



SEMIANNUAL REPORT

Virtus Duff & Phelps Real Estate Securities Fund
(f/k/a: Virtus Real Estate Securities Fund)

March 31, 2017

TRUST NAME: VIRTUS OPPORTUNITIES TRUST

Not FDIC Insured
No Bank Guarantee
May Lose Value



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Virtus Duff & Phelps Real Estate Securities Fund

(“Duff & Phelps Real Estate Securities Fund”)

(f/k/a: Virtus Real Estate Securities Fund)

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PROXY VOTING PROCEDURES AND VOTING RECORD (FORM N-PX)

The subadviser votes 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 Fund 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 the Fund with the SEC for the first and third quarters of each fiscal year 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 Duff & Phelps Real Estate Securities Fund unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, the Fund’s record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:

I am pleased to present this report that reviews the performance of your fund for the six-month fiscal period ended March 31, 2017.

Despite short-lived selloffs that occurred following the U.K.'s "Brexit" decision last June and the U.S. presidential election in November, the six-month period was strong for global markets. As the fiscal period drew to a close, equity markets continued to benefit from the post-election "Trump bump." The Federal Reserve ("the Fed") raised interest rates twice in the period – once in December, and again in March – a clear signal that it believes the U.S. economy is on a growth path. At the same time, other major central banks remained committed to monetary stimulus, adding reassurance to global markets. U.S. growth, as evidenced by strong jobs, housing, and consumer spending data, gives investors reason for optimism. Corporate earnings got off to a strong start for the first quarter of 2017. The pro-growth policies of the new administration, if implemented, could have continued positive impact on earnings and the markets.

Global equity markets turned in positive performance over the six-month period. U.S. large- and small-cap stocks returned 10.12% and 11.52%, as measured by the returns of the S&P 500® Index and Russell 2000® Index, respectively. Within international equities, emerging markets slightly outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 6.80%, compared with the MSCI EAFE® Index (net), which returned 6.48%.

Demand for U.S. Treasuries remained strong, driven by foreign investors seeking safe havens and yield in light of the negative interest rate environment in many international economies. On March 31, 2017, the benchmark 10-year U.S. Treasury yielded 2.40% compared with 1.60% 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, was down 2.18% for the six months, while non-investment grade bonds gained 4.50%, 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.

On behalf of our investment affiliates, thank you for entrusting Virtus with your assets. Should you have questions about your account or require assistance, please visit our website at 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

May 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 DUFF & PHELPS REAL ESTATE SECURITIES FUND
DISCLOSURE OF FUND EXPENSES (Unaudited)
FOR THE SIX-MONTH PERIOD OF OCTOBER 1, 2016 TO MARCH 31, 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 the Duff & Phelps Real Estate Securities Fund (the "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 a sales charge 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 the 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 following Expense Table illustrates your 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 the 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 timing of any purchases or redemptions.

**VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
DISCLOSURE OF FUND EXPENSES (Unaudited) (Continued)
FOR THE SIX-MONTH PERIOD OF OCTOBER 1, 2016 TO MARCH 31, 2017**

Expense Table

	Beginning Account Value October 1, 2016	Ending Account Value March 31, 2017	Annualized Expense Ratio	Expenses Paid During Period*
Actual				
Class A	\$1,000.00	\$ 979.70	1.38%	\$ 6.81
Class C	1,000.00	976.10	2.14	10.54
Class I	1,000.00	980.70	1.13	5.58
Class R6	1,000.00	981.90	0.97	4.79
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.05	1.38	6.94
Class C	1,000.00	1,014.31	2.14	10.75
Class I	1,000.00	1,019.30	1.13	5.69
Class R6	1,000.00	1,020.09	0.97	4.89

* Expenses are equal to the 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 (182) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period.

The Fund may invest in other funds, and the annualized expense ratios noted above do not reflect fees and expenses associated with the underlying funds. If such fees and expenses were included, the expenses would have been higher.

