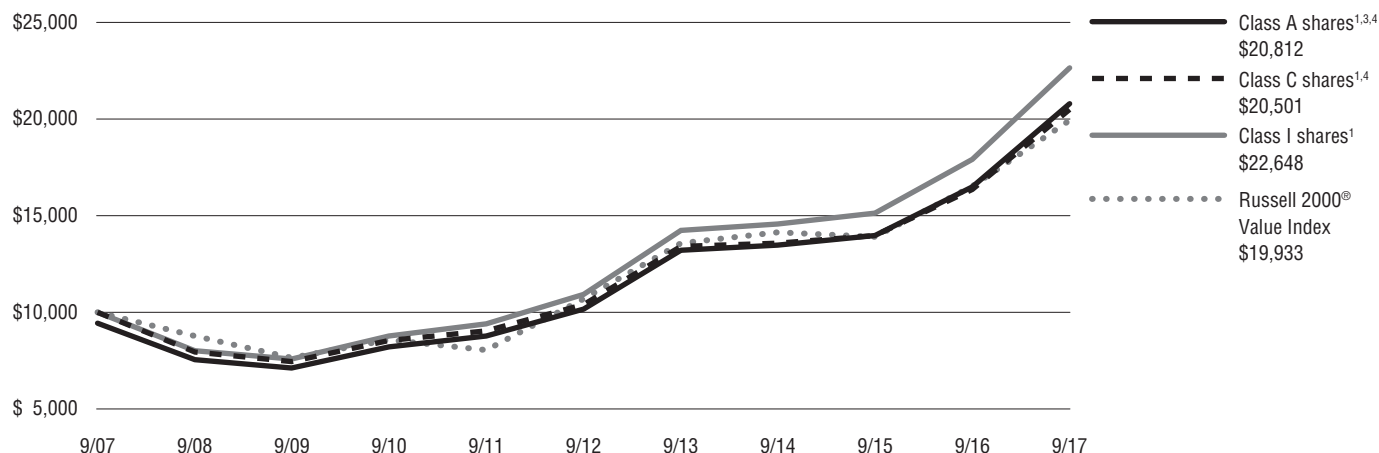
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The index return is from Class R6 shares' inception date.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares, Class C shares, and Class I shares including any applicable sales charges or fees. The performance of the other share class may be greater or less than that shown based on differences in inception dates, fees, and sales charges. Performance assumes reinvestment of dividends and capital gain 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.

Rampart Enhanced Core Equity Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Rampart Investment Management Company, LLC

■ **Rampart Enhanced Core Equity Fund (the “Fund”)** is diversified and has investment objectives of capital appreciation and current income. *There is no guarantee that the Fund will meet its objectives.*

■ Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.

■ For the fiscal period April 1 through September 30, 2017, the Fund’s Class A shares at NAV returned 9.26%*, Class C shares returned 8.91%*++ and Class I shares returned 9.41%*. For the same period, the S&P 500® Index, which serves as the Fund’s broad-based and style-specific benchmark appropriate for comparison, returned 7.71%*.

* Returns less than 1 year are not annualized.

++ See footnote 7 on page 26.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

■ The six months ended September 30, 2017, stand as a textbook example of a bull market for U.S. large-cap equities. The total return for the S&P 500® Index over the time period was nearly 8% – about double the historical average – and volatility was less than half the historical average.

■ The U.S. stock market has shown an uncanny ability to shrug off or ignore potential catalysts for selling. The market has absorbed, in no particular order, several devastating hurricanes, an extremely tense domestic political environment, a series of legislative stalemates, and the outright threat of nuclear war. In our historical research, and in our practical experience, we find that there is a self-reinforcing mechanism that tends to perpetuate risk states. In stressed market environments, relatively mundane events can contribute to an overall sense of unease, leading to a continuing cascade of selling and reducing risk, which can become a

self-perpetuating cycle. Similarly, in a low volatility environment, market reactions to otherwise serious events can become muted. In the current market, however, the weekly (if not daily) drip of potentially market-moving events has largely been ignored.

■ There are numerous theories that seek to explain the strength and resilience of the current bull market – which is currently older than most third-grade students. Our belief is that the forthcoming activity by the Federal Reserve (“the Fed”) has the potential to shape the stock market landscape for years to come, making it a more important factor than others such as the political climate. The track record of bull markets during rising interest rate environments is not a good one. While rising rates is neither a necessary nor sufficient factor for a bear market, it is one more hurdle for an aging bull market to clear.

What factors affected the Fund’s performance during the fiscal period?

■ The Fund outperformed the S&P 500® Index by 1.71% for the six-month fiscal period ended September 30, 2017, gaining 9.41% versus 7.71% for the index. This relative outperformance was driven by a continuing series of successful volatility investments during the period.

■ The Fund has two performance drivers. The first is an equity portfolio that is intended to closely track the S&P 500® Index, with occasional small tactical tilts at the sector level. As expected, during the six-month period, the equity portfolio neither added to nor detracted from performance relative to the index.

■ The second performance driver – and the only expected source of outperformance – is the Fund’s volatility trading strategy. This strategy seeks to generate additional income by extracting value from the difference between implied volatility, as measured by the CBOE Volatility Index®, and the volatility level that actually occurs in market performance. The Fund therefore sells short-dated S&P 500® Index-linked put and call spreads several times each week. The short option in each spread earns an upfront cash premium. A portion of this cash is used to buy additional options that seek to contain losses during extreme market events. This strategy effectively monetizes the widely observed premium that the broader market is willing to pay for certain index options.

■ During the fiscal period, the Fund’s options trading strategy provided consistent outperformance over the index. While we expect the Fund to experience

occasional larger losses, the vast majority of options trades that expired during the six-month period were successful, and the few losses were relatively small.

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.

Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Call/Put Spreads: *Buying and selling call and put option spreads on the S&P 500® Index risks the loss of the premium when buying, can limit upside participation and increase downside losses.*

Fund of Funds: *Because the Fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).*

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 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 Allocations

The following table presents the portfolio holding within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Information Technology	23%
Financials	17
Health Care	15
Consumer Discretionary	11
Industrials	9
Consumer Staples	8
Energy	6
Other (includes purchased and written options)	11
Total	<u>100%</u>

Rampart Enhanced Core Equity Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years	Since Inception	Inception Date
Class A shares at NAV²	23.39%	13.76%	6.70%	—	—
Class A shares at POP^{3,4}	16.29	12.42	6.07	—	—
Class C shares at NAV² and with CDSC⁴	22.50	12.91	5.90	—	—
Class I shares	23.74	14.02	—	7.26%	11/13/07
S&P 500[®] Index	18.61	14.22	7.44	7.83⁵	—

Fund Expense Ratios⁶: Class A shares: Gross 1.37%, Net 1.21%; Class C shares: Gross 2.14%, Net 1.96%; Class I shares: Gross 1.13%, Net 0.96%.

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 fund 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 5.75% 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.

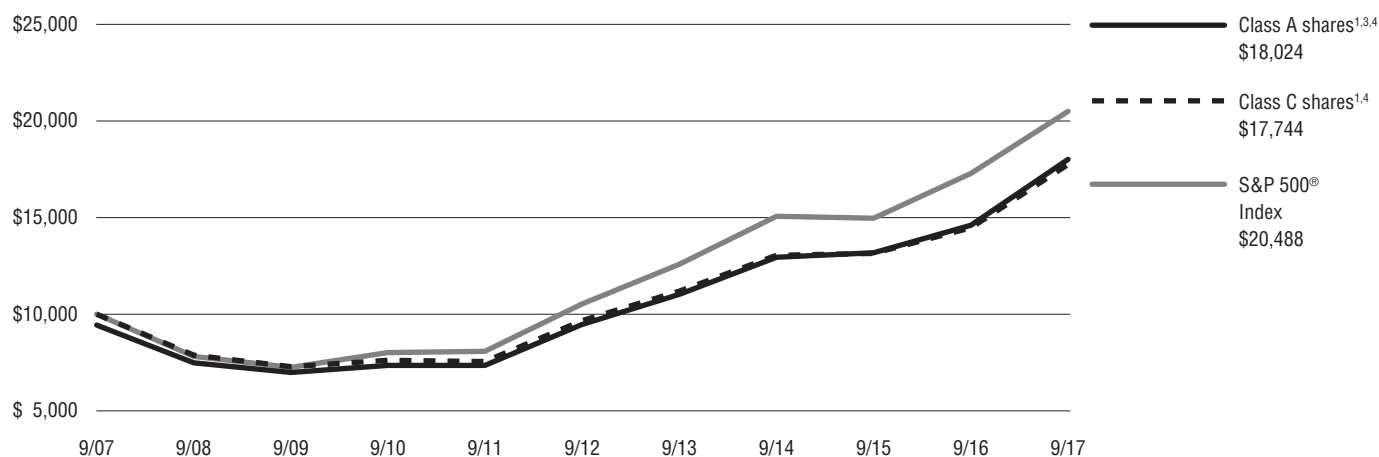
⁵ The index return is from class I shares' inception date.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver, in effect through July 31, 2018. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

⁷ The total return for Class C presented in the Financial Highlights section of the report differs from that presented on page 25. The total return for the Financial Highlights is calculated based on the NAV at which shareholder transactions were processed, but also takes into account certain adjustments that are necessary under U.S. generally accepted accounting principles required in the annual report and semi-annual report.

Growth of \$10,000 For periods ended 9/31

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares and Class C shares including any applicable sales charges or fees. The performance of the other share class may be greater or less than that shown based on differences in inception date, fees and sales charges. Performance assumes reinvestment of dividends and capital gain 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.

Tactical Allocation Fund

Fund Summary (Unaudited)

Portfolio Managers Commentaries by Duff & Phelps Investment Management Co. (International Equity Portfolio), Kayne Anderson Rudnick Investment Management, LLC (Domestic Equity Portfolio) and Newfleet Asset Management, LLC (Fixed Income Portfolio)

- The Fund is diversified and has investment objectives of capital appreciation and income. *There is no guarantee that the Fund will meet its objectives.*
- Effective September 21, 2017 the Fund changed its fiscal year end from March 31 to September 30. As a result, the commentary addresses six months of performance from April 1, 2017 to September 30, 2017.
- For the fiscal period April 1 through September 30, 2017, the Fund's Class A shares at NAV returned 9.25%*, and Class C shares at NAV returned 8.80%*. For the same period, the Russell 1000® Growth Index, a broad-based U.S. equity index, returned 10.84%*; the MSCI EAFE® Index (net) a broad-based International Index returned 11.86%*; the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 2.31%*; and the Tactical Allocation Fund Linked Benchmark, the Fund's style-specific benchmark, returned 7.52%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales changes. 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 six-month fiscal period ended September 30, 2017?

U.S. Equities

- The six-month fiscal period was a good environment for the U.S. stock market overall.

Smaller-capitalization stocks outperformed their larger counterparts, with the Russell 2000® Index up 8.27% versus the S&P 500® Index return of 7.71% for the six months. Growth stocks continued to outpace value stocks, with the Russell 1000® Growth Index up 10.84% and the Russell 1000® Value Index advancing 4.50%. Lower quality businesses, as measured by S&P Stock Rankings, outperformed their higher quality counterparts.

- During the fiscal period, the best performing sectors in the Russell 1000® Growth Index were utilities, information technology, and health care. The worst performing sectors were energy, consumer staples, and telecommunication services.
- Despite being in the midst of a raging bull market, we were dealing with a multitude of negative issues including historic natural disasters, potential nuclear war, deadly violence over Civil War monuments, senseless mass shootings, and rigged elections the world over, all of which provided seemingly endless sources of unease. Yet the S&P 500® Index put up its eighth straight quarterly advance, with a serene average daily change of just 0.3%, the lowest since 1968.
- A number of factors continued to paint a positive backdrop for equities. Interest rates remained subdued as the lack of inflation weighed on long-term rates and limited what the Federal Reserve (Fed) could do with short-term rates. Domestic unemployment remained low, wages were on the rise, and home prices continued to appreciate, putting the consumer on solid footing. A synchronized global pickup reduced the risk of contagion from weakness elsewhere in the world.

International Equities

- The international equity markets performed strongly during the six-month fiscal period ended September 30, 2017, with the MSCI EAFE® Index gaining 11.86%. Markets displayed ongoing resilience, posting two consecutive quarters with returns in excess of 5%. Mounting evidence of measured but steady global gross domestic product (GDP) growth was enough to overcome potentially disruptive events such as a weak U.S. dollar, natural disasters, and a tense situation in North Korea. The markets' resiliency in the face of such challenges underscores just how comfortable investors have become with being uncomfortable.

- Every sector in the MSCI EAFE® Index posted positive returns. The top performing sectors were information technology, materials, and industrials. The weakest performing sectors were telecommunications, real estate, and consumer staples. Broadly speaking, cyclical sectors led the charge over defensive sectors as markets marched higher. This reflected the positive trends in GDP growth.

Fixed Income

- Most spread sectors outperformed U.S. Treasuries during the six-month fiscal period ended September 30, 2017 as spreads tightened. The global growth outlook remained favorable and the search for yield persisted. Within most fixed income sectors, longer duration and lower quality assets were key drivers of performance.
- Still-accommodative monetary policy by the major central banks, a favorable global growth outlook, and better-than-expected Chinese data all provided a positive backdrop. Moderate economic growth in the U.S., good and modestly improving fundamentals, and strong technical factors also supported spread sector outperformance, as did the persistence of the global demand for yield. Periods of weakness within spread sectors were brief as investors waiting on the sidelines took advantage of any meaningful drop in prices to buy in, quickly reversing the declines.
- As anticipated, the Federal Reserve (Fed) raised its target rate 0.25% during the last six months to a range of 1.00% to 1.25%. During its September 2017 meeting, the Fed announced the start of its balance sheet reduction plan.

- Over the last six months, short-term interest rates rose more than long-term rates. This was due to the Fed rate hike and U.S. inflation data that was generally below expectations.

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

U.S. Equities

- The U.S. equity portfolio of the Fund underperformed the Russell 1000 Growth® Index for the six-month fiscal period ending September 30, 2017. The underperformance was driven by negative stock selection and an overweight exposure

Tactical Allocation Fund (Continued)

to the energy sector, and negative stock selection and an underweight exposure in health care.

Strong stock selection in the information technology and consumer staples sectors contributed positively to performance.

- For the reporting period, the largest contributors to performance were Alibaba and Facebook.

- Alibaba's two marketplaces, Taobao and Tmall.com, combine to form the largest online commerce company in the world. Management has committed to a number of social initiatives to further improve mobile monetization over time. Alibaba's marketplaces have huge network effects, and the company made efforts to foster the ecosystem with investments in payments and logistics partnerships. Taobao, in particular, has become a destination for consumers, merchants, and key opinion leaders to interact and engage in what Alibaba calls social commerce. E-commerce penetration, mobile usage, and growth in Chinese consumer spending power were all durable long-term tailwinds benefitting the company during the fiscal period. Alibaba has attempted to seize the opportunity by using data to improve targeting and increasingly consummating transactions through Alipay, its leading mobile payment offering.

- Facebook continued to grow advertising revenue and take share in the online digital marketing space. The company delivered an unprecedented global reach of approximately 30% of the earth's population to advertisers in a measurable way. Facebook's user growth remained stunning despite its scale, and Instagram's Stories format was a resounding success in fighting off competitors like Snapchat.

- The largest detractors from performance were Pioneer National Resources Company and Core Laboratories.

- Pioneer National Resources has amassed valuable, contiguous acreage in the Midland Basin which, with the discovery of fracking and horizontal drilling techniques, has become one of the most prolific and lowest cost basins in the U.S. With upwards of eight billion barrels of oil equivalent in reserves, Pioneer has decades of inventory to drill and had one of the strongest balance sheets in the energy complex for the fiscal period, with investment grade debt and an industry-low

debt-to-equity ratio. Early in the third quarter, the company reported issues with pressure in larger fields which required additional per-well development costs and weighed on the shares. While it does not change the ultimate size of the asset, the additional costs and delays forced Pioneer to trim guidance for the current year.

- Core Laboratories' shares suffered from lower commodity prices and from a short seller's report claiming the company misrepresented its end-market exposure and its cyclicality.

International Equities

- The Fund's international equity portfolio posted positive performance during the six-month fiscal period, but underperformed the international equity market, as measured by the MSCI EAFE® Index. Stock selection was the primary detractor from relative returns, while sector allocations had a modestly positive impact.

- Stock selection within energy, consumer discretionary, and materials weighed most heavily on the international portfolio's performance. Shares of specialty motion picture company IMAX Corp. fell more than 33% during the period, which resulted in the largest negative stock-level impact. We continued to own shares of IMAX in the portfolio though the end of the fiscal period, as we believe the selloff was not justified. Stock selection within the industrials, financials, and real estate sectors made a positive contribution, but it was not enough to offset the drag from elsewhere. The largest single-stock contribution to relative returns came from Irish clinical research organization Icon PLC, which rose more than 42% during the period.

- The sector allocations that contributed the most to the portfolio's relative performance were an overweight exposure to information technology, and underweight exposures to consumer staples and materials. However, the portfolio's underweight to the utilities and financials sectors, along with an overweight exposure to industrials, detracted modestly from sector allocation results.

- Two straight quarters of strong returns for the MSCI EAFE® Index created a challenging relative performance environment for the portfolio, given our core relative value style. We maintain our disciplined approach despite the headwinds.

Fixed Income

- The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the portfolio's outperformance for the period.
- Among fixed income sectors the portfolio's allocations to the corporate high yield and emerging markets high yield sectors were the largest positive contributors to performance for the fiscal period.
- During the period, the portfolio's allocations to corporate high quality and high yield bank loans were the largest detractors from performance.

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.

Equity Securities: *The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.*

Credit & Interest: *Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.*

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

Allocation: *The Fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.*

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.*

Tactical Allocation Fund (Continued)

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

Asset Allocations

The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at September 30, 2017.

Common Stocks		63%
Information Technology	22%	
Consumer Discretionary	13	
Healthcare	6	
All Other Sectors in Common Stocks	22	
Corporate Bonds and Notes		20
Energy	4	
Financials	4	
Consumer Discretionary	3	
All Other Sectors in Corporate Bonds and Notes	9	
Mortgage-Backed Securities		5
Foreign Government Securities		4
Loan Agreements		3
Other		<u>5</u>
Total		<u><u>100%</u></u>

Tactical Allocation Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/17

	1 year	5 years	10 years
Class A Shares at NAV²	12.99%	6.76%	5.03%
Class A Shares at POP^{3,4}	6.49	5.50	4.41
Class C Shares at NAV² and with CDSC⁴	12.13	5.94	4.25
Bloomberg Barclays U.S. Aggregate Bond Index	0.07	2.07	4.27
MSCI EAFE[®] Index (net)	19.10	8.38	1.34
Russell 1000[®] Growth Index	21.94	15.26	9.08
S&P 500[®] Index*	18.61	14.22	7.44
Tactical Allocation Fund Linked Benchmark*	12.37	8.76	6.48

Fund Expense Ratios⁵: Class A Shares: 1.36%; Class C Shares: 2.13%.

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 fund 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 5.75% sales charge.

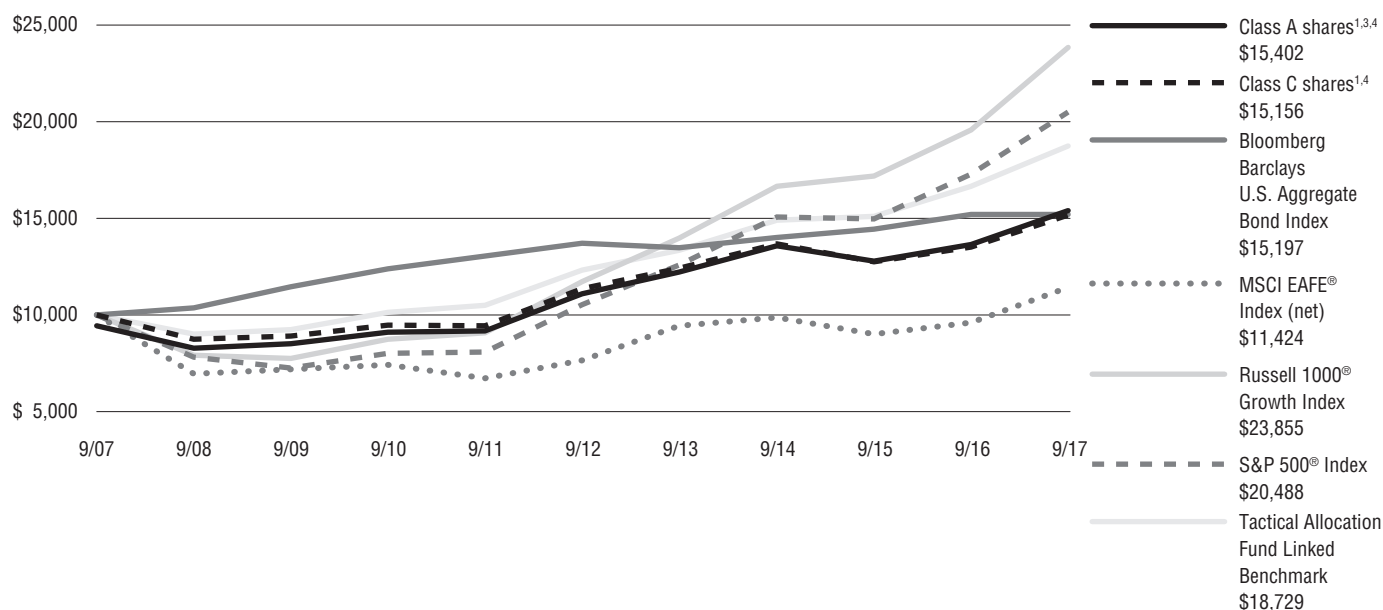
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within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

⁵ The expense ratios of the Fund are set forth in the prospectus for the Fund effective July 31, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

* The Tactical Allocation Fund Linked Benchmark no longer includes the S&P 500[®] Index.

Growth of \$10,000 For periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A shares and Class C shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their 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 4.

VIRTUS CONTRARIAN VALUE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

		SHARES	VALUE			SHARES	VALUE			SHARES	VALUE
COMMON STOCKS—100.2%											
Consumer Discretionary—12.7%											
Big Lots, Inc.		76,870	\$ 4,118								
Hanesbrands, Inc.		151,980	3,745								
Mattel, Inc.		140,570	2,176								
Target Corp.		101,320	5,979								
TJX Cos., Inc. (The)		78,780	5,808								
			<u>21,826</u>								
Consumer Staples—10.6%											
Conagra Brands, Inc.		232,020	7,828								
Koninklijke Ahold Delhaize N.V. Sponsored ADR		296,126	5,529								
Lamb Weston Holdings, Inc.		102,370	4,800								
			<u>18,157</u>								
Energy—11.4%											
Devon Energy Corp.		130,240	4,781								
Occidental Petroleum Corp.		117,460	7,542								
ONEOK, Inc.		130,170	7,213								
			<u>19,536</u>								
Health Care—3.1%											
Perrigo Co., plc		63,640	5,387								
Industrials—24.6%											
Arconic, Inc.		151,950	3,781								
Emerson Electric Co.		40,709	2,558								
HD Supply Holdings, Inc. ⁽²⁾		154,360	5,568								
Johnson Controls International plc		166,603	6,712								
Industrials—continued											
Owens Corning		57,690	\$ 4,462								
Raytheon Co.		40,310	7,521								
Republic Services, Inc.		107,612	7,109								
USG Corp. ⁽²⁾		141,200	4,610								
			<u>42,321</u>								
Materials—27.7%											
Allegheny Technologies, Inc. ⁽²⁾		225,570	5,391								
Ball Corp.		135,998	5,617								
Crown Holdings, Inc. ⁽²⁾		109,760	6,555								
DowDuPont, Inc.		98,450	6,816								
FMC Corp.		59,930	5,352								
International Paper Co.		95,676	5,436								
Owens-Illinois, Inc. ⁽²⁾		255,310	6,424								
Sealed Air Corp.		142,870	6,103								
			<u>47,694</u>								
Real Estate—6.2%											
GGP, Inc.		125,990	2,617								
Macerich Co. (The)		48,520	2,667								
Weyerhaeuser Co.		160,720	5,469								
			<u>10,753</u>								
Utilities—3.9%											
Dominion Energy, Inc.		86,330	6,642								
TOTAL COMMON STOCKS											
(Identified Cost \$106,668)											
TOTAL LONG TERM INVESTMENTS—100.2%											
(Identified Cost \$106,668)											
SHORT-TERM INVESTMENT—0.4%											
Money Market Mutual Fund—0.4%											
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽³⁾		642,912	\$ 643								
TOTAL SHORT-TERM INVESTMENT											
(Identified Cost \$643)											
TOTAL INVESTMENTS—100.6%											
(Identified Cost \$107,311)											
Other assets and liabilities, net—(0.6)%											
<u>(1,087)</u>											
NET ASSETS—100.0%											
<u>\$171,872</u>											

Abbreviation:

ADR American Depositary Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽³⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.

Country Weightings[†]

United States	93%
Ireland	4
Netherlands	3
Total	100%

[†] % of total investments as of September 30, 2017.

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$172,316	\$172,316
Short-Term Investment	643	643
Total Investments	<u>\$172,959</u>	<u>\$172,959</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR CAPITAL GROWTH FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—99.6%			Health Care—continued			SHORT-TERM INVESTMENT—0.5%		
Consumer Discretionary—23.7%			Danaher Corp.	82,012	\$ 7,035	Money Market Mutual Fund—0.5%		
Amazon.com, Inc. ⁽²⁾	20,142	\$ 19,364	HealthEquity, Inc. ⁽²⁾	99,730	5,044	Dreyfus Government Cash		
Ctrip.com International Ltd.			Illumina, Inc. ⁽²⁾	36,930	7,356	Management Fund –		
ADR ⁽²⁾	175,890	9,276	Zoetis, Inc.	145,307	9,265	Institutional Shares		
Home Depot, Inc. (The)	59,765	9,775			<u>53,176</u>	(seven-day effective yield		
Las Vegas Sands Corp.	220,573	14,152	Industrials—5.8%			0.920%) ⁽³⁾	2,533,675	\$ 2,534
McDonald's Corp.	44,490	6,971	Caterpillar, Inc.	66,710	8,319	TOTAL SHORT-TERM INVESTMENT		
MercadoLibre, Inc.	8,800	2,279	Kansas City Southern	45,670	4,964	(Identified Cost \$2,534)		2,534
Netflix, Inc. ⁽²⁾	69,580	12,618	Rockwell Automation, Inc.	25,790	4,596	TOTAL INVESTMENTS—100.1%		
NIKE, Inc. Class B	157,260	8,154	Roper Technologies, Inc.	38,329	9,329	(Identified Cost \$260,743)		473,633⁽¹⁾
Priceline Group, Inc. (The) ⁽²⁾	8,256	15,115			<u>27,208</u>	Other assets and liabilities, net—(0.1)%		<u>(395)</u>
Ross Stores, Inc.	120,816	7,801	Information Technology—42.4%			NET ASSETS—100.0%		\$473,238
Starbucks Corp.	127,371	6,841	Accenture plc Class A	56,848	7,678			
		<u>112,346</u>	Activision Blizzard, Inc.	133,870	8,636	Abbreviation:		
Consumer Staples—6.9%			Alibaba Group Holding Ltd.			ADR	American Depositary Receipt	
Costco Wholesale Corp.	22,547	3,704	Sponsored ADR ⁽²⁾	174,930	30,212	Footnote Legend:		
Monster Beverage Corp. ⁽²⁾	305,943	16,904	Alphabet, Inc. Class A ⁽²⁾	8,027	7,816	⁽¹⁾ Federal Income Tax Information: For tax		
Philip Morris International, Inc.	108,917	12,091	Amphenol Corp. Class A	172,708	14,618	information at September 30, 2017, see Note 10		
		<u>32,699</u>	CoStar Group, Inc. ⁽²⁾	23,731	6,366	Federal Income Tax Information in the Notes to		
Energy—3.4%			Facebook, Inc. Class A ⁽²⁾	268,210	45,829	Financial Statements.		
Cabot Oil & Gas Corp.	156,631	4,190	Gartner, Inc. ⁽²⁾	44,620	5,551	⁽²⁾ Non-income producing.		
Core Laboratories N.V.	51,449	5,078	NVIDIA Corp.	85,350	15,258	⁽³⁾ Shares of this fund are publicly offered and its		
Pioneer Natural Resources Co.	45,630	6,732	Paycom Software, Inc. ⁽²⁾	108,892	8,163	prospectus and annual report are publicly		
		<u>16,000</u>	Tencent Holdings Ltd. ADR	217,400	9,547	available.		
Financials—4.6%			Visa, Inc. Class A	174,834	18,400	Country Weightings (Unaudited)[†]		
Bank of America Corp.	503,090	12,748	Workday, Inc. Class A ⁽²⁾	98,371	10,367	United States	87%	
Charles Schwab Corp. (The)	151,268	6,617	Yandex N.V. Class A ⁽²⁾	364,304	12,004	China	8	
MarketAxess Holdings, Inc.	11,860	2,188			<u>200,445</u>	Russia	3	
		<u>21,553</u>	Materials—1.6%			Hong Kong	2	
Health Care—11.2%			Ecolab, Inc.	59,656	7,672	Total	<u>100%</u>	
BioMarin Pharmaceutical,								
Inc. ⁽²⁾	79,756	7,423	TOTAL COMMON STOCKS					
Celgene Corp. ⁽²⁾	116,942	17,053	(Identified Cost \$258,209)		471,099			
			TOTAL LONG TERM INVESTMENTS—99.6%					
			(Identified Cost \$258,209)		471,099			

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$471,099	\$471,099
Short-Term Investment	2,534	2,534
Total Investment	<u>\$473,633</u>	<u>\$473,633</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR GLOBAL QUALITY DIVIDEND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—99.2%								
Consumer Discretionary—7.1%								
Compass Group plc Sponsored ADR	29,528	\$ 638						
Las Vegas Sands Corp.	35,190	2,258						
Meredith Corp.	20,290	1,126						
		4,022						
Consumer Staples—8.7%								
Altria Group, Inc.	31,440	1,994						
British American Tobacco plc Sponsored ADR	12,600	787						
Coca-Cola Co. (The)	18,300	824						
Imperial Brands plc Sponsored ADR	30,740	1,330						
		4,935						
Energy—9.4%								
Royal Dutch Shell plc Class B Sponsored ADR	39,440	2,467						
TOTAL S.A. Sponsored ADR	25,920	1,387						
Vermilion Energy, Inc.	41,940	1,492						
		5,346						
Financials—18.4%								
Bank of Hawaii Corp.	9,079	757						
CI Financial Corp.	40,387	878						
Cincinnati Financial Corp.	7,953	609						
HSBC Holdings plc Sponsored ADR	40,290	1,991						
Royal Bank of Canada	24,530	1,897						
SCOR SE Sponsored ADR	472,740	2,005						
Zurich Insurance Group AG ADR	76,457	2,340						
		10,477						
Health Care—8.7%								
AstraZeneca plc Sponsored ADR	52,160	1,767						
GlaxoSmithKline plc Sponsored ADR	45,256	1,837						
Sonic Healthcare Ltd. Sponsored ADR	49,960	828						
Takeda Pharmaceutical Co., Ltd. Sponsored ADR	17,820	494						
		4,926						
Industrials—6.4%								
ABB Ltd. Registered Shares	35,000	\$ 865						
BAE Systems plc Sponsored ADR	46,280	1,597						
Waste Management, Inc.	15,388	1,204						
		3,666						
Information Technology—5.3%								
Analog Devices, Inc.	8,580	739						
Cisco Systems, Inc.	25,920	872						
Microchip Technology, Inc.	8,230	739						
Paychex, Inc.	11,220	673						
		3,023						
Materials—3.0%								
BASF SE Sponsored ADR	8,730	930						
RPM International, Inc.	14,610	750						
		1,680						
Real Estate—8.5%								
Crown Castle International Corp.	18,860	1,885						
Lamar Advertising Co. Class A	20,310	1,392						
Realty Income Corp.	27,590	1,578						
		4,855						
Telecommunication Services—13.9%								
AT&T, Inc.	47,739	1,870						
BCE, Inc.	43,080	2,017						
Spark New Zealand Ltd.	705,000	1,859						
Vodafone Group plc Sponsored ADR	75,166	2,139						
		7,885						
Utilities—9.8%								
National Grid plc Sponsored ADR	30,418	1,908						
PPL Corp.	59,300	2,250						
WEC Energy Group, Inc.	22,110	1,388						
		5,546						
TOTAL COMMON STOCKS								
(Identified Cost \$53,119)					56,361			
TOTAL LONG TERM INVESTMENTS—99.2%								
(Identified Cost \$53,119)					56,361			
SHORT-TERM INVESTMENT—0.7%								
Money Market Mutual Fund—0.7%								
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽²⁾	411,303	\$ 411						
TOTAL SHORT-TERM INVESTMENT								
(Identified Cost \$411)								411
TOTAL INVESTMENTS—99.9%								
(Identified Cost \$53,530)								56,772⁽¹⁾
Other assets and liabilities, net—0.1%								47
NET ASSETS—100.0%								\$56,819
Abbreviation:								
ADR								American Depositary Receipt
Footnote Legend:								
⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.								
⁽²⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.								
Country Weightings (Unaudited)[†]								
United States								41%
United Kingdom								29
Canada								11
France								6
Switzerland								6
New Zealand								3
Germany								2
Other								2
Total								100%
[†] % of total investments as of September 30, 2017.								

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$56,361	\$56,361
Short-Term Investment	411	411
Total Investments	\$56,772	\$56,772

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR MID-CAP CORE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—92.3%			Industrials—21.9%			SHORT-TERM INVESTMENT—7.4%		
Consumer Discretionary—9.8%			AMETEK, Inc.	89,850	\$ 5,934	Money Market Mutual Fund—7.4%		
Ross Stores, Inc.	45,954	\$ 2,967	Exponent, Inc.	29,740	2,198	Dreyfus Government Cash		
Tractor Supply Co.	83,400	5,279	Graco, Inc.	35,455	4,385	Management Fund –		
Wynn Resorts Ltd.	19,822	2,952	Lennox International, Inc.	18,700	3,347	Institutional Shares		
		<u>11,198</u>	Nordson Corp.	32,067	3,800	(seven-day effective yield		
			WABCO Holdings, Inc. ⁽²⁾	36,155	5,351	0.920%) ⁽³⁾	8,422,459	\$ 8,422
					<u>25,015</u>			
Consumer Staples—7.1%			Information Technology—18.8%			TOTAL SHORT-TERM INVESTMENT		
Church & Dwight Co., Inc.	44,148	2,139	Amphenol Corp. Class A	58,433	4,946	(Identified Cost \$8,422)		8,422
Monster Beverage Corp. ⁽²⁾	108,949	6,019	Aspen Technology, Inc. ⁽²⁾	73,042	4,588			
		<u>8,158</u>	Broadridge Financial			TOTAL INVESTMENTS—99.7%		
			Solutions, Inc.	47,710	3,856	(Identified Cost \$93,728)		113,731⁽¹⁾
Energy—3.1%			Intuit, Inc.	24,681	3,508	Other assets and liabilities, net—0.3%		<u>332</u>
Core Laboratories N.V.	35,935	3,547	Skyworks Solutions, Inc.	44,510	4,535			
					<u>21,433</u>	NET ASSETS—100.0%		\$114,063
			Materials—4.2%					
Financials—13.0%			Axalta Coating Systems Ltd. ⁽²⁾	76,400	2,210			
Bank of The Ozarks, Inc.	82,850	3,981	International Flavors &					
First Financial Bankshares, Inc.	56,965	2,575	Fragrances, Inc.	17,839	2,549			
Moody's Corp.	18,185	2,531			<u>4,759</u>			
RLI Corp.	34,809	1,997	TOTAL COMMON STOCKS					
Signature Bank ⁽²⁾	28,854	3,694	(Identified Cost \$85,306)		105,309			
		<u>14,778</u>				TOTAL LONG TERM INVESTMENTS—92.3%		
			(Identified Cost \$85,306)		105,309			
Health Care—14.4%								
Cooper Cos., Inc. (The)	17,258	4,092						
Globus Medical, Inc. Class A ⁽²⁾	176,310	5,240						
West Pharmaceutical Services,								
Inc.	24,350	2,344						
Zoetis, Inc.	74,424	4,745						
		<u>16,421</u>						

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽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 September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$105,309	\$105,309
Short-Term Investment	8,422	8,422
Total Investments	<u>\$113,731</u>	<u>\$113,731</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

See Notes to Financial Statements

VIRTUS KAR MID-CAP GROWTH FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—99.1%			Health Care—continued			SHORT-TERM INVESTMENT—1.0%		
Consumer Discretionary—25.4%			Teladoc, Inc. ⁽²⁾	20,830	\$ 690	Money Market Mutual Fund—1.0%		
Ctrip.com International Ltd. ADR ⁽²⁾	48,365	\$ 2,551	Zoetis, Inc.	31,400	2,002	Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽³⁾	938,220	\$ 938
Domino's Pizza, Inc.	14,185	2,816			<u>13,250</u>	TOTAL SHORT-TERM INVESTMENT (Identified Cost \$938)		938
Expedia, Inc.	11,511	1,657	Industrials—7.0%			TOTAL INVESTMENTS—100.1% (Identified Cost \$56,917)		94,360⁽¹⁾
MercadoLibre, Inc.	17,915	4,639	Kansas City Southern	13,200	1,435	Other assets and liabilities, net—(0.1)%		<u>(58)</u>
Netflix, Inc. ⁽²⁾	23,580	4,276	Middleby Corp. (The) ⁽²⁾	14,480	1,856	NET ASSETS—100.0%		\$94,302
Pool Corp.	24,935	2,697	Rockwell Automation, Inc.	8,100	1,443			
Ross Stores, Inc.	29,125	1,881	Roper Technologies, Inc.	7,610	1,852			
Wynn Resorts Ltd.	22,720	3,383			<u>6,586</u>			
		<u>23,900</u>	Information Technology—31.7%			Abbreviation:		
Consumer Staples—8.3%			Amphenol Corp. Class A	39,245	3,322	ADR	American Depositary Receipt	
Brown-Forman Corp. Class B	40,670	2,208	Appian Corp. ⁽²⁾	27,000	768	Footnote Legend:		
McCormick & Co., Inc.	14,560	1,495	Autohome, Inc. ADR ⁽²⁾	47,700	2,866	⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.		
Monster Beverage Corp. ⁽²⁾	74,580	4,121	CoStar Group, Inc. ⁽²⁾	5,530	1,483	⁽²⁾ Non-income producing.		
		<u>7,824</u>	Ellie Mae, Inc. ⁽²⁾	35,480	2,914	⁽³⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.		
Energy—3.1%			Fair Isaac Corp.	10,260	1,442	Country Weightings (Unaudited)[†]		
Cabot Oil & Gas Corp.	56,815	1,520	FleetCor Technologies, Inc. ⁽²⁾	8,390	1,298	United States	91%	
Core Laboratories N.V.	14,190	1,401	Gartner, Inc. ⁽²⁾	23,435	2,916	China	6	
		<u>2,921</u>	MuleSoft, Inc. Class A ⁽²⁾	39,638	798	Russia	3	
Financials—7.6%			Okta, Inc. ⁽²⁾	43,925	1,239	Total	100%	
Financial Engines, Inc.	20,885	726	Paycom Software, Inc. ⁽²⁾	31,080	2,330			
MarketAxess Holdings, Inc.	18,160	3,351	Teradyne, Inc.	27,880	1,040			
Northern Trust Corp.	17,550	1,613	Workday, Inc. Class A ⁽²⁾	23,960	2,525			
Vantiv, Inc. Class A ⁽²⁾	21,500	1,515	Yandex N.V. Class A ⁽²⁾	84,535	2,785			
		<u>7,205</u>	Yelp, Inc. ⁽²⁾	50,990	2,208			
Health Care—14.1%					<u>29,934</u>			
BioMarin Pharmaceutical, Inc. ⁽²⁾	17,050	1,587	Materials—1.9%					
Diplomat Pharmacy, Inc. ⁽²⁾	75,180	1,557	Ball Corp.	43,640	1,802			
HealthEquity, Inc. ⁽²⁾	58,280	2,948						
Illumina, Inc. ⁽²⁾	10,475	2,087	TOTAL COMMON STOCKS (Identified Cost \$55,979)		93,422			
Juno Therapeutics, Inc. ⁽²⁾	31,540	1,415	TOTAL LONG TERM INVESTMENTS—99.1% (Identified Cost \$55,979)		93,422			
Mettler-Toledo International, Inc. ⁽²⁾	1,540	964						

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$93,422	\$93,422
Short-Term Investment	938	938
Total Investments	<u>\$94,360</u>	<u>\$94,360</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR SMALL-CAP CORE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—92.2%			Information Technology—19.7%		
Consumer Discretionary—12.0%			Aspen Technology, Inc. ⁽²⁾ 391,600 \$ 24,596		
Fox Factory Holding Corp. ⁽²⁾	633,437	\$ 27,301	Autohome, Inc. ADR ⁽²⁾ 842,210 50,600		
NVR, Inc. ⁽²⁾	8,058	23,006	CDW Corp. 470,800 31,073		
Polaris Industries, Inc.	84,040	8,793	Jack Henry & Associates, Inc. 139,800 14,370		
Pool Corp.	181,490	19,632	Manhattan Associates, Inc. ⁽²⁾ 202,220 8,406		
		<u>78,732</u>			
Consumer Staples—2.4%			Materials—1.7%		
PriceSmart, Inc.	175,900	15,699	AptarGroup, Inc. 130,300 11,246		
Energy—4.6%			Real Estate—3.8%		
Core Laboratories N.V.	87,700	8,656	HFF, Inc. Class A 630,000 24,923		
Dril-Quip, Inc. ⁽²⁾	485,440	21,432			
		<u>30,088</u>			
Financials—15.2%			TOTAL COMMON STOCKS		
Artisan Partners Asset Management, Inc. Class A	521,200	16,991	(Identified Cost \$410,057)		
FactSet Research Systems, Inc.	116,240	20,936	604,330		
MarketAxess Holdings, Inc.	115,632	21,335	TOTAL LONG TERM INVESTMENTS—92.2%		
Primerica, Inc.	387,800	31,625	(Identified Cost \$410,057)		
RLI Corp.	146,508	8,404	604,330		
		<u>99,291</u>	SHORT-TERM INVESTMENT—7.4%		
Health Care—3.0%			Money Market Mutual Fund—7.4%		
Abaxis, Inc.	446,400	19,932	Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽³⁾ 48,402,839 48,403		
Industrials—29.8%			TOTAL SHORT-TERM INVESTMENT		
Copart, Inc. ⁽²⁾	884,400	30,397	(Identified Cost \$48,403)		
Donaldson Co., Inc.	315,900	14,512	48,403		
Graco, Inc.	195,400	24,169	TOTAL INVESTMENTS—99.6%		
Old Dominion Freight Line, Inc.	264,030	29,072	(Identified Cost \$458,460)		
RBC Bearings, Inc. ⁽²⁾	162,548	20,343	652,733⁽¹⁾		
Teledyne Technologies, Inc. ⁽²⁾	201,800	32,123	Other assets and liabilities, net—0.4% 2,662		
Toro Co. (The)	200,480	12,442	NET ASSETS—100.0%		
WABCO Holdings, Inc. ⁽²⁾	218,350	32,316	\$655,395		
		<u>195,374</u>			

Abbreviation:

ADR American Depositary Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽³⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.

Country Weightings (Unaudited)[†]

United States	92%
China	8
Total	100%

[†] % of total investments as of September 30, 2017.

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$604,330	\$604,330
Short-Term Investment	48,403	48,403
Total Investments	<u>\$652,733</u>	<u>\$652,733</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR SMALL-CAP GROWTH FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—86.8%					
Consumer Discretionary—20.3%					
Emerald Expositions Events, Inc.	1,600,700	\$ 37,200			
Fox Factory Holding Corp. ⁽²⁾	2,380,878	102,616			
MercadoLibre, Inc.	212,800	55,100			
Ollie's Bargain Outlet Holdings, Inc. ⁽²⁾	2,110,616	97,933			
		<u>292,849</u>			
Consumer Staples—6.4%					
Chefs' Warehouse, Inc. (The) ⁽²⁾	2,615,700	50,483			
PriceSmart, Inc.	473,200	42,233			
		<u>92,716</u>			
Financials—14.2%					
FactSet Research Systems, Inc.	235,950	42,497			
Financial Engines, Inc.	294,651	10,239			
Interactive Brokers Group, Inc. Class A	1,534,200	69,100			
MarketAxess Holdings, Inc.	190,900	35,223			
Morningstar, Inc.	575,593	48,920			
		<u>205,979</u>			
Health Care—6.9%					
Abaxis, Inc.	958,800	42,811			
National Research Corp. Class A	1,494,034	56,325			
		<u>99,136</u>			
Industrials—17.8%					
AAON, Inc.	874,100	30,135			
Copart, Inc. ⁽²⁾	1,502,400	51,637			
Industrials—continued					
HEICO Corp. Class A	856,666	\$ 65,278			
Old Dominion Freight Line, Inc.	615,600	67,784			
Omega Flex, Inc.	587,389	42,198			
		<u>257,032</u>			
Information Technology—21.2%					
ANSYS, Inc. ⁽²⁾	276,300	33,910			
Aspen Technology, Inc. ⁽²⁾	849,000	53,326			
Autohome, Inc. ADR ⁽²⁾	1,999,000	120,100			
Ellie Mae, Inc. ⁽²⁾	397,250	32,626			
Mesa Laboratories, Inc.	47,100	7,033			
NVE Corp.	483,690	38,197			
Paycom Software, Inc. ⁽²⁾	282,300	21,161			
		<u>306,353</u>			
TOTAL COMMON STOCKS (Identified Cost \$933,967) 1,254,065					
TOTAL LONG TERM INVESTMENTS—86.8% (Identified Cost \$933,967) 1,254,065					
SHORT-TERM INVESTMENT—13.7%					
Money Market Mutual Fund—13.7%					
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽³⁾	197,593,398	197,593			
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$197,593) 197,593					
TOTAL INVESTMENTS—100.5% (Identified Cost \$1,131,560) 1,451,658⁽¹⁾					
Other assets and liabilities, net—(0.5)%		(7,387)			
NET ASSETS—100.0% \$1,444,271					

Abbreviation:

ADR American Depositary Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽³⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.

Country Weightings (Unaudited)[†]

United States	92%
China	8
Total	100%

[†] % of total investments as of September 30, 2017.

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$1,254,065	\$1,254,065
Short-Term Investment	197,593	197,593
Total Investments	\$1,451,658	\$1,451,658

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS KAR SMALL-CAP VALUE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—93.8%								
Consumer Discretionary—14.3%			Industrials—continued			SHORT-TERM INVESTMENT—6.0%		
Cheesecake Factory, Inc. (The)	407,700	\$ 17,172	Lincoln Electric Holdings, Inc.	102,610	\$ 9,407	Money Market Mutual Fund—6.0%		
Cinemark Holdings, Inc.	407,800	14,767	RBC Bearings, Inc. ⁽²⁾	138,100	17,283	Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%) ⁽³⁾	25,601,602	\$ 25,602
Sally Beauty Holdings, Inc. ⁽²⁾	535,000	10,475	SiteOne Landscape Supply, Inc. ⁽²⁾	293,460	17,050			
Thor Industries, Inc.	150,300	18,924	Watsco, Inc.	86,633	13,954			
		<u>61,338</u>			<u>82,801</u>			
Consumer Staples—6.8%			Information Technology—14.0%			TOTAL SHORT-TERM INVESTMENT (Identified Cost \$25,602)		25,602
National Beverage Corp.	173,004	21,461	American Software, Inc. Class A	459,391	5,219	TOTAL INVESTMENTS—99.8% (Identified Cost \$306,793)		426,597⁽¹⁾
WD-40 Co.	67,654	7,571	Badger Meter, Inc.	309,634	15,172	Other assets and liabilities, net—0.2%		1,021
		<u>29,032</u>	Cass Information Systems, Inc.	201,119	12,759			
Energy—3.4%			Cognex Corp.	86,786	9,571	NET ASSETS—100.0%		\$427,618
Core Laboratories N.V.	148,000	14,607	Jack Henry & Associates, Inc.	104,750	10,767			
Financials—14.1%			Manhattan Associates, Inc. ⁽²⁾	152,120	6,323			
Artisan Partners Asset Management, Inc. Class A	326,900	10,657			<u>59,811</u>			
Bank of Hawaii Corp.	192,660	16,060	Materials—3.9%					
First Financial Bankshares, Inc.	234,360	10,593	Scotts Miracle-Gro Co. (The)	173,201	16,859			
Primerica, Inc.	146,963	11,985	Real Estate—11.6%					
RLI Corp.	189,312	10,859	HFF, Inc. Class A	329,900	13,051			
		<u>60,154</u>	MGM Growth Properties LLC Class A	547,480	16,539			
Health Care—6.3%			RE/MAX Holdings, Inc. Class A	313,920	19,950			
Anika Therapeutics, Inc. ⁽²⁾	279,790	16,228			<u>49,540</u>			
Patterson Cos., Inc.	274,900	10,625	TOTAL COMMON STOCKS (Identified Cost \$281,191)		400,995			
		<u>26,853</u>	TOTAL LONG TERM INVESTMENTS—93.8% (Identified Cost \$281,191)		400,995			
Industrials—19.4%								
Graco, Inc.	99,027	12,249						
Landstar System, Inc.	129,028	12,858						

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽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 September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$400,995	\$400,995
Short-Term Investment	25,602	25,602
Total Investments	<u>\$426,597</u>	<u>\$426,597</u>

There were no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

VIRTUS RAMPART ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

COMMON STOCKS—95.3%		Consumer Discretionary—continued		Consumer Staples—continued	
SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Consumer Discretionary—10.8%		Consumer Discretionary—continued		Consumer Staples—continued	
Advance Auto Parts, Inc. ⁽³⁾	590 \$ 58	Omnicom Group, Inc. ⁽³⁾	1,791 \$ 133	Mondelez International, Inc. Class A ⁽³⁾	11,858 \$ 482
Amazon.com, Inc. ⁽²⁾⁽³⁾	3,088 2,969	Priceline Group, Inc. (The) ⁽²⁾⁽³⁾	384 703	Monster Beverage Corp. ⁽²⁾⁽³⁾	3,133 173
AutoZone, Inc. ⁽²⁾⁽³⁾	216 129	PulteGroup, Inc. ⁽³⁾	2,269 62	PepsiCo, Inc. ⁽³⁾	11,138 1,241
Best Buy Co., Inc. ⁽³⁾	2,034 116	PVH Corp. ⁽³⁾	623 78	Philip Morris International, Inc. ⁽³⁾	12,137 1,347
BorgWarner, Inc. ⁽³⁾	1,594 82	Ralph Lauren Corp. ⁽³⁾	440 39	Procter & Gamble Co. (The) ⁽³⁾	20,012 1,821
CarMax, Inc. ⁽²⁾⁽³⁾	1,480 112	Ross Stores, Inc. ⁽³⁾	3,050 197	Sysco Corp. ⁽³⁾	3,841 207
Carnival Corp. ⁽³⁾	3,268 211	Royal Caribbean Cruises Ltd. ⁽³⁾	1,299 154	Tyson Foods, Inc. Class A ⁽³⁾	2,228 157
CBS Corp. Class B ⁽³⁾	2,858 166	Scripps Networks Interactive, Inc. Class A ⁽³⁾	766 66	Wal-Mart Stores, Inc. ⁽³⁾	11,563 904
Charter Communications, Inc. Class A ⁽²⁾⁽³⁾	1,676 609	Signet Jewelers Ltd. ⁽³⁾	547 36	Walgreens Boots Alliance, Inc. ⁽³⁾	6,659 514
Chipotle Mexican Grill, Inc. ⁽²⁾⁽³⁾	229 70	Starbucks Corp. ⁽³⁾	11,316 608		13,867
Coach, Inc. ⁽³⁾	2,247 90	Target Corp. ⁽³⁾	4,303 254		
Comcast Corp. Class A ⁽³⁾	37,148 1,429	Tiffany & Co. ⁽³⁾	857 79	Energy—5.6%	
Darden Restaurants, Inc. ⁽³⁾	994 78	Time Warner, Inc. ⁽³⁾	6,065 621	Anadarko Petroleum Corp. ⁽³⁾	4,362 213
Delphi Automotive plc ⁽³⁾	2,091 206	TJX Cos., Inc. (The) ⁽³⁾	5,018 370	Andeavor ⁽³⁾	1,159 120
Discovery Communications, Inc. Class A ⁽²⁾⁽³⁾	1,229 26	Tractor Supply Co. ⁽³⁾	1,027 65	Apache Corp. ⁽³⁾	3,040 139
Discovery Communications, Inc. Class C ⁽²⁾⁽³⁾	1,685 34	TripAdvisor, Inc. ⁽²⁾⁽³⁾	883 36	Baker Hughes a GE Co. ⁽³⁾	3,264 120
DISH Network Corp. Class A ⁽²⁾⁽³⁾	1,818 99	Twenty-First Century Fox, Inc. Class A ⁽³⁾	8,218 217	Cabot Oil & Gas Corp. ⁽³⁾	3,720 100
Dollar General Corp. ⁽³⁾	1,951 158	Twenty-First Century Fox, Inc. Class B ⁽³⁾	3,893 100	Chesapeake Energy Corp. ⁽²⁾⁽³⁾	6,096 26
Dollar Tree, Inc. ⁽²⁾⁽³⁾	1,830 159	Ulta Salon Cosmetics & Fragrance, Inc. ⁽²⁾⁽³⁾	443 100	Chevron Corp. ⁽³⁾	14,836 1,743
Expedia, Inc. ⁽³⁾	936 135	Under Armour, Inc. Class A ⁽²⁾⁽³⁾	1,476 24	Cimarex Energy Co. ⁽³⁾	760 86
Foot Locker, Inc. ⁽³⁾	1,049 37	Under Armour, Inc. Class C ⁽²⁾⁽³⁾	1,473 22	Concho Resources, Inc. ⁽²⁾⁽³⁾	1,143 151
Ford Motor Co. ⁽³⁾	30,540 366	VF Corp. ⁽³⁾	2,479 158	ConocoPhillips ⁽³⁾	9,717 486
Gap, Inc. (The) ⁽³⁾	1,759 52	Viacom, Inc. Class B ⁽³⁾	2,815 78	Devon Energy Corp. ⁽³⁾	4,201 154
Garmin Ltd. ⁽³⁾	917 49	Walt Disney Co. (The) ⁽³⁾	11,369 1,121	EOG Resources, Inc. ⁽³⁾	4,539 439
General Motors Co. ⁽³⁾	10,735 433	Whirlpool Corp. ⁽³⁾	561 103	EQT Corp. ⁽³⁾	1,385 90
Genuine Parts Co. ⁽³⁾	1,178 113	Wyndham Worldwide Corp. ⁽³⁾	834 88	Exxon Mobil Corp. ⁽³⁾	33,223 2,724
Goodyear Tire & Rubber Co. (The) ⁽³⁾	2,012 67	Wynn Resorts Ltd. ⁽³⁾	638 95	Halliburton Co. ⁽³⁾	6,771 312
H&R Block, Inc. ⁽³⁾	1,656 44	Yum! Brands, Inc. ⁽³⁾	2,577 190	Helmerich & Payne, Inc. ⁽³⁾	868 45
Hanesbrands, Inc. ⁽³⁾	2,910 72		20,044	Hess Corp. ⁽³⁾	2,160 101
Harley-Davidson, Inc. ⁽³⁾	1,399 67	Consumer Staples—7.5%		Kinder Morgan, Inc. ⁽³⁾	15,020 288
Hatsbro, Inc. ⁽³⁾	899 88	Altria Group, Inc. ⁽³⁾	15,169 962	Marathon Oil Corp. ⁽³⁾	6,793 92
Hilton Worldwide Holdings, Inc. ⁽³⁾	1,637 114	Archer-Daniels-Midland Co. ⁽³⁾	4,445 189	Marathon Petroleum Corp. ⁽³⁾	4,046 227
Home Depot, Inc. (The) ⁽³⁾	9,316 1,524	Brown-Forman Corp. Class B ⁽³⁾	1,414 77	National Oilwell Varco, Inc. ⁽³⁾	3,037 109
Horton (D.R.), Inc. ⁽³⁾	2,731 109	Campbell Soup Co. ⁽³⁾	1,532 72	Newfield Exploration Co. ⁽²⁾⁽³⁾	1,592 47
Interpublic Group of Cos., Inc. (The) ⁽³⁾	3,158 66	Church & Dwight Co., Inc. ⁽³⁾	1,992 96	Noble Energy, Inc. ⁽³⁾	3,638 103
Kohl's Corp. ⁽³⁾	1,362 62	Clorox Co. (The) ⁽³⁾	992 131	Occidental Petroleum Corp. ⁽³⁾	5,984 384
L Brands, Inc. ⁽³⁾	1,926 80	Coca-Cola Co. (The) ⁽³⁾	30,026 1,351	ONEOK, Inc. ⁽³⁾	2,947 163
Leggett & Platt, Inc. ⁽³⁾	1,057 50	Colgate-Palmolive Co. ⁽³⁾	6,906 503	Phillips 66 ⁽³⁾	3,431 314
Lennar Corp. Class A ⁽³⁾	1,624 86	Conagra Brands, Inc. ⁽³⁾	3,230 109	Pioneer Natural Resources Co. ⁽³⁾	1,322 195
LKQ Corp. ⁽²⁾⁽³⁾	2,464 89	Constellation Brands, Inc. Class A ⁽³⁾	1,339 267	Range Resources Corp. ⁽³⁾	1,504 30
Lowe's Cos., Inc. ⁽³⁾	6,720 537	Costco Wholesale Corp. ⁽³⁾	3,428 563	Schlumberger Ltd. ⁽³⁾	10,880 759
Macy's, Inc. ⁽³⁾	2,433 53	Coty, Inc. Class A ⁽³⁾	3,764 62	TechnipFMC plc ⁽²⁾⁽³⁾	3,729 104
Marriott International, Inc. Class A ⁽³⁾	2,419 267	CVS Health Corp. ⁽³⁾	7,968 648	Valero Energy Corp. ⁽³⁾	3,492 269
Mattel, Inc. ⁽³⁾	2,738 42	Dr. Pepper Snapple Group, Inc. ⁽³⁾	1,414 125	Williams Cos., Inc. (The) ⁽³⁾	6,437 193
McDonald's Corp. ⁽³⁾	6,348 995	Estee Lauder Cos., Inc. (The) Class A ⁽³⁾	1,742 188		10,326
MGM Resorts International ⁽³⁾	3,701 121	General Mills, Inc. ⁽³⁾	4,504 233	Financials—13.3%	
Michael Kors Holdings Ltd. ⁽²⁾⁽³⁾	1,245 60	Hershey Co. (The) ⁽³⁾	1,073 117	Affiliated Managers Group, Inc. ⁽³⁾	442 84
Mohawk Industries, Inc. ⁽²⁾⁽³⁾	485 120	Hormel Foods Corp. ⁽³⁾	2,156 69	Aflac, Inc. ⁽³⁾	3,101 252
Netflix, Inc. ⁽²⁾⁽³⁾	3,340 606	J.M. Smucker Co. (The) ⁽³⁾	930 98	Allstate Corp. (The) ⁽³⁾	2,843 261
Newell Brands, Inc. ⁽³⁾	3,745 160	Kellogg Co. ⁽³⁾	1,941 121	American Express Co. ⁽³⁾	5,867 531
News Corp. Class A ⁽³⁾	3,054 40	Kimberly-Clark Corp. ⁽³⁾	2,771 326	American International Group, Inc. ⁽³⁾	6,869 422
News Corp. Class B ⁽³⁾	957 13	Kraft Heinz Co. (The) ⁽³⁾	4,677 363	Ameriprise Financial, Inc. ⁽³⁾	1,190 177
NIKE, Inc. Class B ⁽³⁾	10,343 536	Kroger Co. (The) ⁽³⁾	7,061 142	AON plc ⁽³⁾	2,048 299
Nordstrom, Inc. ⁽³⁾	889 42	McCormick & Co., Inc. ⁽³⁾	905 93	Assurant, Inc. ⁽³⁾	426 41
O'Reilly Automotive, Inc. ⁽²⁾⁽³⁾	703 151	Molson Coors Brewing Co. Class B ⁽³⁾	1,418 116	Bank of America Corp. ⁽³⁾	77,490 1,964