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

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
KEY INVESTMENT TERMS (Unaudited)
MARCH 31, 2017

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.

Brexit

A combination of the words “Britain” and “exit” which refers to Britain’s withdrawal from the European Union.

Federal Reserve (the “Fed”)

The Central Bank of the United States, responsible for controlling the 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.

MSCI EAFE® Index (net)

The MSCI EAFE® 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.

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 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.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
KEY INVESTMENT TERMS (Unaudited) (Continued)
MARCH 31, 2017

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.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
SCHEDULE OF INVESTMENTS (Unaudited)
MARCH 31, 2017

(\$ reported in thousands)

<u>Asset Allocations</u>	
The following table presents the portfolio holdings within certain sectors as a percentage of total investments attributable to each sector at March 31, 2017.	
Office	16%
Apartments	12
Shopping Centers	11
Industrials	11
Data Centers	9
Self Storage	9
Regional Malls	9
Other	<u>23</u>
Total	<u><u>100%</u></u>

	SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—99.1%			Industrial (continued)		
REAL ESTATE INVESTMENT TRUSTS—99.1%			Duke Realty Corp.	1,054,109	\$ 27,692
DATA CENTERS—9.3%			Prologis, Inc.	960,452	49,828
CoreSite Realty Corp.	171,600	\$ 15,453			<u>111,454</u>
CyrusOne, Inc.	216,000	11,118	Office—15.9%		
Digital Realty Trust, Inc.	375,350	39,933	Alexandria Real Estate		
Equinix, Inc.	70,600	28,266	Equities, Inc.	201,300	22,248
		<u>94,770</u>	Boston Properties, Inc.	200,483	26,546
DIVERSIFIED—4.0%			Cousins Properties, Inc.	1,969,170	16,285
Vornado Realty Trust	402,600	40,385	Douglas Emmett, Inc.	658,529	25,288
		<u>40,385</u>	Highwoods Properties, Inc.	411,731	20,228
HEALTH CARE—5.5%			Kilroy Realty Corp.	354,858	25,578
Healthcare Realty Trust, Inc.	457,675	14,875	Paramount Group, Inc.	1,606,874	26,047
Healthcare Trust of America, Inc. Class A	866,000	27,244			<u>162,220</u>
Ventas, Inc.	148,561	9,662	Total Industrial/Office		<u>273,674</u>
Welltower, Inc.	66,641	4,720	LODGING/RESORTS—3.8%		
		<u>56,501</u>	Host Hotels & Resorts, Inc.	510,386	9,524
INDUSTRIAL/OFFICE—26.9%			Pebblebrook Hotel Trust	450,463	13,158
Industrial—11.0%			RLJ Lodging Trust	669,802	15,747
DCT Industrial Trust, Inc.	705,203	33,934			<u>38,429</u>

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
MARCH 31, 2017

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>		<u>SHARES</u>	<u>VALUE</u>
RESIDENTIAL—17.9%			Shopping Centers (continued)		
Apartments—12.3%			Tanger Factory Outlet Centers, Inc.	876,384	\$ 28,719
American Campus Communities, Inc.	426,517	\$ 20,298			<u>111,539</u>
Apartment Investment & Management Co. Class A	460,600	20,427	Total Retail		<u>229,491</u>
AvalonBay Communities, Inc.	184,090	33,799	SELF STORAGE—9.2%		
Equity Residential	386,945	24,076	CubeSmart	1,311,650	34,051
Essex Property Trust, Inc.	115,204	26,673	Extra Space Storage, Inc.	394,183	29,323
		<u>125,273</u>	Public Storage	137,592	30,120
					<u>93,494</u>
Manufactured Homes—3.4%			TOTAL COMMON STOCKS (Identified Cost \$702,050)		<u>1,008,707</u>
Equity LifeStyle Properties, Inc.	181,653	13,998	TOTAL LONG TERM INVESTMENTS—99.1% (Identified Cost \$702,050)		<u>1,008,707</u>
Sun Communities, Inc.	260,700	20,942	TOTAL INVESTMENTS—99.1% (Identified Cost \$702,050)		<u>1,008,707⁽¹⁾</u>
		<u>34,940</u>	Other assets and liabilities, net—0.9%		<u>8,792</u>
Single Family Homes—2.2%			NET ASSETS—100.0%		<u><u>\$1,017,499</u></u>
American Homes 4 Rent Class A	947,300	21,750			
		<u>21,750</u>			
Total Residential		<u>181,963</u>			
RETAIL—22.5%			FOOTNOTE LEGEND:		
Free Standing—2.5%			⁽¹⁾ Federal Income Tax Information: For tax information at March 31, 2017, see Note 9 Federal Income Tax Information in the Notes to Financial Statements.		
STORE Capital Corp.	1,058,143	25,268			
		<u>25,268</u>			
Regional Malls—9.1%					
GGP, Inc.	521,875	12,097			
Simon Property Group, Inc.	468,441	80,587			
		<u>92,684</u>			
Shopping Centers—10.9%					
Brixmor Property Group, Inc.	1,198,696	25,724			
Federal Realty Investment Trust	176,200	23,523			
Regency Centers Corp.	505,700	33,573			

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
MARCH 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of March 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	<u>Total Value at March 31, 2017</u>	<u>Level 1 Quoted Prices</u>
Equity Securities:		
Common Stocks	<u>\$1,008,707</u>	<u>\$1,008,707</u>
Total Investments	<u>\$1,008,707</u>	<u>\$1,008,707</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

There were no transfers between Level 1 and Level 2 related to securities held at March 31, 2017.

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES (Unaudited)
MARCH 31, 2017

(Reported in thousands except shares and per share amounts)

Assets	
Investment in securities at value ⁽¹⁾	\$ 1,008,707
Cash	5,336
Receivables	
Investment securities sold	4,752
Fund shares sold	1,457
Dividends and interest receivable	3,545
Prepaid trustee retainer	33
Prepaid expenses	79
Other assets	38
Total assets	<u>1,023,947</u>
Liabilities	
Payables	
Fund shares repurchased	1,517
Investment securities purchased	3,663
Investment advisory fees	655
Distribution and service fees	132
Administration fees	107
Transfer agent fees and expenses	308
Trustees' fees and expenses	9
Professional fees	2
Trustee deferred compensation plan	38
Other accrued expenses	17
Total liabilities	<u>6,448</u>
Net Assets	<u>\$ 1,017,499</u>
Net Assets Consist of:	
Capital paid in on shares of beneficial interest	\$ 652,893
Accumulated undistributed net investment income (loss)	1,134
Accumulated undistributed net realized gain (loss)	56,815
Net unrealized appreciation (depreciation) on investments	306,657
Net Assets	<u>\$ 1,017,499</u>
Class A	
Net asset value (net assets/shares outstanding) per share	\$ 29.90
Maximum offering price per share NAV/(1-5.75%)	\$ 31.72
Shares of beneficial interest outstanding, no par value, unlimited authorization	13,062,277
Net Assets	\$ 390,502
Class C	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 29.81
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,770,175
Net Assets	\$ 52,775
Class I	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 29.86
Shares of beneficial interest outstanding, no par value, unlimited authorization	18,547,769
Net Assets	\$ 553,836
Class R6	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 29.89
Shares of beneficial interest outstanding, no par value, unlimited authorization	682,119
Net Assets	\$ 20,386
⁽¹⁾ Investment in securities at cost	\$ 702,050

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
STATEMENT OF OPERATIONS (Unaudited)
SIX MONTHS ENDED MARCH 31, 2017

(\$ reported in thousands)