See Notes to Financial Statements

VIRTUS RAMPART ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
Financials—continued			Health Care—continued			Health Care—continued		
BlackRock, Inc. ⁽³⁾	948	\$ 424	Aetna, Inc. ⁽³⁾	2,881	\$ 458	Zoetis, Inc. ⁽³⁾	4,252	\$ 271
Brighthouse Financial, Inc. ⁽²⁾⁽³⁾	759	46	Agilent Technologies, Inc. ⁽³⁾	2,770	178			27,079
Capital One Financial Corp. ⁽³⁾	3,761	318	Alexion Pharmaceuticals, Inc. ⁽²⁾⁽³⁾	1,948	273	Industrials—9.3%		
CBOE Holdings, Inc. ⁽³⁾	718	77	Align Technology, Inc. ⁽²⁾⁽³⁾	640	119	3M Co. ⁽³⁾	4,670	980
Charles Schwab Corp. (The) ⁽³⁾	9,476	415	Allergan plc ⁽³⁾	2,912	597	A.O. Smith Corp. ⁽³⁾	1,177	70
Chubb Ltd. ⁽³⁾	3,658	521	AmerisourceBergen Corp. ⁽³⁾	1,409	117	Acuity Brands, Inc. ⁽³⁾	352	60
Cincinnati Financial Corp. ⁽³⁾	1,167	89	Amgen, Inc. ⁽³⁾	6,384	1,190	Alaska Air Group, Inc. ⁽³⁾	988	75
Citigroup, Inc. ⁽³⁾	21,430	1,559	Anthem, Inc. ⁽³⁾	2,294	436	Allegion plc ⁽³⁾	761	66
Citizens Financial Group, Inc. ⁽³⁾	3,956	150	Bard (C.R.), Inc. ⁽³⁾	627	201	American Airlines Group, Inc. ⁽³⁾	3,828	182
CME Group, Inc. ⁽³⁾	2,663	361	Baxter International, Inc. ⁽³⁾	4,225	265	AMETEK, Inc. ⁽³⁾	1,762	116
Comerica, Inc. ⁽³⁾	1,380	105	Becton, Dickinson & Co. ⁽³⁾	1,969	386	Arconic, Inc. ⁽³⁾	3,522	88
Discover Financial Services ⁽³⁾	2,968	191	Biogen, Inc. ⁽²⁾⁽³⁾	1,859	582	Boeing Co. (The) ⁽³⁾	4,370	1,111
E*Trade Financial Corp. ⁽²⁾⁽³⁾	2,123	93	Boston Scientific Corp. ⁽²⁾⁽³⁾	11,850	346	Caterpillar, Inc. ⁽³⁾	4,517	563
Everest Re Group Ltd. ⁽³⁾	320	73	Bristol-Myers Squibb Co. ⁽³⁾	14,273	910	Cintas Corp. ⁽³⁾	690	100
Fifth Third Bancorp ⁽³⁾	5,857	164	Cardinal Health, Inc. ⁽³⁾	2,718	182	CSX Corp. ⁽³⁾	7,210	391
Franklin Resources, Inc. ⁽³⁾	2,669	119	Celgene Corp. ⁽²⁾⁽³⁾	6,748	984	Cummins, Inc. ⁽³⁾	1,204	202
Gallagher (Arthur J.) & Co. ⁽³⁾	1,404	86	Centene Corp. ⁽²⁾⁽³⁾	1,521	147	Deere & Co. ⁽³⁾	2,299	289
Goldman Sachs Group, Inc. (The) ⁽³⁾	2,847	675	Cerner Corp. ⁽²⁾⁽³⁾	2,525	180	Delta Air Lines, Inc. ⁽³⁾	5,746	277
Hartford Financial Services Group, Inc. (The) ⁽³⁾	2,866	159	Cigna Corp. ⁽³⁾	2,226	416	Dover Corp. ⁽³⁾	1,188	109
Huntington Bancshares, Inc. ⁽³⁾	8,483	118	Cooper Cos., Inc. (The) ⁽³⁾	431	102	Eaton Corp. plc ⁽³⁾	3,496	268
Intercontinental Exchange, Inc. ⁽³⁾	4,629	318	Danaher Corp. ⁽³⁾	5,281	453	Emerson Electric Co. ⁽³⁾	5,033	316
Invesco Ltd. ⁽³⁾	3,172	111	DaVita, Inc. ⁽²⁾⁽³⁾	1,375	82	Equifax, Inc. ⁽³⁾	961	102
JPMorgan Chase & Co. ⁽³⁾	27,660	2,642	DENTSPLY SIRONA, Inc. ⁽³⁾	2,024	121	Expeditors International of Washington, Inc. ⁽³⁾	1,440	86
KeyCorp ⁽³⁾	8,557	161	Edwards Lifesciences Corp. ⁽²⁾⁽³⁾	1,808	198	Fastenal Co. ⁽³⁾	2,312	105
Leucadia National Corp. ⁽³⁾	2,523	64	Eli Lilly & Co. ⁽³⁾	8,412	720	FedEx Corp. ⁽³⁾	1,920	433
Lincoln National Corp. ⁽³⁾	1,744	128	Envision Healthcare Corp. ⁽²⁾⁽³⁾	1,045	47	Flowserve Corp. ⁽³⁾	1,044	45
Loews Corp. ⁽³⁾	2,153	103	Express Scripts Holding Co. ⁽²⁾⁽³⁾	5,169	327	Fluor Corp. ⁽³⁾	1,117	47
M&T Bank Corp. ⁽³⁾	1,197	193	Gilead Sciences, Inc. ⁽³⁾	11,311	916	Fortive Corp. ⁽³⁾	2,338	166
Marsh & McLennan Cos., Inc. ⁽³⁾	4,027	338	HCA Healthcare, Inc. ⁽²⁾⁽³⁾	2,463	196	Fortune Brands Home & Security, Inc. ⁽³⁾	1,229	83
MetLife, Inc. ⁽³⁾	8,444	439	Henry Schein, Inc. ⁽²⁾⁽³⁾	1,341	110	General Dynamics Corp. ⁽³⁾	2,207	454
Moody's Corp. ⁽³⁾	1,300	181	Hologic, Inc. ⁽²⁾⁽³⁾	2,473	91	General Electric Co. ⁽³⁾	68,032	1,645
Morgan Stanley ⁽³⁾	11,081	534	Humana, Inc. ⁽³⁾	1,254	306	Honeywell International, Inc. ⁽³⁾	5,958	845
Nasdaq, Inc. ⁽³⁾	890	69	IDEXX Laboratories, Inc. ⁽²⁾⁽³⁾	784	122	Hunt (JB) Transport Services, Inc. ⁽³⁾	686	76
Navient Corp. ⁽³⁾	2,162	32	Illuminia, Inc. ⁽²⁾⁽³⁾	1,261	251	IHS Markit Ltd. ⁽²⁾⁽³⁾	2,430	107
Northern Trust Corp. ⁽³⁾	1,680	154	Incyte Corp. ⁽²⁾⁽³⁾	1,458	170	Illinois Tool Works, Inc. ⁽³⁾	2,425	359
People's United Financial, Inc. ⁽³⁾	2,682	49	Intuitive Surgical, Inc. ⁽²⁾⁽³⁾	318	333	Ingersoll-Rand plc ⁽³⁾	1,990	177
PNC Financial Services Group, Inc. (The) ⁽³⁾	3,771	508	Johnson & Johnson ⁽³⁾	23,351	3,036	Jacobs Engineering Group, Inc. ⁽³⁾	962	56
Principal Financial Group, Inc. ⁽³⁾	2,086	134	Laboratory Corporation of America Holdings ⁽²⁾⁽³⁾	870	131	Johnson Controls International plc ⁽³⁾	7,331	295
Progressive Corp. (The) ⁽³⁾	4,525	219	McKesson Corp. ⁽³⁾	1,826	280	Kansas City Southern ⁽³⁾	848	92
Prudential Financial, Inc. ⁽³⁾	3,341	355	Medtronic plc ⁽³⁾	11,824	920	L3 Technologies, Inc. ⁽³⁾	622	117
Raymond James Financial, Inc. ⁽³⁾	999	84	Merck & Co., Inc. ⁽³⁾	23,721	1,519	Lockheed Martin Corp. ⁽³⁾	1,942	603
Regions Financial Corp. ⁽³⁾	9,377	143	Mettler-Toledo International, Inc. ⁽²⁾⁽³⁾	220	138	Masco Corp. ⁽³⁾	2,557	100
S&P Global, Inc. ⁽³⁾	2,015	315	Mylan NV ⁽²⁾⁽³⁾	3,914	123	Nielsen Holdings plc ⁽³⁾	2,558	106
State Street Corp. ⁽³⁾	2,761	264	Patterson Cos., Inc. ⁽³⁾	721	28	Norfolk Southern Corp. ⁽³⁾	2,258	299
SunTrust Banks, Inc. ⁽³⁾	3,761	225	PerkinElmer, Inc. ⁽³⁾	972	67	Northrop Grumman Corp. ⁽³⁾	1,365	393
Synchrony Financial ⁽³⁾	6,020	187	Perrigo Co., plc ⁽³⁾	1,209	102	PACCAR, Inc. ⁽³⁾	2,735	198
T. Rowe Price Group, Inc. ⁽³⁾	1,885	171	Pfizer, Inc. ⁽³⁾	51,732	1,847	Parker-Hannifin Corp. ⁽³⁾	1,034	181
Torchmark Corp. ⁽³⁾	848	68	Quest Diagnostics, Inc. ⁽³⁾	1,165	109	Pentair plc ⁽³⁾	1,340	91
Travelers Cos., Inc. (The) ⁽³⁾	2,178	267	Quintiles IMS Holdings, Inc. ⁽²⁾⁽³⁾	1,188	113	Quanta Services, Inc. ⁽²⁾⁽³⁾	1,184	44
U.S. Bancorp ⁽³⁾	12,371	663	Regeneron Pharmaceuticals, Inc. ⁽²⁾⁽³⁾	658	294	Raytheon Co. ⁽³⁾	2,275	425
Unum Group ⁽³⁾	1,780	91	ResMed, Inc. ⁽³⁾	1,252	96	Republic Services, Inc. ⁽³⁾	1,837	121
Wells Fargo & Co. ⁽³⁾	35,129	1,937	Stryker Corp. ⁽³⁾	2,687	382	Robert Half International, Inc. ⁽³⁾	1,016	51
Willis Towers Watson plc ⁽³⁾	993	153	Thermo Fisher Scientific, Inc. ⁽³⁾	3,378	639	Robinson (C.H.) Worldwide, Inc. ⁽³⁾	1,126	86
XL Group Ltd. ⁽³⁾	2,035	80	UnitedHealth Group, Inc. ⁽³⁾	8,352	1,636	Rockwell Automation, Inc. ⁽³⁾	1,001	178
Zions Bancorporation ⁽³⁾	1,586	75	Universal Health Services, Inc. Class B ⁽³⁾	790	88	Rockwell Collins, Inc. ⁽³⁾	1,259	165
		24,668	Varian Medical Systems, Inc. ⁽²⁾⁽³⁾	812	81	Roper Technologies, Inc. ⁽³⁾	794	193
Health Care—14.6%			Vertex Pharmaceuticals, Inc. ⁽²⁾⁽³⁾	2,160	328	Snap-on, Inc. ⁽³⁾	463	69
Abbott Laboratories ⁽³⁾	14,795	789	Waters Corp. ⁽²⁾⁽³⁾	680	122			
AbbVie, Inc. ⁽³⁾	13,788	1,225	Zimmer Biomet Holdings, Inc. ⁽³⁾	1,736	203			

See Notes to Financial Statements

VIRTUS RAMPART ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE
Utilities—continued		
NextEra Energy, Inc. ⁽³⁾	4,073	\$ 597
NiSource, Inc. ⁽³⁾	2,805	72
NRG Energy, Inc. ⁽³⁾	2,745	70
PG&E Corp. ⁽³⁾	4,425	301
Pinnacle West Capital Corp. ⁽³⁾	969	82
PPL Corp. ⁽³⁾	5,925	225
Public Service Enterprise Group, Inc. ⁽³⁾	4,381	203
SCANA Corp. ⁽³⁾	1,244	60
Sempra Energy ⁽³⁾	2,175	248
Southern Co. (The) ⁽³⁾	8,611	423
WEC Energy Group, Inc. ⁽³⁾	2,737	172
Xcel Energy, Inc. ⁽³⁾	4,400	208
		<u>5,804</u>
TOTAL COMMON STOCKS		176,840
(Identified Cost \$166,819)		
EXCHANGE-TRADED FUND—3.6%		
PowerShares S&P 500 Low Volatility Portfolio ⁽³⁾⁽⁴⁾	144,618	6,622
TOTAL EXCHANGE-TRADED FUND		6,622
(Identified Cost \$6,638)		

	CONTRACTS	VALUE
PURCHASED OPTIONS—0.0%		
See the table below for the detailed information		
Call Options—0.0%		
Put Options—0.0%		
TOTAL PURCHASED OPTIONS—0.0%		
(Premiums Paid \$266)		\$ 90
TOTAL LONG TERM INVESTMENTS—98.9%		
(Identified Cost \$173,723)		183,552
TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS—98.9%		
(Identified Cost \$173,723)		183,552⁽¹⁾
WRITTEN OPTIONS—(0.2)%		
See the table on page 44 for the detailed information		
Call Options—(0.1)%		
Put Options—(0.1)%		
TOTAL WRITTEN OPTIONS—(0.2)%		
(Premiums Received \$(505))		(265)⁽¹⁾
TOTAL INVESTMENTS, NET OF WRITTEN OPTIONS—98.7%		
(Identified Cost \$173,218)		183,287
Other assets and liabilities, net—1.3%		2,353
NET ASSETS—100.0%		\$185,640

Footnote Legend:

- ⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
⁽²⁾ Non-income producing.
⁽³⁾ All or a portion of the security is segregated as collateral for written options.
⁽⁴⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.
⁽⁵⁾ Amount is less than \$500.

Open Purchased Options—0.0%

Description	Contracts	Exercise Price	Expiration Date	Notional Amount	Value
Call Options—0.0%					
S&P 500 [®] Index	184	\$2,600	10/02/17	\$47,840	\$ 1
S&P 500 [®] Index	246	2,610	10/04/17	64,206	— ⁽⁵⁾
S&P 500 [®] Index	246	2,600	10/06/17	63,960	2
S&P 500 [®] Index	368	2,585	10/09/17	95,128	2
S&P 500 [®] Index	367	2,600	10/11/17	95,420	2
S&P 500 [®] Index	369	2,615	10/13/17	96,494	6
					<u>13</u>
Put Options—0.0%					
S&P 500 [®] Index	184	2,380	10/02/17	43,792	1
S&P 500 [®] Index	246	2,375	10/04/17	58,425	2
S&P 500 [®] Index	246	2,375	10/06/17	58,425	7
S&P 500 [®] Index	368	2,355	10/09/17	86,664	11
S&P 500 [®] Index	367	2,370	10/11/17	86,979	26
S&P 500 [®] Index	369	2,375	10/13/17	87,638	30
					<u>77</u>
					<u>\$90</u>

See Notes to Financial Statements

VIRTUS RAMPART ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

Open Written Options—(0.2)%					
Description	Contracts	Exercise Price	Expiration Date	Notional Amount	Value
Call Options—(0.1)%					
S&P 500® Index	184	\$2,550	10/02/17	\$(46,920)	\$ (3)
S&P 500® Index	246	2,560	10/04/17	(62,976)	(4)
S&P 500® Index	246	2,550	10/06/17	(62,730)	(13)
S&P 500® Index	368	2,545	10/09/17	(93,656)	(43)
S&P 500® Index	367	2,550	10/11/17	(93,585)	(44)
S&P 500® Index	369	2,565	10/13/17	(94,649)	(24)
					<u>(131)</u>
Put Options—(0.1)%					
S&P 500® Index	184	2,430	10/02/17	(44,712)	(2)
S&P 500® Index	246	2,425	10/04/17	(59,655)	(8)
S&P 500® Index	246	2,425	10/06/17	(59,655)	(10)
S&P 500® Index	368	2,405	10/09/17	(88,504)	(20)
S&P 500® Index	367	2,420	10/11/17	(88,814)	(46)
S&P 500® Index	369	2,425	10/13/17	(89,483)	(48)
					<u>(134)</u>
					<u><u>\$(265)</u></u>

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices	Level 2 Quoted Prices
Equity Securities:			
Common Stocks	\$176,840	\$176,840	\$—
Exchange-Traded Funds	6,622	6,622	—
Purchased Options	90	73	17
Total Investments before Written Options	<u>\$183,552</u>	<u>\$183,535</u>	<u>\$17</u>
Liabilities:			
Equity Securities:			
Written Options	\$ (265)	\$ (265)	\$—
Total Investments net of Written Options	<u>\$ (265)</u>	<u>\$ (265)</u>	<u>\$—</u>

There were no Level 3 (significant unobservable inputs) priced securities as of September 30, 2017.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE
U.S. GOVERNMENT SECURITIES—0.3%		
U.S. Treasury Note		
1.625%, 2/15/26	\$ 285	\$ 271
2.250%, 8/15/27	200	198
TOTAL U.S. GOVERNMENT SECURITIES		
(Identified Cost \$474)		469

FOREIGN GOVERNMENT SECURITIES—4.1%

Argentine Republic		
7.500%, 4/22/26	305	342
Series NY, 8.280%, 12/31/33	294	342
Bolivarian Republic of Venezuela		
RegS, 8.250%, 10/13/24 ⁽⁵⁾	40	14
RegS, 7.650%, 4/21/25 ⁽⁵⁾	320	109
9.375%, 1/13/34	130	46
Dominican Republic 144A		
6.875%, 1/29/26 ⁽⁴⁾	100	114
Federative Republic of Brazil		
12.500%, 1/5/22	475 ^{BRL}	171
Treasury Note Series F,		
10.000%, 1/1/23	570 ^{BRL}	190
8.500%, 1/5/24	390 ^{BRL}	125
Treasury Note Series F,		
10.000%, 1/1/25	230 ^{BRL}	77
5.625%, 1/7/41	140	141
Kingdom of Bahrain 144A		
7.000%, 10/12/28 ⁽⁴⁾	200	204
Kingdom of Morocco 144A		
5.500%, 12/11/42 ⁽⁴⁾	200	223
Provincia de Buenos Aires		
144A, 9.125%, 3/16/24 ⁽⁴⁾	150	173
144A, 7.875%, 6/15/27 ⁽⁴⁾	235	255
Republic of Chile		
5.500%, 8/5/20	95,000 ^{CLP}	158
Republic of Colombia		
4.375%, 3/21/23	527,000 ^{COP}	171
9.850%, 6/28/27	157,000 ^{COP}	67
Republic of Costa Rica 144A		
7.000%, 4/4/44 ⁽⁴⁾	200	213
Republic of El Salvador 144A		
6.375%, 1/18/27 ⁽⁴⁾	260	257
Republic of Indonesia		
Series FR70, 8.375%, 3/15/24	1,670,000 ^{IDR}	137
Series FR56, 8.375%, 9/15/26	1,813,000 ^{IDR}	152
144A, 4.350%, 1/8/27 ⁽⁴⁾	200	212
Republic of South Africa		
Series R208, 6.750%, 3/31/21	1,460 ^{ZAR}	105
4.300%, 10/12/28	200	189
Republic of Turkey		
6.250%, 9/26/22	200	219
7.375%, 2/5/25	75	87
4.875%, 10/9/26	270	268
6.000%, 3/25/27	200	215
4.875%, 4/16/43	200	178
Russian Federation		
144A, 7.850%, 3/10/18 ⁽⁴⁾	10,000 ^{RUB}	174
Series 6216, 6.700%, 5/15/19	6,775 ^{RUB}	116
Sultanate of Oman 144A		
4.750%, 6/15/26 ⁽⁴⁾	235	232
Ukraine		
144A, 7.750%, 9/1/22 ⁽⁴⁾	120	127
144A, 7.750%, 9/1/26 ⁽⁴⁾	160	165

FOREIGN GOVERNMENT SECURITIES—continued

United Mexican States		
Series M, 6.500%, 6/9/22	1,091 ^{MXN}	\$ 60
4.750%, 3/8/44	\$ 70	72

TOTAL FOREIGN GOVERNMENT SECURITIES
(Identified Cost \$6,099)

6,100

MORTGAGE-BACKED SECURITIES—4.8%

Agency—1.1%

FHLMC		
3.500%, 4/1/46	216	223
FNMA		
3.500%, 12/1/42	206	213
4.000%, 10/1/44	197	208
3.500%, 12/1/45	142	147
3.500%, 1/1/46	83	86
3.000%, 2/1/46	63	63
3.500%, 7/1/47	198	205
4.000%, 7/1/47	256	269
4.000%, 8/1/47	193	203
		1,617

Non-Agency—3.7%

American Homes 4 Rent Trust		
14-SFR2, C 144A,		
4.705%, 10/17/36 ⁽⁴⁾	180	193
15-SFR2, C 144A,		
4.691%, 10/17/45 ⁽⁴⁾	205	221
15-SFR1, A 144A,		
3.467%, 4/17/52 ⁽⁴⁾	139	143
Amerquest Mortgage Securities, Inc. Pass-Through		
Certificates, 03-AR3, M4 , (5.850% minus 1 month		
LIBOR)		
4.286%, 6/25/33 ⁽³⁾	115	114
AMSR Trust 16-SFR1, D 144A , (1 month LIBOR +		
2.400%)		
3.634%, 11/17/33 ⁽³⁾⁽⁴⁾	145	147
Banc of America Funding Trust		
05-1, 1A1		
5.500%, 2/25/35	27	27
Bank of America (Countrywide) Asset-Backed		
Certificates 05-1, AF5A		
5.090%, 7/25/35 ⁽³⁾	147	152
Bank of America (Merrill Lynch – Countrywide)		
Alternative Loan Trust 04-22CB, 1A1		
6.000%, 10/25/34	126	129
Bank of America (Merrill Lynch) Commercial Mortgage		
Securities Trust 15-200P, A 144A		
3.218%, 4/14/33 ⁽⁴⁾	120	121
Bayview Opportunity Master Fund IIIb Trust		
17-RN2, A1 144A		
3.475%, 4/28/32 ⁽³⁾⁽⁴⁾	62	62
Bayview Opportunity Master Fund IVa Trust		
16-SPL1, B1 144A,		
4.250%, 4/28/55 ⁽⁴⁾	120	124
17-SPL1, B1 144A,		
4.250%, 10/28/64 ⁽³⁾⁽⁴⁾	100	104
Bayview Opportunity Master Fund IVb Trust		
16-SPL2, B1 144A,		
4.250%, 6/28/53 ⁽³⁾⁽⁴⁾	100	103
17-SPL3, B1 144A,		
4.250%, 11/28/53 ⁽³⁾⁽⁴⁾	110	115

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Non-Agency—continued			Non-Agency—continued		
Citigroup Mortgage Loan Trust, Inc. 05-5, 2A3, 5.000%, 8/25/35	\$ 34	\$ 33	Resecuritization Pass-Through Trust 05-8R, A5 6.000%, 10/25/34	\$ 54	\$ 55
15-A, A1 144A, 3.500%, 6/25/58 ⁽³⁾⁽⁴⁾	97	98	Residential Asset Mortgage Products Trust 05-SL2, A4 7.500%, 2/25/32	66	66
Colony American Finance Ltd. 15-1, A 144A 2.896%, 10/15/47 ⁽⁴⁾	109	110	Residential Asset Securitization Trust 05-A1, A3 5.500%, 4/25/35	111	113
Colony Starwood Homes Trust 16-2A, C 144A, (1 month LIBOR + 2.150%) 3.384%, 12/17/33 ⁽³⁾⁽⁴⁾	145	145	Sequoia Mortgage Trust 13-8, B1 3.532%, 6/25/43 ⁽³⁾	99	100
Credit Suisse Commercial Mortgage Trust 14-LVR2, A2 144A 3.821%, 4/25/44 ⁽³⁾⁽⁴⁾	52	53	Towd Point Mortgage Trust 15-1, A2 144A, 3.250%, 10/25/53 ⁽³⁾⁽⁴⁾	115	117
Credit Suisse Commercial Mortgage-Backed Trust 06-08, 3A1 6.000%, 10/25/21	50	48	15-3, A1B 144A, 3.000%, 3/25/54 ⁽³⁾⁽⁴⁾	119	120
Deephaven Residential Mortgage Trust 17-1A, A2 144A 2.928%, 12/26/46 ⁽³⁾⁽⁴⁾	77	77	15-6, M1 144A, 3.750%, 4/25/55 ⁽³⁾⁽⁴⁾	100	104
GAHR Commercial Mortgage Trust 15-NRF, CFX 144A 3.495%, 12/15/34 ⁽³⁾⁽⁴⁾	130	132	15-5, A2 144A, 3.500%, 5/25/55 ⁽³⁾⁽⁴⁾	100	103
GSAA Home Equity Trust 05-12, AF3W 4.999%, 9/25/35 ⁽³⁾	47	47	15-2, 1M1 144A, 3.250%, 11/25/60 ⁽³⁾⁽⁴⁾	345	351
GSR Mortgage Loan Trust 06-1F, 2A4 6.000%, 2/25/36	50	45	Vericrest Opportunity Loan Trust LVI LLC, 17-NPL3, A1 144A 3.500%, 3/25/47 ⁽³⁾⁽⁴⁾	95	95
Home Equity Loan Trust 03-HS3, A14, 5.550%, 9/25/33 ⁽³⁾	20	20	Wells Fargo Commercial Mortgage Trust 15-LC20, B 3.719%, 4/15/50	165	166
06-HI1, M1, 6.010%, 2/25/36 ⁽³⁾	26	26	<u>5,386</u>		
JPMorgan Chase Commercial Mortgage Securities Trust 07-LDPX, AM 5.464%, 1/15/49 ⁽³⁾	37	37	TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$6,925)		7,003
JPMorgan Chase Mortgage Trust 14-1, 1A1 144A, 4.000%, 1/25/44 ⁽³⁾⁽⁴⁾	99	102	ASSET-BACKED SECURITIES—1.8%		
16-1, M2 144A, 3.750%, 4/25/45 ⁽³⁾⁽⁴⁾	103	105	AmeriCredit Automobile Receivables Trust 17-3, D 3.180%, 7/18/23	160	160
16-2, M2 144A, 3.750%, 12/25/45 ⁽³⁾⁽⁴⁾	199	202	Carnow Auto Receivables Trust 16-1A, D 144A 7.340%, 11/15/21 ⁽⁴⁾	140	140
11-C4, A4 144A, 4.388%, 7/15/46 ⁽⁴⁾	120	127	Chrysler Capital Auto Receivables Trust 16-BA, D 144A 3.510%, 9/15/23 ⁽⁴⁾	135	135
16-5, A1 144A, 2.609%, 12/25/46 ⁽³⁾⁽⁴⁾	226	227	Club Credit Trust 17-NP1, B 144A 3.560%, 9/15/23 ⁽⁴⁾	110	110
MASTR Alternative Loan Trust 05-5, 2A3, 5.500%, 7/25/25	94	89	DB Master Finance LLC 17-1A, A2I 144A 3.629%, 11/20/47 ⁽⁴⁾	135	135
04-6, 7A1, 6.000%, 7/25/34	178	174	Drive Auto Receivables Trust 17-2, C 2.750%, 9/15/23	165	165
05-2, 2A1, 6.000%, 1/25/35	86	89	Drug Royalty III LP 1 16-1A, A 144A 3.979%, 4/15/27 ⁽⁴⁾	182	183
MASTR Specialized Loan Trust 05-3, A2 144A 5.704%, 11/25/35 ⁽³⁾⁽⁴⁾	47	49	Exeter Automobile Receivables Trust 15-2A, C 144A, 3.900%, 3/15/21 ⁽⁴⁾	175	178
New Residential Mortgage Loan Trust 17-2A, A3 144A 4.000%, 3/25/57 ⁽³⁾⁽⁴⁾	88	92	14-3A, D 144A, 5.690%, 4/15/21 ⁽⁴⁾	165	171
One Market Plaza Trust 17-1MKT, A 144A 3.614%, 2/10/32 ⁽⁴⁾	110	114	First Investors Auto Owner Trust 15-2A, E 144A 5.590%, 11/15/22 ⁽⁴⁾	170	171

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued				Consumer Discretionary—continued	
Flagship Credit Auto Trust				McGraw-Hill Global Education Holdings LLC 144A	
15-1, D 144A,			\$	7.875%, 5/15/24 ⁽⁴⁾	115
5.260%, 7/15/21 ⁽⁴⁾	200	206		MDC Holdings, Inc.	
14-1, E 144A,				5.500%, 1/15/24	160
5.710%, 8/16/21 ⁽⁴⁾	130	133		Meritor, Inc.	
HOA Funding LLC				6.750%, 6/15/21	38
14-1A, A2 144A				PetSmart, Inc. 144A	
4.846%, 8/20/44 ⁽⁴⁾	155	145		8.875%, 6/1/25 ⁽⁴⁾	75
Prosper Marketplace Issuance Trust				Pinnacle Entertainment, Inc.	
17-1A, B 144A,				5.625%, 5/1/24	65
3.650%, 6/15/23 ⁽⁴⁾	137	138		QVC, Inc.	
17-2A, B 144A,				5.125%, 7/2/22	135
3.480%, 9/15/23 ⁽⁴⁾	110	110		Scientific Games International, Inc.	
Santander Drive Auto Receivables Trust 17-2, D				6.625%, 5/15/21	110
3.490%, 7/17/23	165	167		144A, 7.000%, 1/1/22 ⁽⁴⁾	110
TGIF Funding LLC 17-1A, A2 144A				Signet UK Finance plc	
6.202%, 4/30/47 ⁽⁴⁾	139	141		4.700%, 6/15/24	135
				Station Casinos LLC 144A	
TOTAL ASSET-BACKED SECURITIES				5.000%, 10/1/25 ⁽⁴⁾	35
(Identified Cost \$2,575)		2,588		TI Group Automotive Systems LLC 144A	
				8.750%, 7/15/23 ⁽⁴⁾	95
CORPORATE BONDS AND NOTES—20.0%				Toll Brothers Finance Corp.	
				4.875%, 11/15/25	30
Consumer Discretionary—2.8%				TRI Pointe Group, Inc.	
Beazer Homes USA, Inc.				5.875%, 6/15/24	140
5.750%, 6/15/19	95	100		Viking Cruises Ltd. 144A	
144A, 5.875%, 10/15/27 ⁽⁴⁾	135	135		5.875%, 9/15/27 ⁽⁴⁾	135
Cablevision Systems Corp.				Vista Outdoor, Inc.	
5.875%, 9/15/22	160	166		5.875%, 10/1/23	140
Caesars Entertainment Operating Co., Inc.				Weekley Homes LLC 144A	
9.000%, 2/15/20 ⁽¹³⁾	39	52		6.625%, 8/15/25 ⁽⁴⁾	135
Caesars Entertainment Resort Properties LLC				Wyndham Worldwide Corp.	
8.000%, 10/1/20	65	67		4.500%, 4/1/27	135
Caesars Growth Properties Holdings LLC				Ziggo Secured Finance BV 144A	
9.375%, 5/1/22	150	162		5.500%, 1/15/27 ⁽⁴⁾	150
CalAtlantic Group, Inc.					<u>154</u>
5.250%, 6/1/26	80	83			<u>4,076</u>
5.000%, 6/15/27	85	86			
Charter Communications Operating LLC				Consumer Staples—0.7%	
4.908%, 7/23/25	135	144		Anheuser-Busch InBev Finance, Inc.	
Clear Channel Worldwide Holdings, Inc. Series B				3.650%, 2/1/26	80
7.625%, 3/15/20	90	89		BAT Capital Corp.	
Cooper-Standard Automotive, Inc. 144A				144A, 3.222%, 8/15/24 ⁽⁴⁾	80
5.625%, 11/15/26 ⁽⁴⁾	105	107		144A, 3.557%, 8/15/27 ⁽⁴⁾	110
CRC Escrow Issuer LLC 144A				Cumberland Farms, Inc. 144A	
5.250%, 10/15/25 ⁽⁴⁾	60	60		6.750%, 5/1/25 ⁽⁴⁾	70
Discovery Communications LLC				Kronos Acquisition Holdings, Inc. 144A	
3.950%, 3/20/28	130	130		9.000%, 8/15/23 ⁽⁴⁾	85
Eldorado Resorts, Inc.				MARB BondCo plc 144A	
6.000%, 4/1/25	65	68		7.000%, 3/15/24 ⁽⁴⁾	200
Gateway Casinos & Entertainment Ltd. 144A				Post Holdings, Inc.	
8.250%, 3/1/24 ⁽⁴⁾	115	121		144A, 5.000%, 8/15/26 ⁽⁴⁾	100
Goodyear Tire & Rubber Co. (The)				144A, 5.750%, 3/1/27 ⁽⁴⁾	35
4.875%, 3/15/27	80	82		Rite Aid Corp. 144A	
Horton (D.R.), Inc.				6.125%, 4/1/23 ⁽⁴⁾	120
4.750%, 2/15/23	85	92		Safeway, Inc.	
iHeartCommunications, Inc.				7.250%, 2/1/31	95
9.000%, 12/15/19	70	53		Smithfield Foods, Inc. 144A	
Laureate Education, Inc. 144A				2.650%, 10/3/21 ⁽⁴⁾	5
8.250%, 5/1/25 ⁽⁴⁾	30	32		Tops Holding LLC 144A	
Lear Corp.				8.000%, 6/15/22 ⁽⁴⁾	120
3.800%, 9/15/27	160	159			<u>80</u>
M/I Homes, Inc. 144A					<u>1,047</u>
5.625%, 8/1/25 ⁽⁴⁾	110	112			