Investment Income

Dividends	\$ 18,116
Interest	16
	18,132
Total investment income	18,132

Expenses

Investment advisory fees	4,088
Service fees, Class A	572
Distribution and service fees, Class B	2
Distribution and service fees, Class C	290
Administration fees	695
Transfer agent fees and expenses	1,160
Registration fees	44
Printing fees and expenses	65
Custodian fees	9
Professional fees	24
Trustees' fees and expenses	70
Miscellaneous expenses	44
	7,063
Total expenses	7,063
Custody fees reimbursed (Note 10)	(23)
Low balance account fees	— ⁽¹⁾
	7,040
Net expenses	7,040

Net investment income (loss) **11,092**

Net Realized and Unrealized Gain (Loss) on Investments

Net realized gain (loss) on investments	82,256
Net change in unrealized appreciation (depreciation) on investments	(122,661)

Net realized and unrealized gain (loss) on investments **(40,405)**

Net increase (decrease) in net assets resulting from operations **\$ (29,313)**

⁽¹⁾ Amount is less than \$500.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND

STATEMENTS OF CHANGES IN NET ASSETS

(Reported in thousands)

	Six Months Ended March 31, 2017 (Unaudited)	Year Ended September 30, 2016
INCREASE/(DECREASE) IN NET ASSETS		
From Operations		
Net investment income (loss)	\$ 11,092	\$ 17,737
Net realized gain (loss)	82,256	207,975
Net change in unrealized appreciation (depreciation)	(122,661)	(35,860)
Increase (decrease) in net assets resulting from operations	(29,313)	189,852
From Distributions to Shareholders		
Net investment income, Class A	(3,827)	(7,500)
Net investment income, Class B	(1)	(4)
Net investment income, Class C	(279)	(382)
Net investment income, Class I	(5,618)	(9,664)
Net investment income, Class R6	(233)	(251)
Net realized short-term gains, Class A	(2,818)	(4,959)
Net realized short-term gains, Class B	(2)	(9)
Net realized short-term gains, Class C	(351)	(548)
Net realized short-term gains, Class I	(3,262)	(5,095)
Net realized short-term gains, Class R6	(128)	(91)
Net realized long-term gains, Class A	(74,698)	(92,687)
Net realized long-term gains, Class B	(53)	(183)
Net realized long-term gains, Class C	(9,293)	(10,113)
Net realized long-term gains, Class I	(86,476)	(93,730)
Net realized long-term gains, Class R6	(3,382)	(1,630)
Decrease in net assets from distributions to shareholders	(190,421)	(226,846)
From Share Transactions		
Sale of shares		
Class A (1,571 and 3,093 shares, respectively)	48,885	113,074
Class B (— ⁽¹⁾ and 1 shares, respectively)	9	18
Class C (63 and 184 shares, respectively)	1,952	6,659
Class I (4,012 and 4,851 shares, respectively)	122,934	174,976
Class R6 (105 and 562 shares, respectively)	3,444	21,137
Reinvestment of distributions		
Class A (2,649 and 2,973 shares, respectively)	77,559	100,358
Class B (2 and 5 shares, respectively)	46	177
Class C (314 and 300 shares, respectively)	9,164	10,097
Class I (3,196 and 3,135 shares, respectively)	93,472	105,792
Class R6 (128 and 58 shares, respectively)	3,742	1,972
Conversion of shares⁽²⁾		
To Class A (9 and 0 shares, respectively)	275	—
From Class B (9 and 0 shares, respectively)	(275)	—
Shares repurchased		
Class A (5,546 and 7,850 shares, respectively)	(171,401)	(285,777)
Class B (7 and 29 shares, respectively)	(233)	(1,038)
Class C (435 and 377 shares, respectively)	(13,777)	(13,622)
Class I (5,490 and 8,024 shares, respectively)	(173,542)	(293,340)
Class R6 (138 and 77 shares, respectively)	(4,318)	(2,763)
Increase (decrease) in net assets from share transactions	(2,064)	(62,280)
Net increase (decrease) in net assets	(221,798)	(99,274)
Net Assets		
Beginning of period	1,239,297	1,338,571
End of period	\$1,017,499	\$1,239,297
Accumulated undistributed net investment income (loss) at end of period	\$ 1,134	—

⁽¹⁾ Amount is less than 500 shares.