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Energy—4.4%			Energy—continued		
Alliance Resource Operating Partners LP 144A 7.500%, 5/1/25 ⁽⁴⁾	\$ 110	\$ 114	Nabors Industries, Inc. 5.500%, 1/15/23	\$ 165	\$ 162
Alta Mesa Holdings LP 144A 7.875%, 12/15/24 ⁽⁴⁾	85	92	NuStar Logistics LP 5.625%, 4/28/27	60	63
American Midstream Partners LP 144A 8.500%, 12/15/21 ⁽⁴⁾	70	72	Oasis Petroleum, Inc. 6.875%, 1/15/23	160	162
Anadarko Finance Co. Series B 7.500%, 5/1/31	45	56	Odebrecht Offshore Drilling Finance Ltd. 144A 6.750%, 10/1/22 ⁽⁴⁾⁽¹²⁾	207	74
Anadarko Petroleum Corp. 6.600%, 3/15/46	85	105	Parker Drilling Co. 7.500%, 8/1/20	190	169
Antero Resources Corp. 5.625%, 6/1/23	90	94	Peabody Energy Corp. 144A, 6.000%, 3/31/22 ⁽⁴⁾	15	15
Archrock Partners LP 6.000%, 10/1/22	120	117	144A, 6.375%, 3/31/25 ⁽⁴⁾	50	51
Blue Racer Midstream LLC 144A 6.125%, 11/15/22 ⁽⁴⁾	70	73	Petrobras Global Finance BV 144A, 5.299%, 1/27/25 ⁽⁴⁾	127	127
Callon Petroleum Co. 6.125%, 10/1/24	125	131	7.375%, 1/17/27	325	358
Carrizo Oil & Gas, Inc. 6.250%, 4/15/23	120	122	5.999%, 1/27/28	70	70
Cheniere Corpus Christi Holdings LLC 7.000%, 6/30/24	145	165	Petroleos de Venezuela S.A. 144A 6.000%, 5/16/24 ⁽⁴⁾	255	77
Chesapeake Energy Corp. 144A 8.000%, 6/15/27 ⁽⁴⁾	135	134	Petroleos Mexicanos 6.875%, 8/4/26	290	330
Compagnie Generale de Geophysique-Veritas SA 6.500%, 6/1/21 ⁽¹²⁾	190	86	6.500%, 6/2/41	195	204
Continental Resources, Inc. 4.500%, 4/15/23	60	60	RSP Permian, Inc. 144A 5.250%, 1/15/25 ⁽⁴⁾	130	132
Crestwood Midstream Partners LP 5.750%, 4/1/25	70	71	SESI LLC 144A 7.750%, 9/15/24 ⁽⁴⁾	100	103
Denbury Resources, Inc. 5.500%, 5/1/22	65	37	Seven Generations Energy Ltd. 144A 5.375%, 9/30/25 ⁽⁴⁾	135	136
Ecopetrol S.A. 5.375%, 6/26/26	300	319	State Oil Co. of the Azerbaijan Republic 6.950%, 3/18/30	200	218
Encana Corp. 3.900%, 11/15/21	60	62	Transocean, Inc. 144A, 9.000%, 7/15/23 ⁽⁴⁾	75	81
8.125%, 9/15/30	65	84	6.800%, 3/15/38	45	37
Energy Transfer Equity LP 5.000%, 10/1/22	45	49	Ultra Resources, Inc. 144A, 6.875%, 4/15/22 ⁽⁴⁾	6	6
5.875%, 1/15/24	75	81	144A, 7.125%, 4/15/25 ⁽⁴⁾	30	30
Energy Transfer LP 5. 875%, 3/1/22	75	83	Weatherford International Ltd. 144A 9.875%, 2/15/24 ⁽⁴⁾	45	49
EP Energy LLC 6.375%, 6/15/23	90	56	YPF S.A. 144A, 8.500%, 3/23/21 ⁽⁴⁾	95	107
144A, 8.000%, 11/29/24 ⁽⁴⁾	95	96	144A, 6.950%, 7/21/27 ⁽⁴⁾	145	154
EQT Corp. 3.900%, 10/1/27	46	46	<u>6,525</u>		
FTS International, Inc. 6.250%, 5/1/22	90	82	Financials—4.3%		
Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	95	100	Akbank TAS 144A 7.500%, 2/5/18 ⁽⁴⁾	600 ^{TRY}	166
HollyFrontier Corp. 5.875%, 4/1/26	155	169	Allstate Corp. (The) 5.750%, 8/15/53 ⁽⁶⁾	125	137
KazMunayGas National Co. 144A 6.375%, 4/9/21 ⁽⁴⁾	200	219	Ally Financial, Inc. 5.750%, 11/20/25	90	98
Kinder Morgan, Inc. 7.750%, 1/15/32	205	263	Ares Capital Corp. 3.625%, 1/19/22	90	91
Matador Resources Co. 6.875%, 4/15/23	120	127	3.500%, 2/10/23	55	54
MEG Energy Corp. 144A 6.500%, 1/15/25 ⁽⁴⁾	80	78	Australia & New Zealand Banking Group Ltd. 144A 4.400%, 5/19/26 ⁽⁴⁾	200	208
MPLX LP 4.875%, 12/1/24	155	167	Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A 6.500%, 3/10/21 ⁽⁴⁾	200	221
			Banco de Bogota S.A. 144A 6.250%, 5/12/26 ⁽⁴⁾	200	218
			Banco de Credito del Peru 144A 6.125%, 4/24/27 ⁽⁴⁾	190	210

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Financials—continued			Financials—continued		
Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29 ⁽⁴⁾	\$ 65	\$ 73	Wells Fargo & Co. 3.550%, 9/29/25	\$ 135	\$ 138
Bank of America Corp. 4.200%, 8/26/24	167	175	5.900%, 12/29/49	190	207
Brighthouse Financial, Inc. 144A 3.700%, 6/22/27 ⁽⁴⁾	170	167		<u>6,282</u>	
Brookfield Finance LLC 4.000%, 4/1/24	100	103	Health Care—1.2%		
Capital One Financial Corp. 3.750%, 7/28/26	135	134	Abbott Laboratories 3.750%, 11/30/26	135	138
Compass Bank 3.875%, 4/10/25	250	249	Becton Dickinson & Co. 3.363%, 6/6/24	29	29
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 ⁽⁴⁾	250	255	3.700%, 6/6/27	170	171
Eurasian Development Bank 144A 4.767%, 9/20/22 ⁽⁴⁾	200	208	Change Healthcare Holdings LLC 144A 5.750%, 3/1/25 ⁽⁴⁾	25	25
FS Investment Corp. 4.750%, 5/15/22	130	135	Community Health Systems, Inc. 6.875%, 2/1/22	65	51
Genworth Holdings, Inc. 4.900%, 8/15/23	105	90	6.250%, 3/31/23	20	20
GrupoSura Finance S.A. 144A 5.500%, 4/29/26 ⁽⁴⁾	200	218	Concordia International Corp. 144A 9.000%, 4/1/22 ⁽⁴⁾	35	27
ICAHN Enterprises LP 6.000%, 8/1/20	70	72	DJO Finco, Inc. 144A 8.125%, 6/15/21 ⁽⁴⁾	55	53
ING Groep N.V. 6.000% ⁽⁶⁾⁽⁸⁾	200	206	Eagle Holding Co. II, LLC PIK Interest Capitalization, 144A 7.625%, 5/15/22 ⁽⁴⁾⁽¹⁵⁾	80	83
iStar, Inc. 5.000%, 7/1/19	70	71	Endo Dac 144A 6.000%, 7/15/23 ⁽⁴⁾	140	115
6.000%, 4/1/22	50	52	Envision Healthcare Corp. 144A 6.250%, 12/1/24 ⁽⁴⁾	30	32
5.250%, 9/15/22	60	61	HCA, Inc. 5.250%, 6/15/26	55	59
Jefferies Group LLC 4.850%, 1/15/27	40	42	MEDNAX, Inc. 144A 5.250%, 12/1/23 ⁽⁴⁾	75	79
JPMorgan Chase & Co. 3.300%, 4/1/26	135	135	MPH Acquisition Holdings LLC 144A 7.125%, 6/1/24 ⁽⁴⁾	120	129
2.950%, 10/1/26	80	78	Ortho-Clinical Diagnostics, Inc. 144A 6.625%, 5/15/22 ⁽⁴⁾	120	118
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42 ⁽⁴⁾	200	223	SP Finco LLC 144A 6.750%, 7/1/25 ⁽⁴⁾	20	19
Leucadia National Corp. 5.500%, 10/18/23	70	75	Surgery Center Holdings, Inc. 144A 8.875%, 4/15/21 ⁽⁴⁾	115	121
Navient Corp. 7.250%, 9/25/23	35	38	Team Health Holdings, Inc. 144A 6.375%, 2/1/25 ⁽⁴⁾	85	81
6.750%, 6/25/25	90	94	Tenet Healthcare Corp. 4.500%, 4/1/21	60	61
OM Asset Management plc 4.800%, 7/27/26	150	155	144A, 5.125%, 5/1/25 ⁽⁴⁾	35	35
Powszechna Kasa Oszczednosci Bank Polski S.A. 144A 4.630%, 9/26/22 ⁽⁴⁾⁽⁷⁾	240	258	144A, 7.000%, 8/1/25 ⁽⁴⁾	115	108
Prudential Financial, Inc. 5.875%, 9/15/42	100	111	Valeant Pharmaceuticals International, Inc. 144A, 6.375%, 10/15/20 ⁽⁴⁾	60	60
5.625%, 6/15/43 ⁽⁶⁾	75	82	144A, 7.500%, 7/15/21 ⁽⁴⁾	5	5
Santander Holdings USA, Inc. 144A 4.400%, 7/13/27 ⁽⁴⁾	135	138	144A, 5.625%, 12/1/21 ⁽⁴⁾	5	5
Sberbank of Russia 144A 5.500%, 2/26/24 ⁽⁴⁾⁽⁷⁾	200	204	144A, 6.500%, 3/15/22 ⁽⁴⁾	10	11
Springleaf Finance Corp. 6.125%, 5/15/22	50	53	144A, 7.250%, 7/15/22 ⁽⁴⁾	105	102
Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 ⁽⁴⁾	150	151	144A, 7.000%, 3/15/24 ⁽⁴⁾	15	16
Toronto-Dominion Bank (The) 3.625%, 9/15/31	60	60	West Street Merger Sub, Inc. 144A 6.375%, 9/1/25 ⁽⁴⁾	80	80
Turkiye Vakiflar Bankasi TAO 144A 5.625%, 5/30/22 ⁽⁴⁾	200	203		<u>1,833</u>	
Voya Financial, Inc. 5.650%, 5/15/53	155	165	Industrials—1.4%		
			Avantor, Inc. 144A 6.000%, 10/1/24 ⁽⁴⁾	60	61
			Bombardier, Inc. 144A 6.125%, 1/15/23 ⁽⁴⁾	80	78
			CNH Industrial N.V. 4.500%, 8/15/23	112	119

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Industrials—continued				Materials—2.0%	
Continental Airlines Pass-Through-Trust				AK Steel Corp.	
99-2, C2 Series AMBC,				7.500%, 7/15/23	80 87
6.236%, 3/15/20	\$ 63	\$ 65		7.000%, 3/15/27	110 112
01-1, A1, 6.703%, 6/15/21	46	48		Aleris International, Inc. 144A	
DP World Ltd. 144A				9.500%, 4/1/21 ⁽⁴⁾	70 75
6.850%, 7/2/37 ⁽⁴⁾	100	123		Alpek SAB de C.V. 144A	
Embraer Netherlands Finance BV				5.375%, 8/8/23 ⁽⁴⁾	260 276
5.400%, 2/1/27	65	70		Anglo American Capital plc 144A	
ESAL GmbH 144A				4.000%, 9/11/27 ⁽⁴⁾	200 198
6.250%, 2/5/23 ⁽⁴⁾	200	194		ArcelorMittal	
GATX Corp.				6.125%, 6/1/25	175 201
3.250%, 9/15/26	25	25		BHP Billiton Finance USA Ltd. 144A	
Hawaiian Airlines Pass-Through Certificates 13-1, B				6.750%, 10/19/75 ⁽⁴⁾⁽⁶⁾	205 241
4.950%, 1/15/22	133	137		BlueScope Steel Finance Ltd. 144A	
Hillman Group, Inc. (The) 144A				6.500%, 5/15/21 ⁽⁴⁾	85 89
6.375%, 7/15/22 ⁽⁴⁾	65	65		FMG Resources August 2006 Pty Ltd. 144A	
Latam Finance Ltd. 144A				9.750%, 3/1/22 ⁽⁴⁾	60 67
6.875%, 4/11/24 ⁽⁴⁾	200	212		Gerdau Holdings, Inc. 144A	
Masco Corp.				7.000%, 1/20/20 ⁽⁴⁾	100 108
5.950%, 3/15/22	99	112		Glencore Funding LLC 144A	
New Enterprise Stone & Lime Co., Inc. 144A				4.000%, 3/27/27 ⁽⁴⁾	165 166
10.125%, 4/1/22 ⁽⁴⁾	10	11		Kraton Polymers LLC 144A	
Owens Corning				7.000%, 4/15/25 ⁽⁴⁾	155 166
3.400%, 8/15/26	150	148		NOVA Chemicals Corp.	
Pitney Bowes, Inc.				144A, 4.875%, 6/1/24 ⁽⁴⁾	60 61
3.875%, 5/15/22	157	154		144A, 5.000%, 5/1/25 ⁽⁴⁾	130 132
Prime Security Services Borrower LLC 144A				Owens-Brockway Glass Container, Inc. 144A	
9.250%, 5/15/23 ⁽⁴⁾	60	66		6.375%, 8/15/25 ⁽⁴⁾	110 124
Standard Industries, Inc. 144A				Rusal Capital DAC 144A	
5.500%, 2/15/23 ⁽⁴⁾	40	42		5.125%, 2/2/22 ⁽⁴⁾	200 203
TransDigm, Inc.				Severstal OAO Via Steel Capital S.A. 144A	
6.500%, 5/15/25	50	52		3.850%, 8/27/21 ⁽⁴⁾⁽⁷⁾	200 205
UAL Pass-Through-Trust				Standard Industries, Inc. 144A	
07-01, A				6.000%, 10/15/25 ⁽⁴⁾	95 104
6.636%, 7/2/22	143	156		Tronox Finance plc 144A	
Wrangler Buyer Corp. 144A				5.750%, 10/1/25 ⁽⁴⁾	25 26
6.000%, 10/1/25 ⁽⁴⁾	89	91		Vale Overseas Ltd.	
		2,029		5.875%, 6/10/21	105 116
				6.250%, 8/10/26	85 97
				Venator Finance S.a.r.l. 144A	
				5.750%, 7/15/25 ⁽⁴⁾	25 26
					2,880
Information Technology—0.7%				Real Estate—0.7%	
Arrow Electronics, Inc.				EPR Properties	
3.875%, 1/12/28	135	135		4.750%, 12/15/26	60 62
Blackboard, Inc. 144A				4.500%, 6/1/27	75 76
9.750%, 10/15/21 ⁽⁴⁾	53	47		ESH Hospitality, Inc. 144A	
Broadcom Corp.				5.250%, 5/1/25 ⁽⁴⁾	120 124
144A, 3.000%, 1/15/22 ⁽⁴⁾	45	46		Healthcare Trust of America Holdings LP	
144A, 3.625%, 1/15/24 ⁽⁴⁾	165	169		3.750%, 7/1/27	70 70
Dell International LLC				Hospitality Properties Trust	
144A, 5.450%, 6/15/23 ⁽⁴⁾	30	33		4.950%, 2/15/27	85 89
144A, 8.100%, 7/15/36 ⁽⁴⁾	60	75		MPT Operating Partnership LP	
Rackspace Hosting, Inc. 144A				5.500%, 5/1/24	90 94
8.625%, 11/15/24 ⁽⁴⁾	160	171		5.000%, 10/15/27	65 67
Radiate Holdco LLC 144A				Physicians Realty LP	
6.625%, 2/15/25 ⁽⁴⁾	165	161		4.300%, 3/15/27	140 143
ViaSat, Inc. 144A				Select Income REIT	
5.625%, 9/15/25 ⁽⁴⁾	10	10		4.500%, 2/1/25	165 167
VMware, Inc.					
2.950%, 8/21/22	87	87			
3.900%, 8/21/27	93	94			
		1,028			

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VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Real Estate—continued					
Uniti Group, Inc. 144A 7.125%, 12/15/24 ⁽⁴⁾	\$ 170	\$ 143			
		1,035			
Telecommunication Services—0.9%					
America Movil SAB de C.V. Series 12 6.450%, 12/5/22	2,000 ^{MOXN}	105			
AT&T, Inc. 3.400%, 8/14/24	109	109			
4.250%, 3/1/27	85	87			
3.900%, 8/14/27	120	120			
5.250%, 3/1/37	30	32			
4.800%, 6/15/44	110	107			
5.650%, 2/15/47	55	60			
Digicel Group Ltd. 144A 8.250%, 9/30/20 ⁽⁴⁾	200	195			
Frontier Communications Corp. 6.250%, 9/15/21	75	62			
10.500%, 9/15/22	130	113			
GTH Finance BV 144A 7.250%, 4/26/23 ⁽⁴⁾	200	227			
Qwest Corp. 7.250%, 9/15/25	80	89			
Windstream Corp. 7.750%, 10/1/21	85	63			
		1,369			
Utilities—0.9%					
AmeriGas Partners LP 5.500%, 5/20/25	65	67			
Dynegy, Inc. 7.375%, 11/1/22	130	136			
Eskom Holdings SOC Ltd. 144A 7.125%, 2/11/25 ⁽⁴⁾	200	207			
Exelon Corp. 3.497%, 6/1/22	160	165			
Ferrellgas Partners LP 8.625%, 6/15/20	25	24			
6.750%, 6/15/23	135	130			
Lamar Funding Ltd. 144A 3.958%, 5/7/25 ⁽⁴⁾	200	188			
Majapahit Holding BV 144A 7.750%, 1/20/20 ⁽⁴⁾	145	161			
Talen Energy Supply LLC 144A 4.625%, 7/15/19 ⁽⁴⁾	22	22			
TerraForm Power Operating LLC 144A 6.375%, 2/1/23 ⁽⁴⁾	160	166			
		1,266			
TOTAL CORPORATE BONDS AND NOTES					
(Identified Cost \$29,224)					
		29,370			
LOAN AGREEMENTS⁽³⁾—3.3%					
Consumer Discretionary—0.6%					
Advantage Sales & Marketing, Inc. Tranche B-2, First Lien, (3 month LIBOR + 3.250%) 4.561%, 7/23/21	60	56			
Second Lien, (1 month LIBOR + 6.500%) 7.735%, 7/25/22	113	101			
Consumer Discretionary—continued					
Caesars Entertainment Operating Co., Inc. Tranche B-4, 1.500%, 10/31/17 ⁽¹³⁾	\$ 42	\$ 55			
Tranche B-6, 1.500%, 3/1/20 ⁽¹³⁾	37	45			
Caesars Entertainment Resort Properties LLC Tranche B, First Lien, (1 month LIBOR + 3.500%) 4.735%, 10/11/20	148	148			
Caesars Growth Properties Holdings LLC 2017, First Lien, (1 month LIBOR + 3.000%) 4.235%, 5/8/21	72	72			
Gateway Casinos & Entertainment Ltd. Tranche B-1, (3 month LIBOR + 3.750%) 5.083%, 2/22/23	25	25			
Hoya Midco LLC First Lien, (1 month LIBOR + 4.000%) 5.235%, 6/30/24	40	40			
Laureate Education, Inc. 2024, (1 month LIBOR + 4.500%) 5.735%, 4/26/24	96	97			
Playa Resorts Holding B.V., (3 month LIBOR + 3.000%) 4.320%, 4/29/24	20	20			
Scientific Games International, Inc. Tranche B-4, (1 month LIBOR + 3.250%) 4.504%, 8/14/24	35	35			
Seminole Tribe of Florida Tranche B, (3 month LIBOR + 2.000%) 3.456%, 7/8/24	85	85			
U.S. Farathane LLC, (weekly LIBOR + 3.500%) 4.833%, 12/31/21	90	90			
UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%) 4.490%, 8/18/23	77	78			
		947			
Consumer Staples—0.3%					
Albertson's LLC 2017-1, Tranche B-4, (1 month LIBOR + 2.750%) 3.985%, 8/25/21	118	114			
Chobani LLC Tranche B, (3 month LIBOR + 3.500%) 0.000%, 10/7/23 ⁽⁹⁾	25	25			
First Lien, (1 month LIBOR + 4.250%) 5.485%, 10/10/23	28	28			
Galleria Co. Tranche B, (1 month LIBOR + 3.000%) 4.250%, 9/29/23	44	44			
JBS USA Lux S.A., (3 month LIBOR + 2.500%) 3.804%, 10/30/22	40	40			
Parfums Holdings Co., Inc. First Lien, (3 month LIBOR + 4.750%) 6.083%, 6/30/24	55	55			
TKC Holdings, Inc. First Lien, (2 month LIBOR + 4.250%) 5.522%, 2/1/23	80	80			
		386			
Energy—0.4%					
California Resources Corp., (1 month LIBOR + 10.375%) 11.609%, 12/31/21	80	85			
Chesapeake Energy Corp. Tranche A, (3 month LIBOR + 7.500%) 8.814%, 8/23/21	24	26			
Contura Energy, Inc., (2 month LIBOR + 5.000%) 6.280%, 3/18/24	82	81			
Jonah Energy LLC Second Lien, (3 month PRIME + 5.500%) 9.750%, 5/12/21	106	106			
Peabody Energy Corp. 2017, (1 month LIBOR + 3.500%) 4.735%, 3/31/22	48	48			
Seadrill Operating LP, (3 month LIBOR + 3.000%) 4.333%, 2/21/21	100	73			
Traverse Midstream Partners LLC, (3 month LIBOR + 4.000%) 5.330%, 9/21/24	80	81			

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VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
Energy—continued					
Ultra Resources, Inc. , (3 month LIBOR + 3.000%) 4.309%, 4/12/24	\$ 75	\$ 75			
		575			
Financials—0.2%					
Asurion LLC Tranche B-2, Second Lien , (1 month LIBOR + 6.000%) 7.235%, 8/4/25	127	130			
Focus Financial Partners LLC First Lien , (3 month LIBOR + 3.250%) 4.549%, 7/3/24	15	15			
Walter Investment Management Corp. Tranche B , (1 month LIBOR + 3.750%) 4.985%, 12/18/20	119	109			
		254			
Health Care—0.3%					
21st Century Oncology Holdings, Inc. Tranche B , (3 month LIBOR + 6.125%) 7.465%, 4/30/22 ⁽¹³⁾	31	29			
Change Healthcare Holdings, Inc. , (1 month LIBOR + 2.750%) 3.985%, 3/1/24	60	60			
Endo Luxembourg Finance Co. S.a.r.l. , (1 month LIBOR + 4.250%) 5.500%, 4/29/24	40	40			
Envision Healthcare Corp. , (1 month LIBOR + 3.000%) 4.240%, 12/1/23	15	15			
HLF Financing S.a.r.l. Senior Lien , (1 month LIBOR + 5.500%) 6.735%, 2/15/23	39	39			
MMM Holdings, Inc. , (3 month LIBOR + 8.750%) 10.250%, 6/30/19	39	39			
MSO of Puerto Rico, Inc. , (3 month LIBOR + 8.750%) 10.250%, 6/30/19	28	28			
NVA Holdings, Inc. Second Lien , (3 month LIBOR + 7.000%) 8.333%, 8/14/22	110	110			
PharMerica Corp. Second Lien (3 month LIBOR + 8.250%) 0.000%, 9/26/25 ⁽⁹⁾	10	10			
U.S. Renal Care, Inc. First Lien , (3 month LIBOR + 4.250%) 5.583%, 12/30/22	54	52			
		422			
Industrials—0.4%					
84 Lumber Co. , (1 month LIBOR + 5.750%) 6.987%, 10/25/23	78	79			
Accudyne Industries LLC , (3 month LIBOR + 3.750%) 5.083%, 8/18/24	15	15			
Hayward Industries, Inc. First Lien , (1 month LIBOR + 3.500%) 4.735%, 8/5/24	15	15			
Navistar, Inc. Tranche B , (1 month LIBOR + 4.000%) 5.240%, 8/7/20	89	89			
PAE Holding Corp. First Lien , (1 month LIBOR + 5.500%) 6.735%, 10/20/22	49	49			
Sedgwick Claims Management Services, Inc. Second Lien , (3 month LIBOR + 5.750%) 7.067%, 2/28/22	210	212			
TransDigm, Inc. Tranche F , (3 month LIBOR + 3.000%) 4.269%, 6/9/23	110	110			
		569			
Information Technology—0.3%					
Applied Systems, Inc. Second Lien , (3 month LIBOR + 7.000%) 8.324%, 9/12/25	15	16			
Blackboard, Inc. Tranche B-4, First Lien , (3 month LIBOR + 5.000%) 6.304%, 6/30/21	31	29			
Everi Payments, Inc. Tranche B , (1 month LIBOR + 4.500%) 5.735%, 5/9/24	35	35			
Information Technology—continued					
Kronos, Inc. Second Lien , (3 month LIBOR + 8.250%) 9.561%, 11/1/24	\$ 38	\$ 39			
NAB Holdings LLC , (3 month LIBOR + 3.500%) 4.833%, 7/1/24	50	50			
Presidio LLC Tranche B , (1 month LIBOR + 3.250%) 4.549%, 2/2/22	91	92			
Sungard Availability Services Capital, Inc. 2021, Tranche B , (1 month LIBOR + 7.000%) 8.235%, 9/30/21	110	102			
Veritas US, Inc. Tranche B , (3 month LIBOR + 4.500%) 5.833%, 1/27/23	124	125			
		488			
Materials—0.4%					
Anchor Glass Container Corp. 2017, First Lien, (3 month LIBOR + 2.750%) 4.024%, 12/7/23	35	35			
Second Lien, (3 month LIBOR + 7.750%) 9.067%, 12/7/24	38	38			
CPG International LLC , (3 month LIBOR + 3.750%) 5.083%, 5/5/24	90	90			
CPI Acquisition, Inc. First Lien , (3 month LIBOR + 4.500%) 5.962%, 8/17/22	152	107			
Ineos U.S. Finance LLC 2022 , (1 month LIBOR + 2.750%) 3.985%, 3/31/22	11	11			
KMG Chemicals, Inc. , (1 month LIBOR + 4.250%) 5.485%, 6/15/24	24	25			
MacDermid, Inc. Tranche B, (1 month LIBOR + 2.500%) 4.735%, 6/7/20	15	15			
Tranche B-5, (1 month LIBOR + 3.500%) 4.735%, 6/7/20	84	84			
New Arclin U.S. Holdings Corp. First Lien , (3 month LIBOR + 4.250%) 5.583%, 2/14/24	55	55			
Omnova Solutions, Inc. Tranche B-2 , (1 month LIBOR + 4.250%) 5.485%, 8/25/23	118	119			
PQ Corp. Tranche B-1 , (3 month LIBOR + 3.250%) 4.562%, 11/4/22	24	24			
		603			
Real Estate—0.0%					
Capital Automotive LP Tranche B, Second Lien , (1 month LIBOR + 6.000%) 7.240%, 3/24/25	39	40			
Telecommunication Services—0.1%					
Securus Technologies Holdings, Inc. (3 month LIBOR + 4.500%) 0.000%, 6/20/24 ⁽⁹⁾	110	111			
Second Lien, (3 month LIBOR + 8.250%) 0.000%, 6/20/25 ⁽⁹⁾	60	60			
		171			
Utilities—0.3%					
APLP Holdings LP , (1 month LIBOR + 4.250%) 5.485%, 4/13/23	121	122			
Energy Future Intermediate Holding Co. LLC , (1 month LIBOR + 3.000%) 4.235%, 6/30/18	100	100			
Talen Energy Supply LLC , (1 month LIBOR + 4.000%) 5.235%, 4/15/24	70	68			

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		SHARES	VALUE
Utilities—continued					
Vistra Operations Company LLC					
Tranche C, (1 month LIBOR + 2.750%)					
3.982%, 8/4/23	\$	15	\$		15
(1 month LIBOR + 2.750%) 3.983%, 8/4/23		64			64
					369
<hr/>					
TOTAL LOAN AGREEMENTS					
(Identified Cost \$4,851)					4,824
<hr/>					
			SHARES		
PREFERRED STOCKS—0.9%					
Financials—0.7%					
Citigroup, Inc. Series J, 7.125%	7,400	215			
JP Morgan Chase & Co.					
Series V 5.000%	80 ⁽¹⁰⁾	81			
Series Z 5.300%	35 ⁽¹⁰⁾	36			
KeyCorp Series D, 5.000%	145 ⁽¹⁰⁾	150			
M&T Bank Corp. Series F, 5.125%	70 ⁽¹⁰⁾	74			
PNC Financial Services Group, Inc.					
Series R 4.850%	155 ⁽¹⁰⁾	159			
Series S 5.000%	145 ⁽¹⁰⁾	152			
Zions Bancorp 6.950%	6,400	191			
					1,058
Industrials—0.2%					
General Electric Co. Series D, 5.000%	227 ⁽¹⁰⁾	240			
<hr/>					
TOTAL PREFERRED STOCKS					
(Identified Cost \$1,203)					1,298
<hr/>					
COMMON STOCKS—63.0%					
Consumer Discretionary—12.9%					
Amazon.com, Inc. ⁽²⁾	2,930	2,817			
Ctrip.com International Ltd. ADR ⁽²⁾	39,312	2,073			
Home Depot, Inc. (The)	8,770	1,434			
IMAX Corp. ⁽²⁾	21,915	496			
Kroton Educacional S.A. Sponsored ADR	103,165	648			
Las Vegas Sands Corp.	31,710	2,035			
McDonald's Corp.	6,520	1,022			
MercadoLibre, Inc.	1,270	329			
Netflix, Inc. ⁽²⁾	10,120	1,835			
NIKE, Inc. Class B	22,880	1,186			
Priceline Group, Inc. (The) ⁽²⁾	1,200	2,197			
Ross Stores, Inc.	17,580	1,135			
Sony Corp. Sponsored ADR	16,953	633			
Starbucks Corp.	18,520	995			
					18,835
Consumer Staples—4.2%					
Costco Wholesale Corp.	3,318	545			
Fomento Economico Mexicano SAB de C.V. ADR	7,248	693			
Marine Harvest ASA Sponsored ADR ⁽²⁾	32,750	650			
Monster Beverage Corp. ⁽²⁾	44,510	2,459			
Philip Morris International, Inc.	15,930	1,768			
					6,115
Energy—2.6%					
Cabot Oil & Gas Corp.	22,970	615			
Core Laboratories N.V.	7,480	738			
Frontera Energy Corp. ⁽²⁾	920	32			
					32,080
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Energy—continued					
Pioneer Natural Resources Co.	6,660	\$ 983			
Statoil ASA Sponsored ADR	38,668	777			
TechnipFMC plc ⁽²⁾	25,366	708			
					3,853
<hr/>					
Financials—6.1%					
Bank of America Corp.	73,170	1,854			
BNP Paribas S.A. ADR	20,450	827			
BOC Hong Kong Holdings Ltd. Sponsored ADR	4,877	471			
CaixaBank S.A. ADR	457,863	760			
Charles Schwab Corp. (The)	21,990	962			
DBS Group Holdings Ltd. Sponsored ADR	12,523	771			
ING Groep N.V. Sponsored ADR	43,544	802			
MarketAxess Holdings, Inc.	1,710	316			
ORIX Corp. Sponsored ADR	9,450	765			
UBS Group AG Registered Shares	43,408	744			
Zurich Insurance Group AG ADR	23,106	707			
					8,979
<hr/>					
Health Care—6.3%					
Allergan plc	2,950	605			
BioMarin Pharmaceutical, Inc. ⁽²⁾	11,600	1,080			
Celgene Corp. ⁽²⁾	17,010	2,480			
Danaher Corp.	11,930	1,023			
HealthEquity, Inc. ⁽²⁾	14,520	734			
ICON plc ⁽²⁾	8,287	944			
Illumina, Inc. ⁽²⁾	5,370	1,070			
Zoetis, Inc.	21,140	1,348			
					9,284
<hr/>					
Industrials—4.9%					
Airbus SE ADR	32,313	765			
Ashtead Group plc ADR	7,991	771			
Caterpillar, Inc.	9,700	1,210			
Kansas City Southern	6,620	719			
Nidec Corp. Sponsored ADR	30,690	942			
RELX plc Sponsored ADR	31,405	702			
Rockwell Automation, Inc.	3,780	673			
Roper Technologies, Inc.	5,570	1,356			
					7,138
<hr/>					
Information Technology—21.9%					
Accenture plc Class A	8,270	1,117			
Activision Blizzard, Inc.	19,480	1,257			
Alibaba Group Holding Ltd. Sponsored ADR ⁽²⁾	25,440	4,394			
Alphabet, Inc. Class A ⁽²⁾	1,170	1,139			
Amphenol Corp. Class A	25,060	2,121			
Broadcom Ltd.	2,842	689			
Check Point Software Technologies Ltd. ⁽²⁾	6,175	704			
CoStar Group, Inc. ⁽²⁾	3,450	926			
Facebook, Inc. Class A ⁽²⁾	38,980	6,661			
Gartner, Inc. ⁽²⁾	6,490	807			
Hitachi Ltd. ADR	11,740	829			
NVIDIA Corp.	12,420	2,220			
Paycom Software, Inc. ⁽²⁾	15,840	1,187			
SAP SE Sponsored ADR	6,402	702			
Tencent Holdings Ltd. ADR	31,840	1,398			
Visa, Inc. Class A	25,430	2,676			
Workday, Inc. Class A ⁽²⁾	14,300	1,507			
Yandex N.V. Class A ⁽²⁾	52,980	1,746			
					32,080

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE
Materials—2.6%		
Anhui Conch Cement Co., Ltd. ADR	37,047	\$ 745
Ecolab, Inc.	8,650	1,112
Fortescue Metals Group Ltd. Sponsored ADR	68,160	552
Heidelbergcement AG ADR	34,325	706
Toray Industries, Inc. ADR	36,953	738
		<u>3,853</u>
Real Estate—0.6%		
Lendlease Group Sponsored ADR	63,140	890
Telecommunication Services—0.4%		
Telekomunikasi Indonesia Persero Tbk PT Sponsored ADR	17,193	590
Utilities—0.5%		
Veolia Environnement S.A. ADR	28,639	659
TOTAL COMMON STOCKS (Identified Cost \$74,539)		92,276
AFFILIATED MUTUAL FUND⁽¹¹⁾—0.9%		
Virtus Newfleet Credit Opportunities Fund Class R6	132,261	1,295
TOTAL AFFILIATED MUTUAL FUND (Identified Cost \$1,322)		1,295
TOTAL LONG TERM INVESTMENTS—99.1% (Identified Cost \$127,212)		145,223⁽¹⁴⁾
SHORT-TERM INVESTMENT—1.1%		
Money Market Mutual Fund⁽¹¹⁾—1.1%		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%)	1,545,752	1,546
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$1,546)		1,546
TOTAL INVESTMENTS—100.2% (Identified Cost \$128,758)		146,769⁽¹⁾
Other assets and liabilities, net—(0.2)%		(234)
NET ASSETS—100.0%		\$146,535

Abbreviations:

ADR	American Depositary Receipt
FHLMC	Federal Home Loan Mortgage Corporation (“Freddie Mac”)
FNMA	Federal National Mortgage Association (“Fannie Mae”)
PIK	Payment-in-Kind Security
REIT	Real Estate Investment Trust

Foreign Currencies

BRL	Brazilian Real
CLP	Chilean Peso
COP	Colombian Peso
IDR	Indonesian Rupiah
MXN	Mexican Peso
RUB	Russian Ruble
TRY	Turkish Lira
ZAR	South African Rand

Footnote Legend:

- ⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2017, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
- ⁽²⁾ Non-income producing.
- ⁽³⁾ Variable security. Rate disclosed is as of September 30, 2017. For loan agreements, 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 above.
- ⁽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 September 30, 2017, these securities amounted to a value of \$22,397 or 15.3% of net assets.
- ⁽⁵⁾ Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under Rules 903 and 904 of the Securities Act of 1933.
- ⁽⁶⁾ Interest payments may be deferred.
- ⁽⁷⁾ This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- ⁽⁸⁾ No contractual maturity date.
- ⁽⁹⁾ This loan will settle after September 30, 2017, at which time the interest rate, based on the London Interbank Offered Rate (“LIBOR”) and the agreed upon spread on trade date, will be reflected.
- ⁽¹⁰⁾ Value shown as par value.
- ⁽¹¹⁾ Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available.
- ⁽¹²⁾ Security in default, no interest payments are being received during the bankruptcy proceedings.
- ⁽¹³⁾ Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.
- ⁽¹⁴⁾ All or a portion of the Fund’s assets have been segregated for delayed delivery security.
- ⁽¹⁵⁾ 100% of the income received was in cash.

Country Weightings (Unaudited)[†]

United States	66%
China	6
Japan	3
France	2
Netherlands	2
Australia	1
Russia	1
Other	19
Total	100%

[†] % of total investments as of September 30, 2017

Security abbreviation definitions are located under the Key Investment Terms starting on page 4.

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2017	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Debt Securities:			
Asset-Backed Securities	\$ 2,588	\$ —	\$ 2,588
Corporate Bonds and Notes	29,370	—	29,370
Foreign Government Securities	6,100	—	6,100
Loan Agreements	4,824	—	4,824
Mortgage-Backed Securities	7,003	—	7,003
U.S. Government Securities	469	—	469
Equity Securities:			
Affiliated Mutual Fund	1,295	1,295	—
Common Stocks	92,276	92,276	—
Preferred Stocks	1,298	405	893
Short-Term Investment	1,546	1,546	—
Total Investments	\$146,769	\$95,522	\$51,247

There are no Level 3 (Significant Unobservable Inputs) priced securities.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2017.

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 Value	Corporate Bonds and Notes	Loan Agreements
Investments in Securities			
Balance as of March 31, 2017:	\$ 318	\$ 171	\$147
Accrued discount/(premium)	— ^(c)	— ^(c)	—
Realized gain (loss)	(241)	(166)	(75)
Change in unrealized appreciation/ (depreciation) ^(d)	239	165	74
Purchases	—	—	—
Sales ^(b)	(237)	(170)	(67)
Transfers into Level 3 ^(a)	—	—	—
Transfers from Level 3 ^{(a)(e)}	(79)	—	(79)
Balance as of September 30, 2017	\$ —	\$ —	\$ —

^(a) "Transfers into and/or from" represent the ending value as of September 30, 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) Amount is less than \$500.

^(d) Included in the related net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

^(e) Transfers from Level 3 are due to an increase in trading activity.

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 inputs could result in significantly lower or higher value of such Level 3 investments.

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VIRTUS EQUITY TRUST
STATEMENTS OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2017

(Reported in thousands except shares and per share amounts)

	Contrarian Value Fund	KAR Capital Growth Fund	KAR Global Quality Dividend Fund	KAR Mid-Cap Core Fund	KAR Mid-Cap Growth Fund
Assets					
Investment in unaffiliated securities at value ⁽¹⁾	\$ 172,959	\$ 473,633	\$ 56,772	\$ 113,731	\$ 94,360
Foreign currency at value ⁽²⁾	—	—	— ⁽³⁾	—	—
Cash	—	80	—	7	7
Receivables					
Fund shares sold	11	28	4	424	38
Dividends and interest	235	238	233	67	32
Tax reclaims	—	—	5	—	—
Prepaid expenses	37	36	28	36	27
Prepaid trustee retainer	2	5	1	1	1
Other assets	6	16	2	4	3
Total assets	173,250	474,036	57,045	114,270	94,468
Liabilities					
Cash overdraft	18	—	— ⁽³⁾	—	—
Payables					
Fund shares repurchased	1,087	134	139	84	20
Investment advisory fees	106	271	17	34	47
Distribution and service fees	35	103	14	20	21
Administration fees	18	48	6	11	10
Transfer agent fees and expenses	47	159	19	23	31
Professional fees	44	22	21	21	21
Trustee deferred compensation plan	6	16	2	4	3
Other accrued expenses	17	45	8	10	13
Total liabilities	1,378	798	226	207	166
Net Assets	\$ 171,872	\$ 473,238	\$ 56,819	\$ 114,063	\$ 94,302
Net Assets Consist of:					
Capital paid in on shares of beneficial interest	\$ 110,356	\$ 236,208	\$ 51,767	\$ 95,634	\$ 51,733
Accumulated undistributed net investment income (loss)	238	(20)	870	(4)	(4)
Accumulated undistributed net realized gain (loss)	(4,370)	24,160	940	(1,570)	5,130
Net unrealized appreciation (depreciation) on investments	65,648	212,890	3,242	20,003	37,443
Net Assets	\$ 171,872	\$ 473,238	\$ 56,819	\$ 114,063	\$ 94,302
Class A					
Net asset value (net assets/shares outstanding) per share	\$ 37.04	\$ 16.18	\$ 16.20	\$ 27.95	\$ 27.74
Maximum offering price per share NAV/(1-5.75%)	\$ 39.30	\$ 17.17	\$ 17.19	\$ 29.66	\$ 29.43
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,971,091	27,604,237	2,728,123	938,757	3,061,018
Net Assets	\$ 73,007	\$ 446,720	\$ 44,188	\$ 26,238	\$ 84,912
Class C					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 35.51	\$ 12.91	\$ 15.82	\$ 26.38	\$ 22.54
Shares of beneficial interest outstanding, no par value, unlimited authorization	696,854	1,088,353	385,919	677,305	220,510
Net Assets	\$ 24,742	\$ 14,052	\$ 6,107	\$ 17,870	\$ 4,971
Class I					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 37.01	\$ 16.69	\$ 16.20	\$ 28.34	\$ 28.49
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,919,253	746,890	402,658	2,468,826	155,074
Net Assets	\$ 71,026	\$ 12,466	\$ 6,524	\$ 69,955	\$ 4,419
Class R6					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 37.00	\$ —	\$ —	\$ —	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	83,724	—	—	—	—
Net Assets	\$ 3,097	\$ —	\$ —	\$ —	\$ —
⁽¹⁾ Investment in unaffiliated securities at cost	\$ 107,311	\$ 260,743	\$ 53,530	\$ 93,728	\$ 56,917
⁽²⁾ Foreign currency at cost	—	—	— ⁽³⁾	—	—
⁽³⁾ Amount is less than \$500.					

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
SEPTEMBER 30, 2017

(Reported in thousands except shares and per share amounts)

	KAR Small-Cap Core Fund	KAR Small-Cap Growth Fund	KAR Small-Cap Value Fund	Rampart Enhanced Core Equity Fund	Tactical Allocation Fund
Assets					
Investment in unaffiliated securities at value ⁽¹⁾	\$ 652,733	\$ 1,451,658	\$ 426,597	\$ 183,552	\$ 145,474
Investment in affiliated fund at value ⁽²⁾	—	—	—	—	1,295
Cash	43	— ⁽⁵⁾	32	1,382	856
Foreign currency, at value ⁽³⁾	—	—	—	—	— ⁽⁵⁾
Deposits with broker	—	—	—	968	—
Receivables					
Investment securities sold	8,772	—	—	85	516
Fund shares sold	4,013	17,475	1,495	16	1
Dividends and interest	71	480	320	173	694
Tax reclaims	—	—	—	—	2
Prepaid expenses	55	103	50	33	20
Prepaid trustee retainer	7	17	5	2	2
Other assets	21	45	14	6	5
Total assets	665,715	1,469,778	428,513	186,217	148,865
Liabilities					
Written options at value ⁽⁴⁾	—	—	—	265	—
Payables					
Fund shares repurchased	493	763	434	43	18
Investment securities purchased	9,146	23,150	—	44	2,087
Investment advisory fees	384	930	232	67	83
Distribution and service fees	60	124	41	48	33
Administration fees	63	133	41	19	16
Transfer agent fees and expenses	89	257	81	48	40
Professional fees	23	23	22	18	28
Trustee deferred compensation plan	21	45	14	6	5
Other accrued expenses	41	82	30	19	20
Total liabilities	10,320	25,507	895	577	2,330
Net Assets	\$ 655,395	\$ 1,444,271	\$ 427,618	\$ 185,640	\$ 146,535
Net Assets Consist of:					
Capital paid in on shares of beneficial interest	\$ 460,599	\$ 1,127,094	\$ 300,314	\$ 163,591	\$ 127,752
Accumulated undistributed net investment income (loss)	(23)	(42)	325	436	(150)
Accumulated undistributed net realized gain (loss)	546	(2,879)	7,175	11,544	922
Net unrealized appreciation (depreciation) on investments	194,273	320,098	119,804	9,829	18,011
Net unrealized appreciation (depreciation) on written options	—	—	—	240	—
Net Assets	\$ 655,395	\$ 1,444,271	\$ 427,618	\$ 185,640	\$ 146,535
Class A					
Net asset value (net assets/shares outstanding) per share	\$ 28.05	\$ 25.43	\$ 18.41	\$ 20.26	\$ 9.00
Maximum offering price per share NAV/(1-5.75%)	\$ 29.76	\$ 26.98	\$ 19.53	\$ 21.50	\$ 9.55
Shares of beneficial interest outstanding, no par value, unlimited authorization	2,842,727	10,351,718	4,748,344	5,944,836	15,832,690
Net Assets	\$ 79,752	\$ 263,281	\$ 87,399	\$ 120,445	\$ 142,481
Class C					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 23.90	\$ 23.13	\$ 18.08	\$ 18.23	\$ 9.24
Shares of beneficial interest outstanding, no par value, unlimited authorization	2,364,888	4,045,718	1,648,286	1,794,542	438,567
Net Assets	\$ 56,526	\$ 93,560	\$ 29,795	\$ 32,710	\$ 4,054
Class I					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 29.44	\$ 25.86	\$ 18.41	\$ 20.22	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	16,120,757	42,058,761	16,306,712	1,606,866	—
Net Assets	\$ 474,552	\$ 1,087,430	\$ 300,259	\$ 32,485	\$ —
Class R6					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 29.52	\$ —	\$ 18.42	\$ —	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,509,440	—	551,844	—	—
Net Assets	\$ 44,565	\$ —	\$ 10,165	\$ —	\$ —
⁽¹⁾ Investment in unaffiliated securities at cost	\$ 458,460	\$ 1,131,560	\$ 306,793	\$ 173,723	\$ 127,436
⁽²⁾ Investment in affiliated fund at cost	—	—	—	—	1,322
⁽³⁾ Foreign currency at cost	—	—	—	—	— ⁽⁵⁾
⁽⁴⁾ Written options premiums received	—	—	—	505	—
⁽⁵⁾ Amount is less than \$500.					

See Notes to Financial Statements

VIRTUS EQUITY TRUST

STATEMENTS OF OPERATIONS

(\$ reported in thousands)

	Contrarian Value Fund		KAR Capital Growth Fund	
	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 1,872	\$ 5,346	\$ 2,041	\$ 3,897
Interest	3	—	12	10
Security lending, net of fees	4	30	1	17
Foreign taxes withheld	(27)	(36)	(9)	(20)
Total investment income	<u>1,852</u>	<u>5,340</u>	<u>2,045</u>	<u>3,904</u>
Expenses				
Investment advisory fees	675	1,673	1,593	2,954
Distribution and service fees Class A	95	238	537	992
Distribution and service fees, Class B	—	—	—	9
Distribution and service fees, Class C	135	354	69	159
Administration fees	113	284	285	536
Transfer agent fees and expenses	164	441	347	772
Registration fees	31	66	32	66
Printing fees and expenses	20	68	58	113
Custodian fees	9	17	10	12
Professional fees	45	33	26	43
Trustees' fees and expenses	12	26	27	47
Miscellaneous expenses	11	21	22	41
Total expenses	<u>1,310</u>	<u>3,221</u>	<u>3,006</u>	<u>5,744</u>
Less expenses reimbursed and/or waived by investment adviser	—	—	—	—
Earnings credit from custodian	(3)	(6)	—	(1)
Low balance account fees	—	— ⁽¹⁾	—	(28)
Custody fees reimbursed (Note 14)	—	(9)	—	(254)
Net expenses	<u>1,307</u>	<u>3,206</u>	<u>3,006</u>	<u>5,461</u>
Net investment income (loss)	<u>545</u>	<u>2,134</u>	<u>(961)</u>	<u>(1,557)</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on investments	8,788	6,706	26,076	37,319
Net change in unrealized appreciation (depreciation) on investments	(2,522)	23,948	41,631	12,779
Net realized and unrealized gain (loss)	<u>6,266</u>	<u>30,654</u>	<u>67,707</u>	<u>50,098</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 6,811</u>	<u>\$32,788</u>	<u>\$66,746</u>	<u>\$48,541</u>

⁽¹⁾ Amount is less than \$500.

⁽²⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST STATEMENTS OF OPERATIONS (Continued)

(\$ reported in thousands)

	KAR Global Quality Dividend Fund		KAR Mid-Cap Core Fund	
	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$1,527	\$ 1,716	\$ 409	\$ 535
Interest	1	—	11	7
Security lending, net of fees	9	6	1	6
Foreign taxes withheld	(83)	(30)	(3)	(4)
Total investment income	<u>1,454</u>	<u>1,692</u>	<u>418</u>	<u>544</u>
Expenses				
Investment advisory fees	220	478	395	455
Distribution and service fees Class A	57	125	30	59
Distribution and service fees, Class C	33	75	80	96
Administration fees	37	81	62	72
Transfer agent fees and expenses	44	109	81	95
Registration fees	26	45	30	46
Printing fees and expenses	9	18	13	18
Custodian fees	19	4	1	3
Professional fees	23	31	23	27
Trustees' fees and expenses	4	7	6	6
Miscellaneous expenses	4	8	5	6
Total expenses	<u>476</u>	<u>981</u>	<u>726</u>	<u>883</u>
Less expenses reimbursed and/or waived by investment adviser	(63)	(72)	(147)	(158)
Earnings credit from custodian	(1)	(2)	—	— ⁽¹⁾
Low balance account fees	—	(1)	—	— ⁽¹⁾
Custody fees reimbursed (Note 14)	—	—	—	—
Net expenses	<u>412</u>	<u>906</u>	<u>579</u>	<u>725</u>
Net investment income (loss)	<u>1,042</u>	<u>786</u>	<u>(161)</u>	<u>(181)</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on investments	968	18,741	(1,087)	369
Net realized gain (loss) on foreign currency transactions	(2)	—	—	—
Net change in unrealized appreciation (depreciation) on investments	480	(12,232)	9,658	7,696
Net change in unrealized appreciation (depreciation) on foreign currency translation	(1)	—	—	—
Net realized and unrealized gain (loss)	<u>1,445</u>	<u>6,509</u>	<u>8,571</u>	<u>8,065</u>
Net increase (decrease) in net assets resulting from operations	<u>\$2,487</u>	<u>\$ 7,295</u>	<u>\$ 8,410</u>	<u>\$7,884</u>

⁽¹⁾ Amount is less than \$500.

⁽²⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST STATEMENTS OF OPERATIONS (Continued)

(\$ reported in thousands)

	KAR Mid-Cap Growth Fund		KAR Small-Cap Core Fund	
	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 239	\$ 544	\$ 2,213	\$ 3,705
Interest	2	—	36	18
Security lending, net of fees	3	24	54	222
Foreign taxes withheld	(2)	(5)	(14)	(31)
Total investment income	<u>242</u>	<u>563</u>	<u>2,289</u>	<u>3,914</u>
Expenses				
Investment advisory fees	371	688	2,031	2,886
Distribution and service fees Class A	104	193	84	155
Distribution and service fees, Class B	—	2	—	—
Distribution and service fees, Class C	26	52	250	366
Administration fees	58	109	339	487
Transfer agent fees and expenses	71	156	343	580
Registration fees	26	58	50	98
Printing fees and expenses	14	23	58	99
Custodian fees	3	4	5	20
Professional fees	22	33	25	39
Trustees' fees and expenses	6	10	31	41
Miscellaneous expenses	7	10	22	30
Total expenses	<u>708</u>	<u>1,338</u>	<u>3,238</u>	<u>4,801</u>
Less expenses reimbursed and/or waived by investment adviser	(44)	(91)	—	—
Earnings credit from custodian	(1)	(2)	—	(1)
Low balance account fees	—	(4)	—	— ⁽¹⁾
Custody fees reimbursed (Note 14)	—	(42)	—	(4)
Net expenses	<u>663</u>	<u>1,199</u>	<u>3,238</u>	<u>4,796</u>
Net investment income (loss)	<u>(421)</u>	<u>(636)</u>	<u>(949)</u>	<u>(882)</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on investments	5,473	2,053	977	13,272
Net change in unrealized appreciation (depreciation) on investments	6,593	9,805	82,548	58,696
Net realized and unrealized gain (loss)	<u>12,066</u>	<u>11,858</u>	<u>83,525</u>	<u>71,968</u>
Net increase (decrease) in net assets resulting from operations	<u>\$11,645</u>	<u>\$11,222</u>	<u>\$82,576</u>	<u>\$71,086</u>

⁽¹⁾ Amount is less than \$500.

⁽²⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST STATEMENTS OF OPERATIONS (Continued)

(\$ reported in thousands)

	KAR Small-Cap Growth Fund		KAR Small-Cap Value Fund	
	Fiscal Period Ending September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ending September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 3,449	\$ 3,001	\$ 3,023	\$ 7,961
Dividends from affiliated fund	—	—	—	—
Interest	46	13	30	16
Security lending, net of fees	21	112	—	—
Foreign Taxes withheld	—	—	(19)	(29)
Total investment income	<u>3,516</u>	<u>3,126</u>	<u>3,034</u>	<u>7,948</u>
Expenses				
Investment advisory fees	4,384	3,645	1,317	2,068
Distribution and service fees Class A	270	386	108	198
Distribution and service fees, Class B	—	—	—	—
Distribution and service fees, Class C	369	341	144	263
Administration fees	633	516	236	374
Transfer agent fees and expenses	813	707	289	475
Registration fees	70	72	51	69
Printing fees and expenses	127	85	45	75
Custodian fees	8	21	3	5
Professional fees	30	39	26	38
Trustees' fees and expenses	49	38	23	32
Miscellaneous expenses	30	26	16	24
Total expenses	<u>6,783</u>	<u>5,876</u>	<u>2,258</u>	<u>3,621</u>
Less expenses reimbursed, waived and/or recouped by investment adviser	178	(7)	—	—
Earnings credit from custodian	—	(1)	—	(1)
Low balance account fees	—	(4)	—	(1)
Custody fees reimbursed (Note 14)	—	(6)	—	—
Net expenses	<u>6,961</u>	<u>5,858</u>	<u>2,258</u>	<u>3,619</u>
Net investment income (loss)	<u>(3,445)</u>	<u>(2,732)</u>	<u>776</u>	<u>4,329</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on investments	(179)	(530)	7,206	22,843
Net change in unrealized appreciation (depreciation) on investments	192,974	89,239	25,088	35,164
Net realized and unrealized gain (loss)	<u>192,795</u>	<u>88,709</u>	<u>32,294</u>	<u>58,007</u>
Net increase (decrease) in net assets resulting from operations	<u>\$189,350</u>	<u>\$85,977</u>	<u>\$33,070</u>	<u>\$62,336</u>

⁽¹⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST STATEMENTS OF OPERATIONS (Continued)

(\$ reported in thousands)

	Rampart Enhanced Core Equity Fund		Tactical Allocation Fund	
	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Fiscal Period Ending September 30, 2017 ⁽²⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 1,627	\$ 3,332	\$ 754	\$ 1,546
Dividends from affiliated fund	—	—	49	74
Interest	8	—	1,546	3,182
Security lending, net of fees	—	—	— ⁽¹⁾	6
Foreign Taxes withheld	—	—	(39)	(41)
Total investment income	<u>1,635</u>	<u>3,332</u>	<u>2,310</u>	<u>4,767</u>
Expenses				
Investment advisory fees	662	1,208	508	1,033
Distribution and service fees Class A	146	263	176	357
Distribution and service fees, Class B	—	—	—	1
Distribution and service fees, Class C	172	374	21	48
Administration fees	111	204	100	207
Transfer agent fees and expenses	128	275	96	216
Registration fees	29	53	21	45
Printing fees and expenses	23	45	19	43
Custodian fees	14	4	31	44
Professional fees	20	27	30	42
Trustees' fees and expenses	11	18	9	17
Miscellaneous expenses	9	15	9	17
Total expenses	<u>1,325</u>	<u>2,486</u>	<u>1,020</u>	<u>2,070</u>
Less expenses reimbursed and/or waived by investment adviser	(140)	(218)	(5)	(12)
Earnings credit from custodian	(2)	(5)	—	(1)
Low balance account fees	—	(2)	—	(6)
Custody fees reimbursed (Note 14)	—	(2)	—	(119)
Net expenses	<u>1,183</u>	<u>2,259</u>	<u>1,015</u>	<u>1,932</u>
Net investment income (loss)	<u>452</u>	<u>1,073</u>	<u>1,295</u>	<u>2,835</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on unaffiliated investments	5,301	13,170	1,586	11,066
Net realized gain (loss) on affiliated investments	—	—	(3)	—
Net realized gain (loss) on foreign currency transactions	—	—	(1)	(5)
Net realized gain (loss) on written options	8,230	10,710	—	—
Net change in unrealized appreciation (depreciation) on unaffiliated investments	1,680	(1,346)	9,896	(1,092)
Net change in unrealized appreciation (depreciation) on affiliated investments	—	—	(26)	—
Net change in unrealized appreciation (depreciation) on affiliated fund	—	—	—	76
Net change in unrealized appreciation (depreciation) on written options	(109)	28	—	—
Net change in unrealized appreciation (depreciation) on foreign currency transaction	—	—	—	— ⁽¹⁾
Net realized and unrealized gain (loss)	<u>15,102</u>	<u>22,562</u>	<u>11,452</u>	<u>10,045</u>
Net increase (decrease) in net assets resulting from operations	<u>\$15,554</u>	<u>\$23,635</u>	<u>\$12,747</u>	<u>\$12,880</u>

⁽¹⁾ Amount is less than \$500.

⁽²⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

	Contrarian Value Fund			KAR Capital Growth Fund		
	Fiscal Period Ended September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended September 30, 2017 ⁽²⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
INCREASE (DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ 545	\$ 2,134	\$ 1,694	\$ (961)	\$ (1,557)	\$ (1,556)
Net realized gain (loss)	8,788	6,706	13,049	26,076	37,319	13,349
Net change in unrealized appreciation (depreciation)	(2,522)	23,948	(65,956)	41,631	12,779	(10,272)
Increase (decrease) in net assets resulting from operations	6,811	32,788	(51,213)	66,746	48,541	1,521
From Distributions to Shareholders						
Net investment income, Class A	(870)	(759)	(784)	—	—	—
Net investment income, Class C	(42)	(6)	(46)	—	—	—
Net investment income, Class I	(1,057)	(985)	(954)	—	—	—
Net investment income, Class R6	(46)	(45)	(17)	—	—	—
Net realized long-term gains, Class A	—	—	—	(4,395)	(31,380)	(19,039)
Net realized long-term gains, Class B	—	—	—	—	(68)	(99)
Net realized long-term gains, Class C	—	—	—	(170)	(1,402)	(946)
Net realized long-term gains, Class I	—	—	—	(114)	(670)	(378)
Decrease in net assets from distributions to shareholders	(2,015)	(1,795)	(1,801)	(4,679)	(33,520)	(20,462)
From Share Transactions (See Note 6)						
Change in net assets from share transactions, Class A	(8,548)	(41,643)	(59,464)	(14,052)	(13,975)	(14,810)
Change in net assets from share transactions, Class B	—	—	—	—	(1,437)	(684)
Change in net assets from share transactions, Class C	(7,692)	(10,176)	(16,162)	(1,139)	(6,689)	9,105
Change in net assets from share transactions, Class I	(9,479)	(38,690)	(49,583)	719	1,623	(4)
Change in net assets from share transactions, Class R6	(34)	(2,250)	5,005	—	—	—
Increase (decrease) in net assets from share transactions	(25,753)	(92,759)	(120,204)	(14,472)	(20,478)	(6,393)
Net increase (decrease) in net assets	(20,957)	(61,766)	(173,218)	47,595	(5,457)	(25,334)
Net Assets						
Beginning of period	192,829	254,595	427,813	425,643	431,100	456,434
End of period	\$171,872	\$192,829	\$ 254,595	\$473,238	\$425,643	\$431,100
Accumulated undistributed net investment income (loss) at end of period	238	\$ 1,686	\$ 1,347	(20)	\$ (118)	\$ —

⁽¹⁾ Amount is less than \$500.