⁽²⁾ See Note 1 in Notes to Financial Statements for more information.

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
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) ^(B)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions
Class A							
10/1/16 to 3/31/17 ^(B)	\$36.87	0.31	(1.21)	(0.90)	(0.29)	(5.78)	(6.07)
10/1/15 to 9/30/16	38.45	0.47	4.80	5.27	(0.48)	(6.37)	(6.85)
10/1/14 to 9/30/15	36.65	0.51	3.76	4.27	(0.53)	(1.94)	(2.47)
10/1/13 to 9/30/14	35.10	0.29	3.86	4.15	(0.29)	(2.31)	(2.60)
10/1/12 to 9/30/13	34.19	0.36	0.91	1.27	(0.36)	—	(0.36)
10/1/11 to 9/30/12	26.05	0.21	8.24	8.45	(0.31)	—	(0.31)
Class C							
10/1/16 to 3/31/17 ^(B)	\$36.77	0.19	(1.21)	(1.02)	(0.16)	(5.78)	(5.94)
10/1/15 to 9/30/16	38.37	0.20	4.78	4.98	(0.21)	(6.37)	(6.58)
10/1/14 to 9/30/15	36.59	0.22	3.73	3.95	(0.23)	(1.94)	(2.17)
10/1/13 to 9/30/14	35.04	0.01	3.87	3.88	(0.02)	(2.31)	(2.33)
10/1/12 to 9/30/13	34.14	0.08	0.92	1.00	(0.10)	—	(0.10)
10/1/11 to 9/30/12	26.02	(0.03)	8.22	8.19	(0.07)	—	(0.07)

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

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Expenses to Average Net Assets ⁽⁸⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
(6.97)	\$29.90	(2.03)% ⁽⁶⁾⁽⁹⁾	\$390,502	1.38% ⁽⁵⁾⁽⁹⁾	1.92% ⁽⁵⁾⁽⁹⁾	10% ⁽⁶⁾
(1.58)	36.87	15.58	530,135	1.39 ⁽⁷⁾	1.29	31
1.80	38.45	11.34	621,507	1.36	1.26	22
1.55	36.65	12.75	745,473	1.38	0.79	28
0.91	35.10	3.70	745,631	1.40	1.00	30
8.14	34.19	32.49	789,925	1.41	0.67	24
(6.96)	\$29.81	(2.39)% ⁽⁶⁾⁽⁹⁾	\$ 52,775	2.14% ⁽⁵⁾⁽⁹⁾	1.20% ⁽⁵⁾⁽⁹⁾	10% ⁽⁶⁾
(1.60)	36.77	14.70	67,216	2.15 ⁽⁷⁾	0.55	31
1.78	38.37	10.49	66,023	2.11	0.56	22
1.55	36.59	11.91	62,889	2.13	0.04	28
0.90	35.04	2.93	63,005	2.15	0.23	30
8.12	34.14	31.48	60,941	2.16	(0.10)	24

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

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ^(c)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions
Class I							
10/1/16 to 3/31/17 ^(b)	\$36.83	0.35	(1.21)	(0.86)	(0.33)	(5.78)	(6.11)
10/1/15 to 9/30/16	38.42	0.56	4.80	5.36	(0.58)	(6.37)	(6.95)
10/1/14 to 9/30/15	36.62	0.62	3.75	4.37	(0.63)	(1.94)	(2.57)
10/1/13 to 9/30/14	35.07	0.39	3.86	4.25	(0.39)	(2.31)	(2.70)
10/1/12 to 9/30/13	34.16	0.43	0.92	1.35	(0.44)	—	(0.44)
10/1/11 to 9/30/12	26.03	0.30	8.22	8.52	(0.39)	—	(0.39)
Class R6							
10/1/16 to 3/31/17 ^(b)	\$36.84	0.37	(1.18)	(0.81)	(0.36)	(5.78)	(6.14)
10/1/15 to 9/30/16	38.42	0.70	4.73	5.43	(0.64)	(6.37)	(7.01)
11/12/14 ^(d) to 9/30/15	40.32	0.79	(0.06)	0.73	(0.69)	(1.94)	(2.63)