⁽²⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	KAR Global Quality Dividend Fund			KAR Mid-Cap Core Fund		
	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
INCREASE (DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ 1,042	\$ 786	\$ 572	\$ (161)	\$ (181)	\$ (106)
Net realized gain (loss)	966	18,741	2,873	(1,087)	369	(514)
Net change in unrealized appreciation (depreciation)	479	(12,232)	(5,126)	9,658	7,696	402
Increase (decrease) in net assets resulting from operations	2,487	7,295	(1,681)	8,410	7,884	(218)
From Distributions to Shareholders						
Net investment income, Class A	(702)	(462)	(254)	—	—	—
Net investment income, Class C	(52)	—	(13)	—	—	—
Net investment income, Class I	(126)	(73)	(58)	—	—	—
Net realized long-term gains, Class A	(2,728)	—	—	(81)	—	(95)
Net realized long-term gains, Class C	(413)	—	—	(56)	—	(36)
Net realized long-term gains, Class I	(417)	—	—	(196)	—	(40)
Decrease in net assets from distributions to shareholders	(4,438)	(535)	(325)	(333)	—	(171)
From Share Transactions (See Note 6)						
Change in net assets from share transactions, Class A	(999)	(8,659)	(4,218)	3,725	(3,230)	7,752
Change in net assets from share transactions, Class C	(626)	(2,075)	(11,309)	2,347	6,343	2,460
Change in net assets from share transactions, Class I	(321)	(98)	(3,053)	14,098	39,940	2,809
Increase (decrease) in net assets from share transactions	(1,946)	(10,832)	(18,580)	20,170	43,053	13,021
Net increase (decrease) in net assets	(3,897)	(4,072)	(20,586)	28,247	50,937	12,632
Net Assets						
Beginning of period	60,716	64,788	85,374	85,816	34,879	22,247
End of period	\$56,819	\$ 60,716	\$ 64,788	\$114,063	\$85,816	\$34,879
Accumulated undistributed net investment income (loss) at end of period	870	\$ 711	\$ 463	(4)	\$ (64)	\$ (27)

⁽¹⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	KAR Mid-Cap Growth Fund			KAR Small-Cap Core Fund		
	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
INCREASE (DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ (421)	\$ (636)	\$ (785)	\$ (949)	\$ (882)	\$ (312)
Net realized gain (loss)	5,473	2,053	(350)	977	13,272	47,444
Net change in unrealized appreciation (depreciation)	6,593	9,805	(1,345)	82,548	58,696	(49,195)
Increase (decrease) in net assets resulting from operations	11,645	11,222	(2,480)	82,576	71,086	(2,063)
From Distributions to Shareholders						
Net investment income, Class A	—	—	—	—	—	(123)
Net investment income, Class I	—	—	—	—	—	(1,198)
Net investment income, Class R6	—	—	—	—	—	(1)
Net realized long-term gains, Class A	(402)	(1,177)	(1,219)	(33)	(3,619)	(10,241)
Net realized long-term gains, Class B	—	(3)	(10)	—	—	—
Net realized long-term gains, Class C	(29)	(100)	(111)	(29)	(2,464)	(6,194)
Net realized long-term gains, Class I	(20)	(50)	(52)	(183)	(14,391)	(34,727)
Net realized long-term gains, Class R6	—	—	—	(16)	(1,436)	(2,113)
Decrease in net assets from distributions to shareholders	(451)	(1,330)	(1,392)	(261)	(21,910)	(54,597)
From Share Transactions (See Note 6)						
Change in net assets from share transactions, Class A	(5,804)	(4,977)	(3,178)	7,469	669	(2,924)
Change in net assets from share transactions, Class B	—	(349)	(253)	—	—	—
Change in net assets from share transactions, Class C	(990)	(466)	(287)	4,421	9,088	4,489
Change in net assets from share transactions, Class I	32	501	(171)	76,745	115,257	(22,527)
Change in net assets from share transactions, Class R6	—	—	—	7,704	7,139	22,563
Increase (decrease) in net assets from share transactions	(6,762)	(5,291)	(3,889)	96,339	132,153	1,601
Net increase (decrease) in net assets	4,432	4,601	(7,761)	178,655	181,329	(55,059)
Net Assets						
Beginning of period	89,870	85,269	93,030	476,740	295,411	350,470
End of period	\$94,302	\$89,870	\$85,269	\$655,395	\$476,740	\$295,411
Accumulated undistributed net investment income (loss) at end of period	\$ (4)	\$ (128)	\$ (161)	\$ (23)	\$ (17)	\$ —

⁽¹⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	KAR Small-Cap Growth Fund			KAR Small-Cap Value Fund		
	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
INCREASE (DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ (3,445)	\$ (2,732)	\$ (866)	\$ 776	\$ 4,329	\$ 1,346
Net realized gain (loss)	(179)	(530)	9,922	7,206	22,843	22,424
Net change in unrealized appreciation (depreciation)	192,974	89,239	(317)	25,088	35,164	(22,928)
Increase (decrease) in net assets resulting from operations	<u>189,350</u>	<u>85,977</u>	<u>8,739</u>	<u>33,070</u>	<u>62,336</u>	<u>842</u>
From Distributions to Shareholders						
Net investment income, Class A	—	—	—	(85)	(1,269)	(461)
Net investment income, Class C	—	—	—	—	(219)	—
Net investment income, Class I	—	—	—	(607)	(3,715)	(1,433)
Net investment income, Class R6	—	—	—	(12)	(1)	—
Net realized long-term gains, Class A	(4)	(3,423)	(2,379)	(3,083)	(5,493)	(4,360)
Net realized long-term gains, Class C	(1)	(815)	(518)	(1,062)	(1,848)	(1,502)
Net realized long-term gains, Class I	(11)	(3,649)	(1,712)	(9,201)	(12,527)	(9,351)
Net realized long-term gains, Class R6	—	—	—	(143)	(2)	—
Decrease in net assets from distributions to shareholders	<u>(16)</u>	<u>(7,887)</u>	<u>(4,609)</u>	<u>(14,193)</u>	<u>(25,074)</u>	<u>(17,107)</u>
From Share Transactions (See Note 6)						
Change in net assets from share transactions, Class A	39,060	66,312	4,385	(5,537)	8,100	889
Change in net assets from share transactions, Class C	21,772	32,713	3,875	(823)	2,713	(482)
Change in net assets from share transactions, Class I	461,883	348,597	59,857	44,299	73,702	(8,227)
Change in net assets from share transactions, Class R6	—	—	—	9,553	103	—
Increase (decrease) in net assets from share transactions	<u>522,715</u>	<u>447,622</u>	<u>68,117</u>	<u>47,492</u>	<u>84,618</u>	<u>(7,820)</u>
Net increase (decrease) in net assets	712,049	525,712	72,247	66,369	121,880	(24,085)
Net Assets						
Beginning of period	732,222	206,510	134,263	361,249	239,369	263,454
End of period	<u>\$1,444,271</u>	<u>\$732,222</u>	<u>\$206,510</u>	<u>\$427,618</u>	<u>\$361,249</u>	<u>\$239,369</u>
Accumulated undistributed net investment income (loss) at end of period	\$ (42)	\$ (1,112)	\$ (245)	\$ 325	\$ 253	\$ 1,130

⁽¹⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Rampart Enhanced Core Equity Fund			Tactical Allocation Fund		
	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended September 30, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
INCREASE (DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ 452	\$ 1,073	\$ 913	\$ 1,295	\$ 2,835	\$ 3,796
Net realized gain (loss)	13,531	23,880	(5,847)	1,582	11,061	143
Net change in unrealized appreciation (depreciation)	1,571	(1,318)	9,531	9,870	(1,016)	(17,346)
Increase (decrease) in net assets resulting from operations	<u>15,554</u>	<u>23,635</u>	<u>4,597</u>	<u>12,747</u>	<u>12,880</u>	<u>(13,407)</u>
From Distributions to Shareholders						
Net investment income, Class A	(334)	(1,189)	(809)	(1,295)	(2,473)	(3,132)
Net investment income, Class B	—	—	—	—	(1)	(3)
Net investment income, Class C	(33)	(23)	(147)	(20)	(43)	(81)
Net investment income, Class I	(75)	(299)	(81)	—	—	—
Net realized short-term gains, Class A	(8,813)	(1,298)	(8,350)	—	(1,595)	—
Net realized short-term gains, Class B	—	—	—	—	(1)	—
Net realized short-term gains, Class C	(2,764)	(470)	(3,086)	—	(51)	—
Net realized short-term gains, Class I	(1,635)	(223)	(658)	—	—	—
Net realized long-term gains, Class A	(801)	(1,411)	(10,127)	(274)	(9,420)	(8,371)
Net realized long-term gains, Class B	—	—	—	—	(9)	(16)
Net realized long-term gains, Class C	(251)	(511)	(3,756)	(8)	(298)	(388)
Net realized long-term gains, Class I	(149)	(242)	(803)	—	—	—
Decrease in net assets from distributions to shareholders	<u>(14,855)</u>	<u>(5,666)</u>	<u>(27,817)</u>	<u>(1,597)</u>	<u>(13,891)</u>	<u>(11,991)</u>
From Share Transactions (See Note 6)						
Change in net assets from share transactions, Class A	6,623	524	503	(5,732)	(9,161)	(8,747)
Change in net assets from share transactions, Class B	—	—	—	—	(208)	(126)
Change in net assets from share transactions, Class C	(4,434)	(3,110)	4,969	(649)	(1,069)	344
Change in net assets from share transactions, Class I	11,030	6,999	4,082	—	—	—
Increase (decrease) in net assets from share transactions	<u>13,219</u>	<u>4,413</u>	<u>9,554</u>	<u>(6,381)</u>	<u>(10,438)</u>	<u>(8,529)</u>
Net increase (decrease) in net assets	<u>13,918</u>	<u>22,382</u>	<u>(13,666)</u>	<u>4,769</u>	<u>(11,449)</u>	<u>(33,927)</u>
Net Assets						
Beginning of period	<u>171,722</u>	<u>149,340</u>	<u>163,006</u>	<u>141,766</u>	<u>153,215</u>	<u>187,142</u>
End of period	<u>\$185,640</u>	<u>\$171,722</u>	<u>\$149,340</u>	<u>\$146,535</u>	<u>\$141,766</u>	<u>\$153,215</u>
Accumulated undistributed net investment income (loss) at end of period	\$ 436	\$ 426	\$ 866	\$ (150)	\$ (9)	\$ (159)

⁽¹⁾ The Fund changed its fiscal period end to September 30 during the period.

See Notes to Financial Statements

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	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Contrarian Value Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$35.96	0.11	1.37	1.48	(0.40)	—	(0.40)	1.08	\$37.04	4.19% ⁽⁴⁾	\$ 73,007	1.46% ⁽³⁾⁽¹²⁾	1.47% ⁽³⁾	0.61% ⁽³⁾	6% ⁽⁴⁾
4/1/16 to 3/31/17	31.48	0.33	4.40	4.73	(0.25)	—	(0.25)	4.48	35.96	15.07 ⁽¹⁴⁾	79,463	1.43 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	1.43	0.96 ⁽¹⁴⁾	15
4/1/15 to 3/31/16	36.18	0.17	(4.71)	(4.54)	(0.16)	—	(0.16)	(4.70)	31.48	(12.60)	107,958	1.41 ⁽¹²⁾	1.41	0.52	13
4/1/14 to 3/31/15	37.12	0.34	(0.97)	(0.63)	(0.31)	—	(0.31)	(0.94)	36.18	(1.73)	190,896	1.37 ⁽¹²⁾	1.37	0.92	34
4/1/13 to 3/31/14	29.97	0.16	7.07	7.23	(0.08)	—	(0.08)	7.15	37.12	24.20	251,498	1.39 ⁽¹²⁾	1.39	0.51	15
4/1/12 to 3/31/13	26.21	0.10	3.72	3.82	(0.06)	—	(0.06)	3.76	29.97	14.64	240,250	1.41 ⁽¹²⁾	1.41	0.38	19
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$34.26	(0.02)	1.33	1.31	(0.06)	—	(0.06)	1.25	\$35.51	3.82% ⁽⁴⁾	\$ 24,742	2.20% ⁽³⁾⁽¹²⁾	2.20% ⁽³⁾	(0.14)% ⁽³⁾	6% ⁽⁴⁾
4/1/16 to 3/31/17	30.00	0.07	4.20	4.27	(0.01)	—	(0.01)	4.26	34.26	14.22 ⁽¹⁴⁾	31,587	2.18 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	2.18	0.21 ⁽¹⁴⁾	15
4/1/15 to 3/31/16	34.62	(0.07)	(4.52)	(4.59)	(0.03)	—	(0.03)	(4.62)	30.00	(13.27)	36,977	2.16 ⁽¹²⁾	2.16	(0.23)	13
4/1/14 to 3/31/15	35.55	0.05	(0.92)	(0.87)	(0.06)	—	(0.06)	(0.93)	34.62	(2.44)	60,813	2.12 ⁽¹²⁾	2.12	0.14	34
4/1/13 to 3/31/14	28.84	(0.07)	6.78	6.71	—	—	—	6.71	35.55	23.23	62,738	2.14 ⁽¹²⁾	2.14	(0.24)	15
4/1/12 to 3/31/13	25.34	(0.09)	3.59	3.50	—	—	—	3.50	28.84	13.81	54,236	2.16 ⁽¹²⁾	2.16	(0.37)	19
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$35.98	0.16	1.37	1.53	(0.50)	—	(0.50)	1.03	\$37.01	4.35% ⁽⁴⁾	\$ 71,026	1.19% ⁽³⁾⁽¹²⁾	1.19% ⁽³⁾	0.89% ⁽³⁾	6% ⁽⁴⁾
4/1/16 to 3/31/17	31.51	0.42	4.39	4.81	(0.34)	—	(0.34)	4.47	35.98	15.36 ⁽¹⁴⁾	78,732	1.18 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	1.18	1.22 ⁽¹⁴⁾	15
4/1/15 to 3/31/16	36.18	0.25	(4.71)	(4.46)	(0.21)	—	(0.21)	(4.67)	31.51	(12.40)	104,879	1.16 ⁽¹²⁾	1.16	0.77	13
4/1/14 to 3/31/15	37.11	0.40	(0.92)	(0.52)	(0.41)	—	(0.41)	(0.93)	36.18	(1.48)	176,005	1.12 ⁽¹²⁾	1.12	1.08	34
4/1/13 to 3/31/14	29.97	0.25	7.05	7.30	(0.16)	—	(0.16)	7.14	37.11	24.52	145,115	1.14 ⁽¹²⁾	1.14	0.77	15
4/1/12 to 3/31/13	26.25	0.17	3.71	3.88	(0.16)	—	(0.16)	3.72	29.97	14.89	108,736	1.16 ⁽¹²⁾	1.16	0.63	19
Class R6															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$36.01	0.18	1.37	1.55	(0.56)	—	(0.56)	0.99	\$37.00	4.40% ⁽⁴⁾	\$ 3,097	1.07% ⁽³⁾⁽¹²⁾	1.07% ⁽³⁾	1.01% ⁽³⁾	6% ⁽⁴⁾
4/1/16 to 3/31/17	31.56	0.46	4.40	4.86	(0.41)	—	(0.41)	4.45	36.01	15.51 ⁽¹⁴⁾	3,047	1.02 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	1.03	1.35 ⁽¹⁴⁾	15
4/1/15 to 3/31/16	36.20	0.29	(4.69)	(4.40)	(0.24)	—	(0.24)	(4.64)	31.56	(12.24)	4,781	0.99 ⁽¹²⁾	0.99	0.95	13
11/12/14 ⁽⁷⁾ to 3/31/15	36.99	0.08	(0.66)	(0.58)	(0.21)	—	(0.21)	(0.79)	36.20	(1.57)	98	0.99 ⁽³⁾	0.99 ⁽³⁾	0.56 ⁽³⁾	34 ⁽¹³⁾
KAR Capital Growth Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$14.10	(0.03)	2.27	2.24	—	(0.16)	(0.16)	2.08	\$16.18	15.93% ⁽⁴⁾	\$446,720	1.30% ⁽³⁾⁽¹²⁾	1.30% ⁽³⁾	(0.40)% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	13.66	(0.05)	1.64	1.59	—	(1.15)	(1.15)	0.44	14.10	12.34 ⁽¹⁴⁾	402,118	1.33 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	1.34	(0.40) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	14.23	(0.05)	0.13	0.08	—	(0.65)	(0.65)	(0.57)	13.66	0.39	401,617	1.30 ⁽¹²⁾	1.30	(0.32)	20
4/1/14 to 3/31/15	12.41	(0.03)	2.40	2.37	—	(0.55)	(0.55)	1.82	14.23	19.29	433,635	1.28 ⁽¹²⁾	1.28	(0.22)	28
4/1/13 to 3/31/14	10.45	(0.01)	2.00	1.99	(0.03)	—	(0.03)	1.96	12.41	19.11	399,131	1.28 ⁽¹²⁾	1.28	(0.11)	26
4/1/12 to 3/31/13	10.05	0.03	0.37	0.40	—	—	—	0.40	10.45	3.98	373,069	1.34 ⁽¹²⁾	1.34	0.31	20
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$11.32	(0.07)	1.82	1.75	—	(0.16)	(0.16)	1.59	\$12.91	15.51% ⁽⁴⁾	\$ 14,052	2.08% ⁽³⁾⁽¹²⁾	2.08% ⁽³⁾	(1.18)% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	11.27	(0.13)	1.33	1.20	—	(1.15)	(1.15)	0.05	11.32	11.47 ⁽¹⁴⁾	13,345	2.08 ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	2.09	(1.16) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	11.93	(0.12)	0.11	(0.01)	—	(0.65)	(0.65)	(0.66)	11.27	(0.31)	19,832	2.05 ⁽¹²⁾	2.06	(1.07)	20
4/1/14 to 3/31/15	10.57	(0.11)	2.02	1.91	—	(0.55)	(0.55)	1.36	11.93	18.28	11,999	2.02 ⁽¹²⁾	2.02	(0.97)	28
4/1/13 to 3/31/14	8.94	(0.08)	1.71	1.63	—	—	—	1.63	10.57	18.23	6,329	2.03 ⁽¹²⁾	2.03	(0.86)	26
4/1/12 to 3/31/13	8.66	(0.04)	0.32	0.28	—	—	—	0.28	8.94	3.23	5,993	2.09 ⁽¹²⁾	2.09	(0.44)	20

The footnote legend is at the end of the Financial Highlights.

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	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
KAR Capital Growth Fund (Continued)															
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$14.52	(0.01)	2.34	2.33	—	(0.16)	(0.16)	2.17	\$16.69	16.09% ⁽⁴⁾	\$12,466	1.08% ⁽³⁾⁽¹²⁾	1.08% ⁽³⁾	(0.18)% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	14.00	(0.01)	1.68	1.67	—	(1.15)	(1.15)	0.52	14.52	12.61 ⁽¹⁴⁾	10,180	1.08 ⁽⁶⁾⁽¹²⁾⁽¹⁴⁾	1.09	(0.15) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	14.53	(0.01)	0.13	0.12	—	(0.65)	(0.65)	(0.53)	14.00	0.66	8,227	1.05 ⁽¹²⁾	1.05	(0.07)	20
4/1/14 to 3/31/15	12.64	— ⁽⁵⁾	2.44	2.44	—	(0.55)	(0.55)	1.89	14.53	19.50	8,595	1.02 ⁽¹²⁾	1.02	0.03	28
4/1/13 to 3/31/14	10.64	0.02	2.04	2.06	(0.06)	—	(0.06)	2.00	12.64	19.45	5,532	1.03 ⁽¹²⁾	1.03	0.14	26
4/1/12 to 3/31/13	10.21	0.06	0.37	0.43	—	—	—	0.43	10.64	4.21	5,650	1.09 ⁽¹²⁾	1.09	0.57	20
KAR Global Quality Dividend Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$16.81	0.30	0.41	0.71	(0.27)	(1.05)	(1.32)	(0.61)	\$16.20	4.31% ⁽⁴⁾	\$44,188	1.35% ⁽³⁾	1.56% ⁽³⁾	3.65% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	15.09	0.20	1.66	1.86	(0.14)	—	(0.14)	1.72	16.81	12.42	46,670	1.36 ⁽⁶⁾	1.48	1.29	119
4/1/15 to 3/31/16	15.40	0.14	(0.37)	(0.23)	(0.08)	—	(0.08)	(0.31)	15.09	(1.53)	50,081	1.35	1.44	0.94	25
4/1/14 to 3/31/15	13.93	0.10	1.49	1.59	(0.12)	—	(0.12)	1.47	15.40	11.45	55,215	1.35	1.42	0.71	56
4/1/13 to 3/31/14	11.96	0.10	1.98	2.08	(0.11)	—	(0.11)	1.97	13.93	17.50	49,275	1.35	1.43	0.81	23
4/1/12 to 3/31/13	10.76	0.13	1.18	1.31	(0.11)	—	(0.11)	1.20	11.96	12.36	48,193	1.35	1.47	1.19	32
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$16.38	0.23	0.39	0.62	(0.13)	(1.05)	(1.18)	(0.56)	\$15.82	3.86% ⁽⁴⁾	\$ 6,107	2.10% ⁽³⁾	2.33% ⁽³⁾	2.87% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	14.68	0.08	1.62	1.70	—	—	—	1.70	16.38	11.58	6,950	2.11 ⁽⁹⁾	2.23	0.54	119
4/1/15 to 3/31/16	15.03	0.01	(0.35)	(0.34)	(0.01)	—	(0.01)	(0.35)	14.68	(2.26)	8,211	2.10	2.18	0.10	25
4/1/14 to 3/31/15	13.67	0.01	1.43	1.44	(0.08)	—	(0.08)	1.36	15.03	10.64	20,383	2.10	2.16	0.07	56
4/1/13 to 3/31/14	11.77	0.01	1.94	1.95	(0.05)	—	(0.05)	1.90	13.67	16.56	3,803	2.10	2.18	0.05	23
4/1/12 to 3/31/13	10.60	0.04	1.18	1.22	(0.05)	—	(0.05)	1.17	11.77	11.57	3,452	2.10	2.23	0.42	32
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$16.84	0.29	0.44	0.73	(0.32)	(1.05)	(1.37)	(0.64)	\$16.20	4.41% ⁽⁴⁾	\$ 6,524	1.10% ⁽³⁾	1.33% ⁽³⁾	3.53% ⁽³⁾	13% ⁽⁴⁾
4/1/16 to 3/31/17	15.12	0.25	1.65	1.90	(0.18)	—	(0.18)	1.72	16.84	12.66	7,096	1.11 ⁽⁹⁾	1.23	1.59	119
4/1/15 to 3/31/16	15.40	0.17	(0.35)	(0.18)	(0.10)	—	(0.10)	(0.28)	15.12	(1.21)	6,496	1.10	1.18	1.15	25
4/1/14 to 3/31/15	13.93	0.14	1.49	1.63	(0.16)	—	(0.16)	1.47	15.40	11.72	9,776	1.10	1.17	0.96	56
4/1/13 to 3/31/14	11.97	0.13	1.97	2.10	(0.14)	—	(0.14)	1.96	13.93	17.70	9,546	1.10	1.18	0.99	23
4/1/12 to 3/31/13	10.76	0.20	1.15	1.35	(0.14)	—	(0.14)	1.21	11.97	12.73	30,360	1.10	1.12	1.73	32
KAR Mid-Cap Core Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$25.80	(0.05)	2.29	2.24	—	(0.09)	(0.09)	2.15	\$27.95	8.70% ⁽⁴⁾	\$26,238	1.20% ⁽³⁾	1.49% ⁽³⁾	(0.35)% ⁽³⁾	11% ⁽⁴⁾
4/1/16 to 3/31/17	22.60	(0.08)	3.28	3.20	—	—	—	3.20	25.80	14.16	20,615	1.26 ⁽⁶⁾⁽⁹⁾	1.55	(0.32)	28
4/1/15 to 3/31/16	23.00	(0.06)	(0.20)	(0.26)	—	(0.14)	(0.14)	(0.40)	22.60	(1.14)	20,639	1.35	1.64	(0.27)	21
4/1/14 to 3/31/15	19.80	(0.07)	4.47	4.40	—	(1.20)	(1.20)	3.20	23.00	22.75	13,080	1.35	2.46	(0.34)	26
4/1/13 to 3/31/14	17.49	(0.06)	2.68	2.62	—	(0.31)	(0.31)	2.31	19.80	15.17	3,027	1.35	3.08	(0.31)	30
4/1/12 to 3/31/13	15.80	0.19	1.86	2.05	(0.25)	(0.11)	(0.36)	1.69	17.49	13.21	1,691	1.35	3.92	1.20	62

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KAR Mid-Cap Core Fund (Continued)															
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$24.45	(0.14)	2.16	2.02	—	(0.09)	(0.09)	1.93	\$26.38	8.28% ⁽⁴⁾	\$17,870	1.95% ⁽³⁾	2.25% ⁽³⁾	(1.10)% ⁽³⁾	11% ⁽⁴⁾
4/1/16 to 3/31/17	21.57	(0.24)	3.12	2.88	—	—	—	2.88	24.45	13.35	14,279	2.00 ⁽⁸⁾⁽⁹⁾	2.28	(1.04)	28
4/1/15 to 3/31/16	22.12	(0.22)	(0.19)	(0.41)	—	(0.14)	(0.14)	(0.55)	21.57	(1.91)	6,670	2.10	2.38	(1.03)	21
4/1/14 to 3/31/15	19.23	(0.23)	4.32	4.09	—	(1.20)	(1.20)	2.89	22.12	21.84	4,363	2.10	2.83	(1.10)	26
4/1/13 to 3/31/14	17.12	(0.18)	2.60	2.42	—	(0.31)	(0.31)	2.11	19.23	14.32	209	2.10	3.84	(1.01)	30
4/1/12 to 3/31/13	15.50	0.06	1.83	1.89	(0.16)	(0.11)	(0.27)	1.62	17.12	12.42	226	2.10	4.70	0.36	62
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$26.12	(0.01)	2.32	2.31	—	(0.09)	(0.09)	2.22	\$28.34	8.82% ⁽⁴⁾	\$69,955	0.95% ⁽³⁾	1.25% ⁽³⁾	(0.10)% ⁽³⁾	11% ⁽⁴⁾
4/1/16 to 3/31/17	22.82	(0.01)	3.31	3.30	—	—	—	3.30	26.12	14.46	50,922	0.99 ⁽⁸⁾⁽⁹⁾	1.26	(0.02)	28
4/1/15 to 3/31/16	23.17	(0.01)	(0.20)	(0.21)	—	(0.14)	(0.14)	(0.35)	22.82	(0.92)	7,570	1.10	1.38	(0.03)	21
4/1/14 to 3/31/15	19.89	(0.03)	4.51	4.48	—	(1.20)	(1.20)	3.28	23.17	23.05	4,804	1.10	2.17	(0.16)	26
4/1/13 to 3/31/14	17.52	(0.01)	2.69	2.68	—	(0.31)	(0.31)	2.37	19.89	15.48	1,178	1.10	2.85	(0.08)	30
4/1/12 to 3/31/13	15.84	0.25	1.84	2.09	(0.30)	(0.11)	(0.41)	1.68	17.52	13.50	1,316	1.10	3.65	1.56	62
KAR Mid-Cap Growth Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$24.56	(0.12)	3.43	3.31	—	(0.13)	(0.13)	3.18	\$27.74	13.48% ⁽⁴⁾	\$84,912	1.40% ⁽³⁾	1.49% ⁽³⁾	(0.88)% ⁽³⁾	12% ⁽⁴⁾
4/1/16 to 3/31/17	21.92	(0.16)	3.15	2.99	—	(0.35)	(0.35)	2.64	24.56	13.81 ⁽¹⁴⁾	80,648	1.41 ⁽⁹⁾⁽¹⁴⁾	1.52	(0.75) ⁽¹⁴⁾	20
4/1/15 to 3/31/16	22.80	(0.18)	(0.36)	(0.54)	—	(0.34)	(0.34)	(0.88)	21.92	(2.51)	76,660	1.39	1.49	(0.84)	26
4/1/14 to 3/31/15	21.30	(0.15)	2.34	2.19	—	(0.69)	(0.69)	1.50	22.80	10.50	83,158	1.43 ⁽⁸⁾	1.46	(0.71)	27
4/1/13 to 3/31/14	19.02	(0.15)	2.43	2.28	—	—	—	2.28	21.30	11.99	81,016	1.45	1.44	(0.74)	32
4/1/12 to 3/31/13	17.44	(0.08)	1.66	1.58	—	—	—	1.58	19.02	9.06	79,561	1.45	1.51	(0.49)	35
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$20.06	(0.17)	2.78	2.61	—	(0.13)	(0.13)	2.48	\$22.54	13.01% ⁽⁴⁾	\$ 4,971	2.15% ⁽³⁾	2.28% ⁽³⁾	(1.63)% ⁽³⁾	12% ⁽⁴⁾
4/1/16 to 3/31/17	18.09	(0.27)	2.59	2.32	—	(0.35)	(0.35)	1.97	20.06	13.03 ⁽¹⁴⁾	5,350	2.16 ⁽⁹⁾⁽¹⁴⁾	2.27	(1.50) ⁽¹⁴⁾	20
4/1/15 to 3/31/16	19.02	(0.29)	(0.30)	(0.59)	—	(0.34)	(0.34)	(0.93)	18.09	(3.23)	5,319	2.14	2.24	(1.60)	26
4/1/14 to 3/31/15	18.01	(0.26)	1.96	1.70	—	(0.69)	(0.69)	1.01	19.02	9.68	5,976	2.18 ⁽⁸⁾	2.21	(1.46)	27
4/1/13 to 3/31/14	16.21	(0.26)	2.06	1.80	—	—	—	1.80	18.01	11.10	5,233	2.20	2.19	(1.49)	32
4/1/12 to 3/31/13	14.97	(0.18)	1.42	1.24	—	—	—	1.24	16.21	8.28	4,850	2.20	2.26	(1.24)	35
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$25.20	(0.09)	3.51	3.42	—	(0.13)	(0.13)	3.29	\$28.49	13.58% ⁽⁴⁾	\$ 4,419	1.15% ⁽³⁾	1.27% ⁽³⁾	(0.63)% ⁽³⁾	12% ⁽⁴⁾
4/1/16 to 3/31/17	22.42	(0.11)	3.24	3.13	—	(0.35)	(0.35)	2.78	25.20	14.13 ⁽¹⁴⁾	3,872	1.16 ⁽⁹⁾⁽¹⁴⁾	1.27	(0.50) ⁽¹⁴⁾	20
4/1/15 to 3/31/16	23.26	(0.13)	(0.37)	(0.50)	—	(0.34)	(0.34)	(0.84)	22.42	(2.24)	2,961	1.14	1.24	(0.60)	26
4/1/14 to 3/31/15	21.66	(0.10)	2.39	2.29	—	(0.69)	(0.69)	1.60	23.26	10.79	3,288	1.18 ⁽⁸⁾	1.21	(0.46)	27
4/1/13 to 3/31/14	19.30	(0.10)	2.46	2.36	—	—	—	2.36	21.66	12.23	2,324	1.20	1.19	(0.49)	32
4/1/12 to 3/31/13	17.65	(0.04)	1.69	1.65	—	—	—	1.65	19.30	9.35	1,932	1.20	1.26	(0.24)	35

The footnote legend is at the end of the Financial Highlights.

See Notes to Financial Statements

VIRTUS EQUITY 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) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
KAR Small-Cap Core Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$24.21	(0.06)	3.91	3.85	—	(0.01)	(0.01)	3.84	\$28.05	15.92% ⁽⁴⁾	\$ 79,752	1.33% ⁽³⁾	1.33% ⁽³⁾	(0.49)% ⁽³⁾	2% ⁽⁴⁾
4/1/16 to 3/31/17	21.39	(0.07)	4.26	4.19	—	(1.37)	(1.37)	2.82	24.21	20.26 ⁽¹⁴⁾	62,122	1.37 ⁽⁹⁾⁽¹⁴⁾	1.37	(0.31) ⁽¹⁴⁾	24
4/1/15 to 3/31/16	25.65	(0.05)	0.01	(0.04)	(0.05)	(4.17)	(4.22)	(4.26)	21.39	0.02	53,722	1.37	1.37	(0.21)	33
4/1/14 to 3/31/15	24.19	0.03	3.07	3.10	—	(1.64)	(1.64)	1.46	25.65	13.28	67,696	1.34	1.34	0.12	28
4/1/13 to 3/31/14	21.41	(0.02)	2.84	2.82	(0.03)	(0.01)	(0.04)	2.78	24.19	13.17	162,302	1.39	1.39	(0.09)	31
4/1/12 to 3/31/13	20.07	0.10	1.75	1.85	(0.18)	(0.33)	(0.51)	1.34	21.41	9.64	143,293	1.37	1.37	0.52	15 ⁽¹¹⁾
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$20.71	(0.14)	3.34	3.20	—	(0.01)	(0.01)	3.19	\$23.90	15.47% ⁽⁴⁾	\$ 56,526	2.08% ⁽³⁾	2.08% ⁽³⁾	(1.23)% ⁽³⁾	2% ⁽⁴⁾
4/1/16 to 3/31/17	18.61	(0.21)	3.68	3.47	—	(1.37)	(1.37)	2.10	20.71	19.39 ⁽¹⁴⁾	44,789	2.12 ⁽⁹⁾⁽¹⁴⁾	2.12	(1.10) ⁽¹⁴⁾	24
4/1/15 to 3/31/16	22.98	(0.19)	(0.01)	(0.20)	—	(4.17)	(4.17)	(4.37)	18.61	(0.73)	31,711	2.12	2.12	(0.95)	33
4/1/14 to 3/31/15	21.99	(0.11)	2.74	2.63	—	(1.64)	(1.64)	0.99	22.98	12.44	33,735	2.09	2.09	(0.50)	28
4/1/13 to 3/31/14	19.58	(0.18)	2.60	2.42	— ⁽⁵⁾	(0.01)	(0.01)	2.41	21.99	12.35	33,437	2.14	2.14	(0.84)	31
4/1/12 to 3/31/13	18.38	(0.04)	1.61	1.57	(0.04)	(0.33)	(0.37)	1.20	19.58	8.84	27,641	2.12	2.12	(0.23)	15 ⁽¹¹⁾
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$25.37	(0.03)	4.11	4.08	—	(0.01)	(0.01)	4.07	\$29.44	16.10% ⁽⁴⁾	\$474,552	1.08% ⁽³⁾	1.08% ⁽³⁾	(0.23)% ⁽³⁾	2% ⁽⁴⁾
4/1/16 to 3/31/17	22.30	(0.03)	4.47	4.44	—	(1.37)	(1.37)	3.07	25.37	20.57 ⁽¹⁴⁾	338,491	1.12 ⁽⁹⁾⁽¹⁴⁾	1.12	(0.11) ⁽¹⁴⁾	24
4/1/15 to 3/31/16	26.58	0.01	0.01	0.02	(0.13)	(4.17)	(4.30)	(4.28)	22.30	0.28	189,167	1.12	1.12	0.04	33
4/1/14 to 3/31/15	24.95	0.13	3.14	3.27	—	(1.64)	(1.64)	1.63	26.58	13.57	248,933	1.08	1.08	0.53	28
4/1/13 to 3/31/14	22.04	0.04	2.92	2.96	(0.04)	(0.01)	(0.05)	2.91	24.95	13.44	242,400	1.14	1.14	0.19	31
4/1/12 to 3/31/13	20.65	0.13	1.83	1.96	(0.24)	(0.33)	(0.57)	1.39	22.04	9.92	164,483	1.12	1.12	0.63	15 ⁽¹¹⁾
Class R6															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$25.44	(0.02)	4.11	4.09	—	(0.01)	(0.01)	4.08	\$29.52	16.14% ⁽⁴⁾	\$ 44,565	0.99% ⁽³⁾	0.99% ⁽³⁾	(0.14)% ⁽³⁾	2% ⁽⁴⁾
4/1/16 to 3/31/17	22.33	— ⁽⁵⁾	4.48	4.48	—	(1.37)	(1.37)	3.11	25.44	20.68 ⁽¹⁴⁾	31,338	1.01 ⁽⁹⁾⁽¹⁴⁾	1.01	0.01 ⁽¹⁴⁾	24
4/1/15 to 3/31/16	26.59	0.07	(0.01)	0.06	(0.15)	(4.17)	(4.32)	(4.26)	22.33	0.41	20,811	1.01	1.02	0.33	33
11/12/14 ⁽⁷⁾ to 3/31/15	25.99	0.12	1.36	1.48	—	(0.88)	(0.88)	0.60	26.59	5.83 ⁽⁴⁾	106	0.97 ⁽³⁾	0.97 ⁽³⁾	1.18 ⁽³⁾	28 ⁽¹³⁾
KAR Small-Cap Growth Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$21.12	(0.09)	4.40	4.31	— ⁽⁵⁾	—	— ⁽⁵⁾	4.31	\$25.43	20.41% ⁽⁴⁾	\$263,281	1.50% ⁽³⁾⁽⁶⁾	1.46% ⁽³⁾	(0.81)% ⁽³⁾	1% ⁽⁴⁾
4/1/16 to 3/31/17	17.67	(0.14)	4.14	4.00	—	(0.55)	(0.55)	3.45	21.12	23.25 ⁽¹⁴⁾	184,302	1.50 ⁽⁹⁾⁽¹⁴⁾	1.51	(0.73) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	17.54	(0.10)	0.73	0.63	—	(0.50)	(0.50)	0.13	17.67	3.69	88,715	1.49	1.53	(0.59)	27
4/1/14 to 3/31/15	16.97	(0.13)	2.46	2.33	—	(1.76)	(1.76)	0.57	17.54	14.56	83,611	1.50	1.57	(0.76)	27
4/1/13 to 3/31/14	14.92	(0.15)	2.68	2.53	—	(0.48)	(0.48)	2.05	16.97	17.15	94,902	1.50	1.56	(0.93)	23
4/1/12 to 3/31/13	12.95	(0.03)	2.00	1.97	—	—	—	1.97	14.92	15.21	70,107	1.61 ⁽⁸⁾	1.67	(0.24)	24
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$19.28	(0.17)	4.02	3.85	— ⁽⁵⁾	—	— ⁽⁵⁾	3.85	\$23.13	19.97% ⁽⁴⁾	\$ 93,560	2.25% ⁽³⁾⁽⁶⁾	2.21% ⁽³⁾	(1.56)% ⁽³⁾	1% ⁽⁴⁾
4/1/16 to 3/31/17	16.30	(0.26)	3.79	3.53	—	(0.55)	(0.55)	2.98	19.28	22.30 ⁽¹⁴⁾	58,327	2.26 ⁽⁹⁾⁽¹⁴⁾	2.26	(1.49) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	16.33	(0.21)	0.68	0.47	—	(0.50)	(0.50)	(0.03)	16.30	2.97	19,525	2.25	2.28	(1.34)	27
4/1/14 to 3/31/15	16.03	(0.24)	2.30	2.06	—	(1.76)	(1.76)	0.30	16.33	13.68	15,594	2.25	2.32	(1.51)	27
4/1/13 to 3/31/14	14.22	(0.26)	2.55	2.29	—	(0.48)	(0.48)	1.81	16.03	16.29	13,298	2.25	2.31	(1.68)	23
4/1/12 to 3/31/13	12.44	(0.12)	1.90	1.78	—	—	—	1.78	14.22	14.31	7,555	2.36 ⁽⁸⁾	2.42	(0.96)	24

The footnote legend is at the end of the Financial Highlights.

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	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁹⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
KAR Small-Cap Growth Fund (Continued)															
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$21.45	(0.07)	4.48	4.41	— ⁽⁵⁾	—	— ⁽⁵⁾	4.41	\$25.86	20.56% ⁽⁴⁾	\$1,087,430	1.25% ⁽³⁾⁽⁶⁾	1.21% ⁽³⁾	(0.55)% ⁽³⁾	1% ⁽⁴⁾
4/1/16 to 3/31/17	17.89	(0.10)	4.21	4.11	—	(0.55)	(0.55)	3.56	21.45	23.59 ⁽¹⁴⁾	489,593	1.26 ⁽⁹⁾⁽¹⁴⁾	1.26	(0.50) ⁽¹⁴⁾	21
4/1/15 to 3/31/16	17.70	(0.05)	0.74	0.69	—	(0.50)	(0.50)	0.19	17.89	4.00	98,270	1.25	1.29	(0.31)	27
4/1/14 to 3/31/15	17.08	(0.08)	2.46	2.38	—	(1.76)	(1.76)	0.62	17.70	14.83	35,058	1.25	1.32	(0.47)	27
4/1/13 to 3/31/14	14.98	(0.11)	2.69	2.58	—	(0.48)	(0.48)	2.10	17.08	17.42	20,685	1.25	1.30	(0.68)	23
4/1/12 to 3/31/13	12.96	(0.01)	2.03	2.02	—	—	—	2.02	14.98	15.59	10,026	1.36 ⁽⁸⁾	1.42	(0.04)	24
KAR Small-Cap Value Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$17.61	0.03	1.44	1.47	(0.02)	(0.65)	(0.67)	0.80	\$18.41	8.56% ⁽⁴⁾	\$ 87,399	1.32% ⁽³⁾⁽¹²⁾	1.32% ⁽³⁾	0.29% ⁽³⁾	10% ⁽⁴⁾
4/1/16 to 3/31/17	15.67	0.22	3.16	3.38	(0.26)	(1.18)	(1.44)	1.94	17.61	22.86	89,050	1.32 ⁽⁹⁾⁽¹²⁾	1.32	1.35	22
4/1/15 to 3/31/16	16.61	0.07	0.07	0.14	(0.10)	(0.98)	(1.08)	(0.94)	15.67	0.94	71,280	1.30 ⁽¹²⁾	1.30	0.49	15
4/1/14 to 3/31/15	16.74	0.09	1.38	1.47	(0.03)	(1.57)	(1.60)	(0.13)	16.61	9.33	74,738	1.28 ⁽⁶⁾	1.28	0.54	24
4/1/13 to 3/31/14	13.91	0.04	2.84	2.88	(0.05)	—	(0.05)	2.83	16.74	20.78	137,496	1.32 ⁽⁶⁾	1.32	0.24	24
4/1/12 to 3/31/13	13.22	0.16	0.78	0.94	(0.25)	—	(0.25)	0.69	13.91	7.37	118,376	1.42 ⁽⁶⁾	1.34	1.29	16 ⁽¹¹⁾
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$17.35	(0.04)	1.42	1.38	—	(0.65)	(0.65)	0.73	\$18.08	8.17% ⁽⁴⁾	\$ 29,795	2.06% ⁽³⁾⁽¹²⁾	2.06% ⁽³⁾	(0.45)% ⁽³⁾	10% ⁽⁴⁾
4/1/16 to 3/31/17	15.45	0.10	3.11	3.21	(0.13)	(1.18)	(1.31)	1.90	17.35	21.95	29,416	2.07 ⁽⁹⁾⁽¹²⁾	2.07	0.65	22
4/1/15 to 3/31/16	16.41	(0.04)	0.06	0.02	—	(0.98)	(0.98)	(0.96)	15.45	0.17	23,602	2.05 ⁽¹²⁾	2.05	(0.26)	15
4/1/14 to 3/31/15	16.65	(0.02)	1.35	1.33	—	(1.57)	(1.57)	(0.24)	16.41	8.49	25,634	2.03 ⁽⁶⁾	2.03	(0.12)	24
4/1/13 to 3/31/14	13.89	(0.08)	2.84	2.76	—	—	—	2.76	16.65	19.87	27,132	2.07 ⁽⁶⁾	2.07	(0.52)	24
4/1/12 to 3/31/13	13.20	0.07	0.77	0.84	(0.15)	—	(0.15)	0.69	13.89	6.57	23,793	2.17 ⁽⁶⁾	2.09	0.56	16 ⁽¹¹⁾
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$17.62	0.05	1.43	1.48	(0.04)	(0.65)	(0.69)	0.79	\$18.41	8.72% ⁽⁴⁾	\$ 300,259	1.07% ⁽³⁾⁽¹²⁾	1.07% ⁽³⁾	0.55% ⁽³⁾	10% ⁽⁴⁾
4/1/16 to 3/31/17	15.69	0.26	3.17	3.43	(0.32)	(1.18)	(1.50)	1.93	17.62	23.20	242,661	1.07 ⁽⁹⁾⁽¹²⁾	1.07	1.63	22
4/1/15 to 3/31/16	16.64	0.11	0.07	0.18	(0.15)	(0.98)	(1.13)	(0.95)	15.69	1.17	144,487	1.05 ⁽¹²⁾	1.05	0.74	15
4/1/14 to 3/31/15	16.77	0.16	1.35	1.51	(0.07)	(1.57)	(1.64)	(0.13)	16.64	9.59	163,082	1.03 ⁽⁶⁾	1.03	0.97	24
4/1/13 to 3/31/14	13.92	0.08	2.84	2.92	(0.07)	—	(0.07)	2.85	16.77	21.06	104,149	1.07 ⁽⁶⁾	1.07	0.49	24
4/1/12 to 3/31/13	13.23	0.15	0.82	0.97	(0.28)	—	(0.28)	0.69	13.92	7.64	91,502	1.17 ⁽⁶⁾	1.10	1.19	16 ⁽¹¹⁾
Class R6															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$17.63	0.05	1.44	1.49	(0.05)	(0.65)	(0.70)	0.79	\$18.42	8.78% ⁽⁴⁾	\$ 10,165	0.99% ⁽³⁾⁽¹²⁾	0.99% ⁽³⁾	0.52% ⁽³⁾	10% ⁽⁴⁾
11/3/16 ⁽⁷⁾ to 3/31/17	14.90	0.05	3.15	3.20	(0.22)	(0.25)	(0.47)	2.73	17.63	21.58 ⁽⁴⁾	122	0.98 ⁽³⁾⁽¹²⁾	0.98 ⁽³⁾	0.68 ⁽³⁾	22 ⁽¹⁵⁾
Rampart Enhanced Core Equity Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$20.27	0.06	1.72	1.78	(0.06)	(1.73)	(1.79)	(0.01)	\$20.26	9.26% ⁽⁴⁾	\$ 120,445	1.23% ⁽³⁾⁽⁸⁾	1.39% ⁽³⁾	0.63% ⁽³⁾	110% ⁽⁴⁾
4/1/16 to 3/31/17	18.14	0.15	2.68	2.83	(0.22)	(0.48)	(0.70)	2.13	20.27	15.85 ⁽¹⁴⁾	113,442	1.26 ⁽⁹⁾⁽¹⁴⁾	1.40	0.81 ⁽¹⁴⁾	496
4/1/15 to 3/31/16	20.97	0.14	0.56	0.70	(0.15)	(3.38)	(3.53)	(2.83)	18.14	4.02	101,113	1.25	1.38	0.74	312
4/1/14 to 3/31/15	21.94	0.17	1.84	2.01	(0.08)	(2.90)	(2.98)	(0.97)	20.97	9.75	116,725	1.25	1.36	0.82	345
4/1/13 to 3/31/14	19.51	0.14	4.02	4.16	(0.10)	(1.63)	(1.73)	2.43	21.94	21.84	111,074	1.25	1.39	0.66	283
4/1/12 to 3/31/13	17.93	0.09	1.53	1.62	(0.04)	—	(0.04)	1.58	19.51	9.12	100,976	1.25	1.44	0.52	65

The footnote legend is at the end of the Financial Highlights.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
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	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Rampart Enhanced Core Equity Fund (Continued)															
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$18.44	(0.02)	1.56	1.54	(0.02)	(1.73)	(1.75)	(0.21)	\$18.23	8.85% ⁽⁴⁾	\$ 32,710	1.98% ⁽³⁾⁽⁸⁾	2.15% ⁽³⁾	(0.17)% ⁽³⁾	110% ⁽⁴⁾
4/1/16 to 3/31/17	16.48	0.01	2.44	2.45	(0.01)	(0.48)	(0.49)	1.96	18.44	15.01 ⁽¹⁴⁾	37,269	2.00 ⁽⁹⁾⁽¹⁴⁾	2.15	0.04 ⁽¹⁴⁾	496
4/1/15 to 3/31/16	19.42	— ⁽⁵⁾	0.51	0.51	(0.07)	(3.38)	(3.45)	(2.94)	16.48	3.27	36,236	2.00	2.13	0.01	312
4/1/14 to 3/31/15	20.60	0.01	1.72	1.73	(0.01)	(2.90)	(2.91)	(1.18)	19.42	8.91	37,312	2.00	2.12	0.06	345
4/1/13 to 3/31/14	18.46	(0.02)	3.81	3.79	(0.02)	(1.63)	(1.65)	2.14	20.60	20.93	27,930	2.00	2.14	(0.09)	283
4/1/12 to 3/31/13	17.05	(0.04)	1.45	1.41	—	—	—	1.41	18.46	8.27	24,782	2.00	2.19	(0.23)	65
Class I															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$20.22	0.09	1.71	1.80	(0.07)	(1.73)	(1.80)	—	\$20.22	9.41% ⁽⁴⁾	\$ 32,485	0.98% ⁽³⁾⁽⁸⁾	1.15% ⁽³⁾	0.91% ⁽³⁾	110% ⁽⁴⁾
4/1/16 to 3/31/17	18.13	0.21	2.66	2.87	(0.30)	(0.48)	(0.78)	2.09	20.22	16.16 ⁽¹⁴⁾	21,011	1.01 ⁽⁹⁾⁽¹⁴⁾	1.15	1.13 ⁽¹⁴⁾	496
4/1/15 to 3/31/16	20.96	0.21	0.53	0.74	(0.19)	(3.38)	(3.57)	(2.83)	18.13	4.25	11,991	1.00	1.13	1.13	312
4/1/14 to 3/31/15	21.90	0.22	1.85	2.07	(0.11)	(2.90)	(3.01)	(0.94)	20.96	10.06	8,969	1.00	1.11	1.05	345
4/1/13 to 3/31/14	19.48	0.19	4.01	4.20	(0.15)	(1.63)	(1.78)	2.42	21.90	22.12	11,291	1.00	1.14	0.90	283
4/1/12 to 3/31/13	17.91	0.14	1.51	1.65	(0.08)	—	(0.08)	1.57	19.48	9.28	11,589	1.00	1.17	0.78	65
Tactical Allocation Fund															
Class A															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$ 8.33	0.08	0.69	0.77	(0.08)	(0.02)	(0.10)	0.67	\$ 9.00	9.25% ⁽⁴⁾	\$142,481	1.38% ⁽³⁾	1.38% ⁽³⁾	1.81% ⁽³⁾	26% ⁽⁴⁾
4/1/16 to 3/31/17	8.44	0.17	0.56	0.73	(0.15)	(0.69)	(0.84)	(0.11)	8.33	9.20 ⁽¹⁴⁾	137,388	1.37 ⁽⁹⁾⁽¹⁴⁾	1.38	1.86 ⁽¹⁴⁾	104
4/1/15 to 3/31/16	9.75	0.20	(0.88)	(0.68)	(0.17)	(0.46)	(0.63)	(1.31)	8.44	(7.36)	147,546	1.32	1.33	2.25	81
4/1/14 to 3/31/15	10.06	0.21	0.15	0.36	(0.20)	(0.47)	(0.67)	(0.31)	9.75	3.60	180,435	1.30	1.30	2.09	69
4/1/13 to 3/31/14	9.88	0.22	1.13	1.35	(0.21)	(0.96)	(1.17)	0.18	10.06	14.84	195,509	1.29	1.29	2.22	61
4/1/12 to 3/31/13	9.47	0.21	0.53	0.74	(0.22)	(0.11)	(0.33)	0.41	9.88	8.00	186,662	1.30	1.30	2.26	94
Class C															
4/1/17 to 9/30/17 ⁽¹⁶⁾	\$ 8.55	0.05	0.70	0.75	(0.04)	(0.02)	(0.06)	0.69	\$ 9.24	8.80% ⁽⁴⁾	\$ 4,054	2.14% ⁽³⁾	2.15% ⁽³⁾	1.05% ⁽³⁾	26% ⁽⁴⁾
4/1/16 to 3/31/17	8.64	0.11	0.57	0.68	(0.08)	(0.69)	(0.77)	(0.09)	8.55	8.37 ⁽¹⁴⁾	4,378	2.11 ⁽⁹⁾⁽¹⁴⁾	2.13	1.13 ⁽¹⁴⁾	104
4/1/15 to 3/31/16	9.96	0.14	(0.90)	(0.76)	(0.10)	(0.46)	(0.56)	(1.32)	8.64	(8.02)	5,460	2.07	2.08	1.51	81
4/1/14 to 3/31/15	10.27	0.13	0.16	0.29	(0.13)	(0.47)	(0.60)	(0.31)	9.96	2.81	6,328	2.04	2.04	1.29	69
4/1/13 to 3/31/14	10.07	0.15	1.15	1.30	(0.14)	(0.96)	(1.10)	0.20	10.27	13.90	3,785	2.04	2.04	1.46	61
4/1/12 to 3/31/13	9.65	0.15	0.53	0.68	(0.15)	(0.11)	(0.26)	0.42	10.07	7.17	3,021	2.05	2.05	1.51	94

Footnote Legend:

- (1) Sales charges, where applicable, are not reflected in the total return calculation.
(2) Computed using average shares outstanding.
(3) Annualized.
(4) Not annualized.
(5) Amount is less than \$0.005 per share.
(6) See Note 4D in the Notes to Financial Statements for information on recapture of expenses previously waived.
(7) Inception date.
(8) Represents a blended ratio.

The footnote legend is at the end of the Financial Highlights.

See Notes to Financial Statements

**VIRTUS EQUITY TRUST
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⁽⁹⁾ Net expense ratio includes extraordinary proxy expenses.

⁽¹⁰⁾ Each Fund will also indirectly bear their prorated share of expenses of the underlying funds in which they invest. Such expenses are not included in the calculation of this ratio.

⁽¹¹⁾ Portfolio turnover calculation excludes security transactions distributed as a result of a redemption-in-kind.

⁽¹²⁾ The Fund is currently under its expense limitation.

⁽¹³⁾ Portfolio turnover is representative of the Fund for the entire year ended March 31, 2015.

⁽¹⁴⁾ Custody fees reimbursed were excluded from the Ratio of Net Expenses to Average Net Assets and Ratio of Net Investment Income (Loss) to Average Net Assets. If included the impact would have been to lower the Ratio of Net Expenses to Average Net Assets and increase the Ratio of Net Investment Income (Loss) to Average Net Assets as follows:

	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R6</u>
Contrarian Value Fund*	—	—	—	—
KAR Capital Growth Fund	0.06%	0.05%	0.06%	N/A
KAR Mid-Cap Growth Fund	0.05%	0.05%	0.05%	N/A
KAR Small-Cap Core Fund*	—	—	—	—
KAR Small-Cap Growth Fund*	—	—	—	N/A
Rampart Enhanced Core Equity Fund*	—	—	—	N/A
Tactical Allocation Fund	0.08%	0.08%	N/A	N/A

* Amount is less than 0.005%

Custody fees reimbursed were included in Total Return. If excluded the impact would have been to lower the Total Return as follows:

	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R6</u>
Contrarian Value Fund*	—	—	—	—
KAR Capital Growth Fund	0.06%	0.06%	0.06%	N/A
KAR Mid-Cap Growth Fund	0.05%	0.05%	0.05%	N/A
KAR Small-Cap Core Fund*	—	—	—	—
KAR Small-Cap Growth Fund*	—	—	—	N/A
Rampart Enhanced Core Equity Fund*	—	—	—	N/A
Tactical Allocation Fund	0.08%	0.08%	N/A	N/A

* Amount is less than 0.005%

See Note 14 in Notes to Financial Statements for a further explanation on the custody fees reimbursed.

⁽¹⁵⁾ Portfolio turnover is representative of the Fund for the entire year ended March 31, 2017.

⁽¹⁶⁾ The Fund changed its fiscal period end to September 30 during the period.

VIRTUS EQUITY TRUST

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 1. Organization

Virtus Equity 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. Effective September 21, 2017 the Funds changed their fiscal year end from March 31 to September 30.

As of the date of this report, 11 diversified funds of the Trust are offered for sale, of which 10 (each a "Fund") are reported in this annual report. The Funds' investment objectives are outlined in each Fund's summary page. *There is no guarantee that the Funds will achieve their objectives.*

All of the Funds offer Class A shares and Class C shares. All Funds with the exception of the Tactical Allocation Fund offer Class I shares. Class R6 shares are offered by the Contrarian Value Fund, KAR Small-Cap Core Fund and KAR Small-Cap Value Fund. Effective March 6, 2017, all Class B shares were converted to Class A shares. Prior to March 6, 2017, Class B shares could be purchased by existing shareholders through qualifying transactions.

Class A shares are sold with a front-end sales charge of up to 5.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Funds when redeemed; however, a 1% 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 18 months. 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 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.

Virtus Mutual 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.

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 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 the 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 not widely traded, are illiquid, or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

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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 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 not widely traded, or 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 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 a Fund's 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 investments is recorded using management's estimate of the income included in distributions received from the REIT investments. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal period-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 September 30, 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 each Fund's pro-rata expenses of any underlying mutual funds in which the Fund invests.

F. Foreign Currency Translation

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

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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.

G. Loan Agreements

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. Loan agreements 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. Loan agreements 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 loan agreement 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 loan agreement. 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. Loan agreements 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 loan agreements 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 London Interbank Offered Rate ("LIBOR"), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. When a loan agreement 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 loan agreement. Prepayment penalty fees are received upon the prepayment of a loan agreement by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

H. When-Issued 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 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. 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. Securities Lending
(\$ reported in thousands)**

During the period, certain Funds were permitted to loan securities to qualified brokers through an agreement with Brown Brothers Harriman ("BBH"), 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 BBH 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 July 31, 2017, securities lending was suspended on the Funds, and the agreement with BBH was terminated on August 14, 2017.

J. Earnings Credit and Interest

Through arrangements with each Fund's previous custodian which ended in September 2017, each Fund receives either an earnings credit or interest on agreed upon target un-invested cash balances to reduce each Fund's custody expenses. The credits are reflected as "Earnings credit from custodian" and the interest is reflected under "Interest income" in each Fund's Statements of Operations for the period, as applicable.

**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.

Options Contracts: An options contract provides the purchaser with the right, but not the obligation, to buy (call option) or sell (put option) a financial instrument at an agreed-upon price. Certain Funds may purchase or write both put and call options on portfolio securities for hedging purposes or to facilitate the rapid implementation of investment strategies if the Fund anticipates a significant market or sector advance. The Funds are subject to equity price risk in the normal course of pursuing their investment objectives. The Funds may use options contracts to hedge against changes in the values of equities.

When a Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When a Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. Holdings of the Fund designated to cover outstanding written options are noted in the Schedules of Investments. Purchased options are reported as an asset within "Investment in unaffiliated securities at value" in the Statements of Assets and Liabilities.

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Options written are reported as a liability within "Written options at value." Changes in value of the purchased option are included in "Net change in unrealized appreciation (depreciation) on unaffiliated investments" in the Statements of Operations. Changes in value of written options are included in "Net change in unrealized appreciation (depreciation) on written options" in the Statements of Operations.

If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain or loss. Gain or loss on purchased options is included in "Net realized gain (loss) on unaffiliated investments" in the Statements of Operations. Gain or loss on written options is presented separately as "Net realized gain (loss) on written options" in the Statements of Operations.

The risk in writing call options is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in writing put options is that the Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying options is that the Fund pays a premium whether or not the option is exercised. The use of such instruments may involve certain additional risks as a result of unanticipated movements in the market. Writers (sellers) of options are subject to unlimited risk of loss, as the seller will be obligated to deliver or take delivery of the security at a predetermined price which may, upon exercise of the option, be significantly different from the then-market value.

The Rampart Enhanced Core Equity Fund invested in written covered call options contracts in an attempt to manage equity price risk and with the purpose of generating realized gains.

The following is a summary of the Fund's options contracts as categorized equity risk, presented in the financial statements as of September 30, 2017:

<u>Statements of Assets and Liabilities</u>	<u>Enhanced Core Equity</u>	<u>Statements of Operations</u>	<u>Enhanced Core Equity</u>
Assets: Purchased options at value	\$ 90 ⁽¹⁾	Net realized gain (loss) on purchased options	\$(4,178) ⁽²⁾
Liabilities: Written options at value	<u>(265)</u>	Net realized gain (loss) on written options	8,230
Net asset (liability) balance	<u>\$ (175)</u>	Net change in unrealized appreciation (depreciation) on purchased options	4 ⁽³⁾
		Net change in unrealized appreciation (depreciation) on written options	<u>(109)</u>
		Total net realized and unrealized gain (loss) on purchased and written options	<u>\$ 3,947</u>

⁽¹⁾ Amount included in Investment in unaffiliated securities at value.

⁽²⁾ Included in net realized gain (loss) on unaffiliated investments.

⁽³⁾ Included in net change in unrealized appreciation (depreciation) on unaffiliated investments.

For the period ended September 30, 2017, the average daily premiums paid by the Rampart Enhanced Core Equity Fund for purchased options were \$273 and the average daily premiums received for written call options by the Rampart Enhanced Core Equity Fund were \$(558).

Note 4. Investment Advisory Fees and Related Party Transactions
(\$ reported in thousands except as noted)

A. Adviser

Virtus Investment Advisers, Inc. (the "Adviser"), an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the investment adviser to the Trust. 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 as a percentage of the average daily net assets of each Fund:

KAR Small-Cap Core Fund	0.75%		
KAR Small-Cap Value Fund	0.70		
		<u>First \$1 Billion</u>	<u>\$1+ Billion through \$2 Billion</u>
KAR Capital Growth Fund	0.70%	0.65%	0.60%
KAR Global Quality Dividend Fund	0.75	0.70	0.65
KAR Mid-Cap Core Fund	0.80	0.75	0.70
Rampart Enhanced Core Equity Fund	0.75	0.70	0.65
Tactical Allocation Fund	0.70	0.65	0.60
		<u>First \$400 Million</u>	<u>\$400+ Million through \$1 Billion</u>
KAR Small-Cap Growth Fund	0.90%	0.85%	0.80%
		<u>First \$500 Million</u>	<u>Over \$500 Million</u>
KAR Mid-Cap Growth Fund	0.80%	0.70%	
		<u>First \$1 Billion</u>	<u>Over \$1 Billion</u>
Contrarian Value Fund	0.75%	0.70%	

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During the period covered by these financial statements, the Tactical Allocation Fund invested a portion of its assets in Virtus Newfleet Credit Opportunities Fund, an affiliated mutual fund. In order to avoid any duplication of advisory fees, the Adviser has voluntarily waived its advisory fees in an amount equal to that which would otherwise be paid by the Fund on the assets invested in the Virtus Credit Opportunities Fund. For the period covered by these financial statements, the waiver amounted to \$5. This waiver is in addition to the expense limitation and/or fee waiver covered elsewhere in these financial statements and is included in “Less expenses reimbursed and/or waived by investment adviser” in the Statements of Operations.

B. Subadvisers

The subadvisers manage the investments of each Fund for which they are paid a fee by the Adviser. A list of the subadvisers and the Funds they serve as of the end of the period is as follows:

<u>Fund</u>	<u>Subadviser</u>	<u>Fund</u>	<u>Subadviser</u>
Contrarian Value Fund	Sasco Capital, Inc.	KAR Small-Cap Growth Fund	Kayne ⁽¹⁾⁽³⁾
KAR Capital Growth Fund	Kayne ⁽¹⁾⁽³⁾	KAR Small-Cap Value Fund	Kayne ⁽¹⁾⁽³⁾
KAR Global Quality Dividend Fund	Kayne ⁽¹⁾⁽³⁾	Rampart Enhanced Core Equity Fund	Rampart Investment Management Company, LLC ⁽³⁾
KAR Mid-Cap Core Fund	Kayne ⁽¹⁾⁽³⁾	Tactical Allocation Fund (Domestic Equity Portfolio)	Kayne ⁽¹⁾⁽³⁾
KAR Mid-Cap Growth Fund	Kayne ⁽¹⁾⁽³⁾	Tactical Allocation Fund (International Equity Portfolio)	DPIM ⁽³⁾⁽²⁾
KAR Small-Cap Core Fund	Kayne ⁽¹⁾⁽³⁾	Tactical Allocation Fund (Fixed Income Portfolio)	Newfleet Asset Management, LLC ⁽³⁾

⁽¹⁾ Kayne Anderson Rudnick Investment Management, LLC. (“KAR”)

⁽²⁾ Duff & Phelps Investment Management Co. (“DIPM”)

⁽³⁾ An indirect, wholly-owned subsidiary of Virtus.

C. Expense Limits and Fee Waivers

The Adviser has contractually agreed to limit certain Funds’ 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), so that such expenses do not exceed the following percentages of the average annual daily net asset values for the following Funds.

	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R6</u>	<u>Through Date</u>
Contrarian Value Fund‡	1.48%	2.23%	1.23%	1.09%	7/31/18
KAR Capital Growth Fund‡	1.47	2.22	1.22	N/A	7/31/18
KAR Global Quality Dividend Fund	1.35	2.10	1.10	N/A	7/31/18
KAR Mid-Cap Core Fund	1.20	1.95	0.95	N/A	7/31/18
KAR Mid-Cap Growth Fund	1.40	2.15	1.15	N/A	7/31/18
KAR Small-Cap Growth Fund	1.50	2.25	1.25	N/A	7/31/18
KAR Small-Cap Value Fund‡	1.42	2.17	1.17	1.07	7/31/18
Rampart Enhanced Core Equity Fund**	1.20	1.95	0.95	N/A	7/31/18

‡ Each share class is currently below its expense cap.

** Effective July 31, 2017. For the period of April 1, 2017 to July 30, 2017 the expense caps were as follows for Class A, Class C and Class I respectively: 1.25%, 2.00%, and 1.00%.

D. Expense Recapture

For certain Funds, the Adviser may recapture operating expenses waived or reimbursed under these arrangements, within three years after the date in which such waiver or reimbursement occurred. 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 as follows:

	<u>Fiscal Period Ended</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
KAR Global Quality Dividend Fund	\$ 37	\$ 83	\$ 92	\$212
KAR Mid-Cap Core Fund	63	119	235	417
KAR Mid-Cap Growth Fund	38	107	80	225
Rampart Enhanced Core Equity Fund	187	217	244	648

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 (the “period”) ended September 30, 2017, it retained net commissions of \$1,232 for Class A shares and CDSC of \$3, and \$14 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%; Class C shares 1.00%; Class I shares and Class R6 shares are not subject to a 12b-1 Plan.

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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 Trust.

For the period ended September 30, 2017, the Funds incurred administration fees totaling \$1,435 which are included in the Statements of Operations within the line item "Administration fees".

For the period ended September 30, 2017, the Funds incurred transfer agent fees totaling \$1,862 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 Trust.

**G. Affiliated Shareholders
(\$ reported in thousands)**

At September 30, 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:

	<u>Shares</u>	<u>Aggregate Net Asset Value</u>
KAR Capital Growth Fund Class A	13	\$ — ⁽¹⁾
KAR Small-Cap Growth Class I	177,519	4,589
KAR Small-Cap Value Fund Class R6	312,290	5,620
Rampart Enhance Core Equity Fund Class I	405,504	8,199

⁽¹⁾ Amount is less than \$500.

H. Investments in Affiliates

A summary of the Tactical Allocation Fund's total long-term and short-term purchases and sales of the affiliated underlying fund during the period ended September 30, 2017, is as follows:

	<u>Value, beginning of period</u>	<u>Purchases</u>	<u>Sales</u>	<u>Net Realized gain (loss)</u>	<u>Net change in unrealized appreciation (depreciation)</u>	<u>Value, end of period</u>	<u>Dividend Income</u>	<u>Distributions of Realized Gains</u>
Virtus Credit Opportunities Fund	\$1,771	\$—	\$(447)	(3)	(26)	\$1,295	\$49	\$—

I. 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" in the Statements of Assets and Liabilities at September 30, 2017.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

Note 5. Purchases and Sales of Securities
(\$ reported in thousands)

Purchases and sales of securities (excluding U.S. Government and agency securities, short-term securities, and written options securities) during the period ended September 30, 2017, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Contrarian Value Fund	\$ 9,861	\$ 35,250
KAR Capital Growth Fund	57,028	68,033
KAR Global Quality Dividend Fund	7,591	12,117
KAR Mid-Cap Core Fund	24,884	10,668
KAR Mid-Cap Growth Fund	10,935	18,878
KAR Small-Cap Core Fund	105,992	11,676
KAR Small-Cap Growth Fund	436,456	9,545
KAR Small-Cap Value Fund	69,093	35,387
Rampart Enhanced Core Equity Fund	194,338	192,207
Tactical Allocation Fund	34,433	42,154

The Tactical Allocation Fund had purchases of \$2,309, and sales of \$1,391 of long-term U.S. Government and agency securities during the period ended September 30, 2017.

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>Contrarian Value Fund</u>					
	<u>Fiscal Period Ended</u>		<u>Year Ended</u>		<u>Year Ended</u>	
	<u>September 30, 2017⁽²⁾</u>		<u>March 31, 2017</u>		<u>March 31, 2016</u>	
	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>
Class A						
Sale of shares	168	\$ 6,004	235	\$ 7,988	497	\$ 16,061
Reinvestment of distributions	20	707	17	559	17	628
Shares repurchased	(427)	(15,259)	(1,471)	(50,190)	(2,361)	(76,153)
Net Increase / (Decrease)	<u>(239)</u>	<u>\$ (8,548)</u>	<u>(1,219)</u>	<u>\$ (41,643)</u>	<u>(1,847)</u>	<u>\$ (59,464)</u>
Class C						
Sale of shares	4	\$ 149	28	\$ 920	38	\$ 1,236
Reinvestment of distributions	1	39	— ⁽¹⁾	5	1	38
Shares repurchased	(231)	(7,880)	(338)	(11,101)	(564)	(17,436)
Net Increase / (Decrease)	<u>(226)</u>	<u>\$ (7,692)</u>	<u>(310)</u>	<u>\$ (10,176)</u>	<u>(525)</u>	<u>\$ (16,162)</u>
Class I						
Sale of shares	104	\$ 3,738	478	\$ 16,400	657	\$ 21,130
Reinvestment of distributions	29	1,022	28	945	25	890
Shares repurchased	(402)	(14,239)	(1,646)	(56,035)	(2,219)	(71,603)
Net Increase / (Decrease)	<u>(269)</u>	<u>\$ (9,479)</u>	<u>(1,140)</u>	<u>\$ (38,690)</u>	<u>(1,537)</u>	<u>\$ (49,583)</u>
Class R6						
Sale of shares	5	\$ 181	28	\$ 935	176	\$ 5,841
Reinvestment of distributions	1	46	1	45	— ⁽¹⁾	17
Shares repurchased	(7)	(261)	(96)	(3,230)	(27)	(853)
Net Increase / (Decrease)	<u>(1)</u>	<u>\$ (34)</u>	<u>(67)</u>	<u>\$ (2,250)</u>	<u>149</u>	<u>\$ 5,005</u>

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ The Fund changed its fiscal year end to September 30 during the period.

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KAR Capital Growth Fund

	Fiscal Period Ended September 30, 2017 ⁽⁴⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	209	\$ 3,179	403	\$ 5,482	692	\$ 9,635
Conversion from Class B shares ⁽³⁾	—	—	43	602	—	—
Reinvestment of distributions	263	4,031	2,208	28,727	1,224	17,438
Shares repurchased	(1,396)	(21,262)	(3,521)	(48,786)	(3,003)	(41,883)
Net Increase / (Decrease)	(924)	\$ (14,052)	(867)	\$ (13,975)	(1,087)	\$ (14,810)
Class B						
Sale of shares	—	\$ —	— ⁽¹⁾	— ⁽²⁾	2	\$ 17
Reinvestment of distributions	—	—	6	67	8	98
Shares repurchased	—	—	(78)	(902)	(69)	(799)
Conversion to Class A shares ⁽³⁾	—	—	(54)	(602)	—	—
Net Increase / (Decrease)	—	\$ —	(126)	\$ (1,437)	(59)	\$ (684)
Class C						
Sale of shares	77	\$ 918	88	\$ 972	1,249	\$ 14,657
Reinvestment of distributions	12	152	109	1,140	68	810
Shares repurchased	(180)	(2,209)	(777)	(8,801)	(564)	(6,362)
Net Increase / (Decrease)	(91)	\$ (1,139)	(580)	\$ (6,689)	753	\$ 9,105
Class I						
Sale of shares	120	\$ 1,893	272	\$ 3,894	171	\$ 2,422
Reinvestment of distributions	6	102	47	637	23	338
Shares repurchased	(81)	(1,276)	(206)	(2,908)	(198)	(2,764)
Net Increase / (Decrease)	45	\$ 719	113	\$ 1,623	(4)	\$ (4)

KAR Global Quality Dividend Fund

	Fiscal Period Ended September 30, 2017 ⁽⁴⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	44	\$ 724	128	\$ 1,985	328	\$ 4,631
Reinvestment of distributions	207	3,317	29	451	16	245
Shares repurchased	(298)	(5,040)	(700)	(11,095)	(611)	(9,094)
Net Increase / (Decrease)	(47)	\$ (999)	(543)	\$ (8,659)	(267)	\$ (4,218)
Class C						
Sale of shares	7	\$ 116	59	\$ 906	116	\$ 1,660
Reinvestment of distributions	26	403	—	—	1	11
Shares repurchased	(71)	(1,145)	(194)	(2,981)	(914)	(12,980)
Net Increase / (Decrease)	(38)	\$ (626)	(135)	\$ (2,075)	(797)	\$ (11,309)
Class I						
Sale of shares	38	\$ 626	94	\$ 1,535	45	\$ 667
Reinvestment of distributions	33	522	4	68	3	52
Shares repurchased	(89)	(1,469)	(107)	(1,701)	(253)	(3,772)
Net Increase / (Decrease)	(18)	\$ (321)	(9)	\$ (98)	(205)	\$ (3,053)

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ Amount is less than \$500.

⁽³⁾ See Note 1 in Notes to Financial Statements for more information.

⁽⁴⁾ The Fund changed its fiscal year end to September 30 during the period.

VIRTUS EQUITY TRUST
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KAR Mid-Cap Core Fund

	Fiscal Period Ended September 30, 2017 ⁽⁴⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	209	\$ 5,573	860	\$ 20,379	557	\$ 12,394
Reinvestment of distributions	3	80	—	—	4	95
Shares repurchased	(72)	(1,928)	(974)	(23,609)	(217)	(4,737)
Net Increase / (Decrease)	140	\$ 3,725	(114)	\$ (3,230)	344	\$ 7,752
Class C						
Sale of shares	138	\$ 3,470	409	\$ 9,372	195	\$ 4,179
Reinvestment of distributions	2	56	—	—	2	35
Shares repurchased	(47)	(1,179)	(134)	(3,029)	(85)	(1,754)
Net Increase / (Decrease)	93	\$ 2,347	275	\$ 6,343	112	\$ 2,460
Class I						
Sale of shares	968	\$ 26,148	1,943	\$ 47,890	279	\$ 6,180
Reinvestment of distributions	7	194	—	—	2	41
Shares repurchased	(456)	(12,244)	(325)	(7,950)	(156)	(3,412)
Net Increase / (Decrease)	519	\$ 14,098	1,618	\$ 39,940	125	\$ 2,809

KAR Mid-Cap Growth Fund

	Fiscal Period Ended September 30, 2017 ⁽⁴⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	55	\$ 1,451	127	\$ 2,897	134	\$ 2,958
Conversion from Class B shares ⁽³⁾	—	—	6	156	—	—
Reinvestment of distributions	14	370	48	1,082	49	1,143
Shares repurchased	(291)	(7,625)	(396)	(9,112)	(332)	(7,279)
Net Increase / (Decrease)	(222)	\$ (5,804)	(215)	\$ (4,977)	(149)	\$ (3,178)
Class B						
Sale of shares	—	\$ —	—	— ⁽²⁾	— ⁽¹⁾	\$ — ⁽²⁾
Reinvestment of distributions	—	—	— ⁽¹⁾	3	— ⁽¹⁾	9
Shares repurchased	—	—	(10)	(196)	(14)	(262)
Conversion to Class A shares ⁽³⁾	—	—	(8)	(156)	—	—
Net Increase / (Decrease)	—	\$ —	(18)	\$ (349)	(14)	\$ (253)
Class C						
Sale of shares	15	\$ 330	89	\$ 1,704	71	\$ 1,340
Reinvestment of distributions	1	29	5	89	5	94
Shares repurchased	(63)	(1,349)	(121)	(2,259)	(96)	(1,721)
Net Increase / (Decrease)	(47)	\$ (990)	(27)	\$ (466)	(20)	\$ (287)
Class I						
Sale of shares	14	\$ 389	47	\$ 1,092	25	\$ 586
Reinvestment of distributions	1	19	2	47	2	49
Shares repurchased	(14)	(376)	(27)	(638)	(36)	(806)
Net Increase / (Decrease)	1	\$ 32	22	\$ 501	(9)	\$ (171)

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ Amount is less than \$500.

⁽³⁾ See Note 1 in Notes to Financial Statement for more information.

⁽⁴⁾ The Fund changed its fiscal year end to September 30 during the period.

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NOTES TO FINANCIAL STATEMENTS (Continued)
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KAR Small-Cap Core Fund

	Fiscal Period Ended September 30, 2017 ⁽²⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	608	\$ 16,037	1,507	\$ 34,529	436	\$ 9,529
Reinvestment of distributions	1	30	153	3,396	443	9,802
Shares repurchased	(332)	(8,598)	(1,606)	(37,256)	(1,006)	(22,255)
Net Increase / (Decrease)	<u>277</u>	<u>\$ 7,469</u>	<u>54</u>	<u>\$ 669</u>	<u>(127)</u>	<u>\$ (2,924)</u>
Class C						
Sale of shares	420	\$ 9,214	778	\$ 15,284	295	\$ 5,978
Reinvestment of distributions	1	29	123	2,351	301	5,822
Shares repurchased	(220)	(4,822)	(442)	(8,547)	(360)	(7,311)
Net Increase / (Decrease)	<u>201</u>	<u>\$ 4,421</u>	<u>459</u>	<u>\$ 9,088</u>	<u>236</u>	<u>\$ 4,489</u>
Class I						
Sale of shares	4,161	\$114,129	7,980	\$ 188,854	1,981	\$ 46,483
Reinvestment of distributions	6	167	571	13,259	1,417	32,670
Shares repurchased	(1,387)	(37,551)	(3,695)	(86,856)	(4,279)	(101,680)
Net Increase / (Decrease)	<u>2,780</u>	<u>\$ 76,745</u>	<u>4,856</u>	<u>\$ 115,257</u>	<u>(881)</u>	<u>\$ (22,527)</u>
Class R6						
Sale of shares	373	\$ 10,312	446	\$ 10,598	890	\$ 21,755
Reinvestment of distributions	1	16	62	1,435	97	2,115
Shares repurchased	(97)	(2,624)	(208)	(4,894)	(59)	(1,307)
Net Increase/ (Decrease)	<u>277</u>	<u>\$ 7,704</u>	<u>300</u>	<u>\$ 7,139</u>	<u>928</u>	<u>\$ 22,563</u>

KAR Small-Cap Growth Fund

	Fiscal Period Ended September 30, 2017 ⁽²⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	3,221	\$ 75,203	9,213	\$ 178,982	1,110	\$ 18,446
Reinvestment of distributions	— ⁽¹⁾	3	186	3,272	129	2,236
Shares repurchased	(1,594)	(36,146)	(5,694)	(115,942)	(987)	(16,297)
Net Increase / (Decrease)	<u>1,627</u>	<u>\$ 39,060</u>	<u>3,705</u>	<u>\$ 66,312</u>	<u>252</u>	<u>\$ 4,385</u>
Class C						
Sale of shares	1,339	\$ 28,543	2,108	\$ 37,801	377	\$ 5,896
Reinvestment of distributions	— ⁽¹⁾	1	44	711	29	470
Shares repurchased	(319)	(6,772)	(325)	(5,799)	(163)	(2,491)
Net Increase / (Decrease)	<u>1,020</u>	<u>\$ 21,772</u>	<u>1,827</u>	<u>\$ 32,713</u>	<u>243</u>	<u>\$ 3,875</u>
Class I						
Sale of shares	22,541	\$539,222	22,582	\$ 452,219	4,526	\$ 76,763
Reinvestment of distributions	— ⁽¹⁾	10	170	3,037	60	1,032
Shares repurchased	(3,312)	(77,349)	(5,416)	(106,659)	(1,075)	(17,938)
Net Increase / (Decrease)	<u>19,229</u>	<u>\$461,883</u>	<u>17,336</u>	<u>\$ 348,597</u>	<u>3,511</u>	<u>\$ 59,857</u>

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ The Fund changed its fiscal year end to September 30 during the period.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

KAR Small-Cap Value Fund

	Fiscal Period Ended September 30, 2017 ⁽²⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	318	\$ 5,561	1,626	\$ 26,711	572	\$ 8,621
Reinvestment of distributions	168	2,887	396	6,244	285	4,445
Shares repurchased	(794)	(13,985)	(1,515)	(24,855)	(808)	(12,177)
Net Increase / (Decrease)	<u>(308)</u>	<u>\$ (5,537)</u>	<u>507</u>	<u>\$ 8,100</u>	<u>49</u>	<u>\$ 889</u>
Class C						
Sale of shares	107	\$ 1,853	417	\$ 6,683	95	\$ 1,426
Reinvestment of distributions	61	1,032	123	1,918	88	1,357
Shares repurchased	(215)	(3,708)	(373)	(5,888)	(217)	(3,265)
Net Increase / (Decrease)	<u>(47)</u>	<u>\$ (823)</u>	<u>167</u>	<u>\$ 2,713</u>	<u>(34)</u>	<u>\$ (482)</u>
Class I						
Sale of shares	4,212	\$ 73,980	8,261	\$ 134,255	2,300	\$ 34,828
Reinvestment of distributions	560	9,602	1,006	15,898	680	10,585
Shares repurchased	(2,237)	(39,283)	(4,704)	(76,451)	(3,573)	(53,640)
Net Increase / (Decrease)	<u>2,535</u>	<u>\$ 44,299</u>	<u>4,563</u>	<u>\$ 73,702</u>	<u>(593)</u>	<u>\$ (8,227)</u>
Class R6						
Sale of Shares	559	\$ 9,803	7	\$ 100	—	\$ —
Reinvestment of distributions	9	155	— ⁽¹⁾	3	—	—
Shares repurchased	(23)	(405)	—	—	—	—
Net Increase / (Decrease)	<u>545</u>	<u>\$ 9,553</u>	<u>7</u>	<u>\$ 103</u>	<u>—</u>	<u>\$ —</u>

Rampart Enhanced Core Equity Fund

	Fiscal Period Ended September 30, 2017 ⁽²⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	296	\$ 6,015	750	\$ 14,419	681	\$ 12,511
Reinvestment of distributions	477	9,158	191	3,644	1,027	18,016
Shares repurchased	(424)	(8,550)	(920)	(17,539)	(1,698)	(30,024)
Net Increase / (Decrease)	<u>349</u>	<u>\$ 6,623</u>	<u>21</u>	<u>\$ 524</u>	<u>10</u>	<u>\$ 503</u>
Class C						
Sale of shares	43	\$ 773	402	\$ 6,824	769	\$ 13,346
Reinvestment of distributions	169	2,918	51	887	387	6,208
Shares repurchased	(438)	(8,125)	(630)	(10,821)	(878)	(14,585)
Net Increase / (Decrease)	<u>(226)</u>	<u>\$ (4,434)</u>	<u>(177)</u>	<u>\$ (3,110)</u>	<u>278</u>	<u>\$ 4,969</u>
Class I						
Sale of shares	664	\$ 13,051	671	\$ 12,576	318	\$ 5,626
Reinvestment of distributions	90	1,722	38	713	80	1,413
Shares repurchased	(186)	(3,743)	(331)	(6,290)	(165)	(2,957)
Net Increase / (Decrease)	<u>568</u>	<u>\$ 11,030</u>	<u>378</u>	<u>\$ 6,999</u>	<u>233</u>	<u>\$ 4,082</u>

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ The Fund changed its fiscal year end to September 30 during the period.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

Tactical Allocation Fund

	Fiscal Period Ended September 30, 2017 ⁽⁴⁾		Year Ended March 31, 2017		Year Ended March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	55	\$ 472	131	\$ 1,089	403	\$ 3,817
Conversion from Class B shares ⁽³⁾	—	—	12	97	—	—
Reinvestment of distributions	161	1,411	1,531	12,254	1,131	10,398
Shares repurchased	(873)	(7,615)	(2,669)	(22,601)	(2,565)	(22,962)
Net Increase / (Decrease)	(657)	\$ (5,732)	(995)	\$ (9,161)	(1,031)	\$ (8,747)
Class B						
Sale of shares	—	\$ —	— ⁽¹⁾	— ⁽²⁾	— ⁽¹⁾	\$ — ⁽²⁾
Reinvestment of distributions	—	—	1	11	2	19
Shares repurchased	—	—	(13)	(122)	(16)	(145)
Conversion to Class A shares ⁽³⁾	—	—	(12)	(97)	—	—
Net Increase / (Decrease)	—	\$ —	(24)	\$ (208)	(14)	\$ (126)
Class C						
Sale of shares	14	\$ 127	63	\$ 536	437	\$ 4,258
Reinvestment of distributions	3	26	45	367	47	443
Shares repurchased	(90)	(802)	(228)	(1,972)	(487)	(4,357)
Net Increase / (Decrease)	(73)	\$ (649)	(120)	\$ (1,069)	(3)	\$ 344

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ Amount is less than \$500.

⁽³⁾ See Note 1 in Notes to Financial Statements for more information.

⁽⁴⁾ The Fund changed its fiscal year end to September 30 during the period.

Note 7. 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 expect the risk of loss to be remote.

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.

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 a Fund did not concentrate its investments in such sectors.

At September 30, 2017, the following Funds held securities issued by various companies in specific sectors as detailed below:

Fund	Sector	Percentage of Total Investments
Contrarian Value Fund	Materials	28%
KAR Capital Growth Fund	Information Technology	42
KAR Mid-Cap Growth Fund	Information Technology	32
KAR Mid-Cap Growth Fund	Consumer Discretionary	25
KAR Small-Cap Core Fund	Industrials	30

Note 9. 10% Shareholders

At September 30, 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:

Fund	% of Shares Outstanding	Number of Accounts
Contrarian Value Fund	18%	1*
KAR Mid-Cap Core Fund	37	2*
KAR Small-Cap Core Fund	18	1*
KAR Small-Cap Growth Fund	27	2*
KAR Small-Cap Value Fund	43	2*

* None of the accounts are affiliated.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

Note 10. Federal Income Tax Information
(\$ reported in thousands)

At September 30, 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>
Contrarian Value Fund	\$ 107,429	\$ 71,048	\$(5,518)	\$ 65,530
KAR Capital Growth Fund	261,552	214,267	(2,186)	212,081
KAR Global Quality Dividend Fund	53,547	4,581	(1,356)	3,225
KAR Mid-Cap Core Fund	94,179	20,020	(468)	19,552
KAR Mid-Cap Growth Fund	57,086	38,012	(738)	37,274
KAR Small-Cap Core Fund	458,460	203,274	(9,001)	194,273
KAR Small-Cap Growth Fund	1,131,598	321,357	(1,297)	320,060
KAR Small-Cap Value Fund	306,793	128,299	(8,495)	119,804
Rampart Enhanced Core Equity Fund – Investments (including Purchased Options)	173,840	12,275	(2,563)	9,712
Rampart Enhanced Core Equity Fund – Written Options	(265)	—	—	—
Tactical Allocation Fund	129,228	19,909	(2,368)	17,541

Certain Funds have capital loss carryovers 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>
Contrarian Value Fund	\$4,252	\$—	\$ —	\$ —	\$4,252	\$ —
KAR Mid-Cap Core Fund	—	—	970	150	970	150
KAR Small-Cap Growth Fund	—	—	2,841	—	2,841	—

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 carryovers.

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. Capital loss carryover may be subject to limits on use of losses.

For the period ended September 30, 2017, the following Funds utilized losses deferred in prior years against current year capital gains:

<u>Fund</u>	
Contrarian Value Fund	\$8,781

The KAR Small-Cap Growth Fund had \$192 of capital loss carryovers which expired during the fiscal year.

Capital losses realized after October 31 and certain late year ordinary losses may be deferred and treated as occurring on the first day of the following fiscal period. For the period ended September 30, 2017, the following Funds deferred and recognized qualified late year ordinary and capital losses:

	<u>Late Year Ordinary Losses Deferred</u>	<u>Late Year Ordinary Losses Recognized</u>	<u>Capital Loss Deferred</u>	<u>Capital Loss Recognized</u>
KAR Capital Growth Fund	\$—	\$ 102	\$—	\$ —
KAR Mid-Cap Core Fund	—	61	—	—
KAR Mid-Cap Growth Fund	—	125	—	—
KAR Small-Cap Growth Fund	—	1,088	—	2,700
Tactical Allocation Fund	—	—	—	611

The components of distributable earnings on a tax basis (excluding unrealized appreciation (depreciation) which is disclosed in the beginning of this note) consist of the following:

	<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-Term Capital Gains</u>
Contrarian Value Fund	\$ 245	\$ —
KAR Capital Growth Fund	6,234	18,735
KAR Global Quality Dividend Fund	1,508	323
KAR Mid-Cap Growth Fund	—	5,299
KAR Small-Cap Core Fund	—	546
KAR Small-Cap Value Fund	825	6,691
Rampart Enhanced Core Equity Fund	4,042	8,303
Tactical Allocation Fund	179	1,069

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

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. These differences may include the treatment of non-taxable dividends, foreign currency gain or loss, derivatives, passive foreign investment companies, partnerships, losses deferred due to wash sales and other differences.

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. The tax character of dividends and distributions paid during the periods ended September 30, 2017 and March 31, 2017 and 2016 respectively, was as follows:

		<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Total</u>
Contrarian Value Fund	9/30/17	\$ 2,015	\$ —	\$ 2,015
	3/31/17	1,795	—	1,795
	3/31/16	1,801	—	1,801
KAR Capital Growth Fund	9/30/17	—	4,679	4,679
	3/31/17	—	33,520	33,520
	3/31/16	—	20,462	20,462
KAR Global Quality Dividend Fund	9/30/17	880	3,558	4,438
	3/31/17	535	—	535
	3/31/16	325	—	325
KAR Mid-Cap Core Fund	9/30/17	—	333	333
	3/31/17	—	—	—
	3/31/16	—	171	171
KAR Mid-Cap Growth Fund	9/30/17	—	451	451
	3/31/17	—	1,330	1,330
	3/31/16	—	1,392	1,392
KAR Small-Cap Core Fund	9/30/17	—	261	261
	3/31/17	—	21,910	21,910
	3/31/16	1,322	53,275	54,597
KAR Small-Cap Growth Fund	9/30/17	—	16	16
	3/31/17	—	7,887	7,887
	3/31/16	—	4,609	4,609
KAR Small-Cap Value Fund	9/30/17	704	13,489	14,193
	3/31/17	5,204	19,870	25,074
	3/31/16	1,894	15,213	17,107
Rampart Enhanced Core Equity Fund	9/30/17	13,655	1,200	14,855
	3/31/17	3,502	2,164	5,666
	3/31/16	13,131	14,686	27,817
Tactical Allocation Fund	9/30/17	1,315	282	1,597
	3/31/17	4,164	9,727	13,891
	3/31/16	3,216	8,775	11,991

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 NAV of the Funds. As of September 30, 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>
Contrarian Value Fund	\$ (22)	\$ 22	\$ —
KAR Capital Growth Fund	—	1,059	(1,059)
KAR Global Quality Dividend Fund	—	(3)	3
KAR Mid-Cap Core Fund	(233)	221	12
KAR Mid-Cap Growth Fund	(341)	545	(204)
KAR Small-Cap Core Fund	(535)	943	(408)
KAR Small-Cap Growth Fund	(4,712)	4,515	197
Tactical Allocation Fund	—	(121)	121

Note 11. Borrowings
(\$ reported in thousands)

On September 18, 2017, the Funds and other affiliated funds of the Trust entered into an \$150,000 unsecured line of credit. This Credit Agreement is with a commercial bank that 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 Credit Agreement has a term of 364 days Interest is charged at the higher of the LIBOR (London Interbank Offered Rate) 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 Credit Agreement upon certain circumstances such as an event of default.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

On June 29, 2016, the Funds and other affiliated funds of the Trust renewed a \$50,000 secured line of credit. This Credit Agreement was with a commercial bank that allowed the Funds to borrow cash from the bank to manage large unexpected redemptions and trade fails, up to a limit of one-third of each Fund's total net assets in accordance with the terms of the agreement. This Credit Agreement had a term of 364 days and was renewable by the Funds with the bank's consent and approval of the Board. Interest was charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees were charged on the undrawn balance. The Funds and other affiliated funds that were parties were individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank had the ability to require repayment of outstanding borrowings under this Credit Agreement upon certain circumstances such as an event of default. On June 14, 2017, the term of this Credit Agreement was extended for an additional 90 days. Effective September 18, 2017, this Credit Agreement was terminated and replaced by a new credit facility.

The Funds had no outstanding borrowings at any time during the period.

Note 12. 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 a Fund. 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.

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 Fund held securities considered to be illiquid at September 30, 2017:

	<u>Aggregate value</u>	<u>% of Fund's net assets</u>
Tactical Allocation Fund	\$28	0.02%

At September 30, 2017, the Funds did not hold any securities that were illiquid or restricted except as noted in the table above.

Note 13. Regulatory Matters and Litigation

From time to time, the Trust, the Funds' Adviser and/or subadvisers 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 Funds' Adviser believes that the outcomes of such matters are not likely, either individually or in the aggregate, to be material to these financial statements.

Note 14. Custody Fees Reimbursed

State Street Bank & Trust, custodian for some of the Funds through January 29, 2010, reimbursed the Funds for out-of-pocket custody expenses overbilled for the period 1998 through January 29, 2010. The amounts reimbursed, including interest, are shown in the Statements of Operations under "Custody fees reimbursed".

Note 15. Recent Accounting Pronouncement

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 Regulations S-X amendments.

Note 16. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued and has determined that there are no subsequent events requiring recognition or disclosure in these financial statements.



Report of Independent Registered Public Accounting Firm

To the Board of Trustees of
Virtus Equity Trust and
Shareholders of the Funds, as defined

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Virtus Contrarian Value Fund, Virtus KAR Capital Growth Fund, Virtus KAR Global Quality Dividend Fund, Virtus KAR Mid-Cap Core Fund, Virtus KAR Mid-Cap Growth Fund, Virtus KAR Small-Cap Core Fund, Virtus KAR Small-Cap Growth Fund, Virtus KAR Small-Cap Value Fund, Virtus Rampart Enhanced Core Equity Fund and Virtus Tactical Allocation Fund (constituting funds of Virtus Equity Trust, hereafter referred to as the "Funds") as of September 30, 2017, and the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that our audits, which included confirmation of securities as of September 30, 2017 by correspondence with the custodians, brokers, transfer agent of the investee funds and the application of alternative procedures where securities purchased had not been received, provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
November 22, 2017

VIRTUS EQUITY TRUST
TAX INFORMATION NOTICE (Unaudited)
SEPTEMBER 30, 2017

For the fiscal period ended September 30, 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>
Contrarian Value Fund	100%	100%	\$ —
KAR Capital Growth Fund	33	30	18,755
KAR Global Quality Dividend Fund	83	22	335
KAR Mid-Cap Growth Fund	—	—	5,310
KAR Small-Cap Core Fund	—	—	569
KAR Small-Cap Value Fund	100	100	6,722
Rampart Enhanced Core Equity Fund	38	36	8,313
Tactical Allocation Fund	47	20	1,092

For the fiscal period ended September 30, 2017, the KAR Global Quality Dividend Fund recognized \$1,083 (\$ reported in thousands), of foreign source income on which the KAR Global Quality Dividend Fund paid foreign taxes of \$83 (\$ reported in thousands). This information is being furnished to you pursuant to notice requirements of Section 853(a) and 855(d) of the Internal Revenue Code, as amended, and the Treasury Regulations thereunder.

FUND MANAGEMENT TABLES (Unaudited)

Information pertaining to the Trustees and officers of the Trust as of September 30, 2017, 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 Equity 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: 2016 87 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 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: 2016 91 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 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: 2016 87 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (since 1999), USAllianz Variable Insurance Product Trust (42 portfolios).
Harris, Sidney E. YOB: 1949 Served Since: 2017 87 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 (75 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: 2016 87 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 (75 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: 2015 87 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 (75 portfolios); Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); Trustee, Virtus Variable Insurance Trust (9 portfolios) (since 2008).
McDaniel, Connie D. YOB: 1958 Served Since: 2017 87 Portfolios	Retired. Trustee (since 2017), Virtus Mutual Fund Family (75 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: 1996 95 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 (75 portfolios).
McNamara, Geraldine M. YOB: 1951 Served Since: 2001 91 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 (75 portfolios).
Oates, James M. YOB: 1946 Served Since: 1996 91 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; Chairman (2005 to 2017) and Trustee (since 2005), 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 (75 portfolios).

FUND MANAGEMENT TABLES (Unaudited) (Continued)

Independent Trustees (Continued)

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
Segerson, Richard E. YOB: 1948 Served Since: 1996 87 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 (75 portfolios).
Verdonck, Ferdinand L.J. YOB: 1942 Served Since: 2006 87 Portfolios	Director (1998 to 2015), The J.P. Morgan Continental European Investment Trust; Director (2005 to 2013), Galapagos N.V. (biotechnology); Director (1998 to 2015) Groupe SNEF; Vice Chairman (since 2014), Affirmed Therapeutics (biotechnology); and Mr. Verdonck is also a director of several non-U.S. companies. Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); and Trustee (since 2002), Virtus Mutual Fund Family (75 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 93 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); Trustee and President (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Virtus Global Funds, PLC (2 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Director, President and Chief Executive Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; 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 (75 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.

FUND MANAGEMENT TABLES (Unaudited) (Continued)

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; 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, Chief Financial Officer and Treasurer (2013 to 2016), Virtus Alternative Solutions Trust.
Carr, Kevin J. YOB: 1954	Senior Vice President (since 2013); Vice President (2005 to 2013); Chief Legal Officer, Counsel and Secretary (since 2005).	Senior Vice President (since 2009), 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) and Assistant Secretary (since 2012), Secretary and Chief Legal Officer (2005 to 2012), 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; Vice President and Assistant Secretary (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Senior Vice President and Assistant Secretary (2013 to 2014), Vice President and Assistant Secretary (2012 to 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2011 to 2012), Virtus Closed-End Funds; 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 and Chief Compliance Officer (since 2017); Vice President and Chief Compliance Officer (2011 to 2017).	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 2016) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Senior Vice President (since 2017), Vice President (2011 to 2016) and Chief Compliance Officer (since 2011), Virtus Global Multi-Sector Income Fund; Senior Vice President (since 2017), Vice President (2012 to 2016) 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 2016) and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Vice President & 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 EQUITY TRUST

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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
Ferdinand L.J. Verdonck

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
Nancy J. Engberg, Senior Vice President and
Chief Compliance Officer
Julia R. Short, Senior Vice President

Investment Adviser

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Hartford, CT 06103-4506

Administrator and Transfer Agent

Virtus Fund Services, LLC
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Custodian

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Independent Registered Public Accounting Firm

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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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For more information about Virtus Mutual Funds,
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at **1-800-243-1574** or **Virtus.com**.