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

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Expenses to Average Net Assets ⁽⁶⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
(6.97)	\$29.86	(1.93)% ⁽⁶⁾⁽⁹⁾	\$553,836	1.13% ⁽⁵⁾⁽⁹⁾	2.18% ⁽⁵⁾⁽⁹⁾	10% ⁽⁶⁾
(1.59)	36.83	15.85	619,818	1.14 ⁽⁷⁾	1.52	31
1.80	38.42	11.63	647,976	1.11	1.55	22
1.55	36.62	13.04	673,005	1.13	1.07	28
0.91	35.07	3.96	494,963	1.15	1.21	30
8.13	34.16	32.80	422,374	1.16	0.93	24
(6.95)	\$29.89	(1.81)% ⁽⁶⁾⁽⁹⁾	\$ 20,386	0.97% ⁽⁵⁾⁽⁹⁾	2.33% ⁽⁵⁾⁽⁹⁾	10% ⁽⁶⁾
(1.58)	36.84	16.06	21,604	0.98 ⁽⁷⁾	1.93	31
(1.90)	38.42	1.54 ⁽⁶⁾	1,647	0.94 ⁽⁵⁾	2.30 ⁽⁵⁾	22 ⁽¹⁰⁾

Footnote Legend

- ⁽¹⁾ Sales charges, where applicable, are not reflected in the total return calculation.
- ⁽²⁾ Computed using average shares outstanding.
- ⁽³⁾ The Fund will also indirectly bear its prorated share of expenses of the underlying funds in which it invests. Such expenses are not included in the calculation of this ratio.
- ⁽⁴⁾ Inception date.
- ⁽⁵⁾ Annualized.
- ⁽⁶⁾ Not annualized.
- ⁽⁷⁾ Expense ratios include extraordinary proxy expenses.
- ⁽⁸⁾ Unaudited.
- ⁽⁹⁾ Custody fees reimbursed were excluded from the Ratio of 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 Expenses to Average Net Assets and increase the Ratio of Net Investment Income (Loss) by less than 0.01%. Custody fees reimbursed were included in Total Return. If excluded the impact would have been to lower the Total Return by less than 0.01%.
Please refer to Note 10 in the Notes to Financial Statements for a further explanation on the custody fees reimbursed.
- ⁽¹⁰⁾ Portfolio Turnover is representative of the Fund for the entire year ended September 30, 2015.

See Notes to Financial Statements

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited)
MARCH 31, 2017

Note 1. Organization

Virtus Opportunities Trust (the "Trust") is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended ("1940 Act"), as an open-end management investment company.

As of the date of this report, 29 funds of the Trust are offered for sale, of which the Duff & Phelps Real Estate Securities Fund (the "Fund") is reported in this semiannual report. The Fund is diversified and has investment objectives of capital appreciation and income with approximately equal emphasis. *There is no guarantee the Fund will achieve its objectives.*

The Fund offers Class A shares, Class C shares, Class I shares and Class R6 shares for sale. 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 Fund 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 Fund is 18 months. The CDSC period begins on the last day of the month preceding the month in which the purchase was made.

Prior to March 6, 2017, Class B shares were sold with a CDSC, which declined from 5% to zero depending on the period of time the shares were held.

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 only available to participants in employer-sponsored retirement plans, such as 401(k) plans, profit-sharing plans, defined benefit plans and other employer-directed plans. 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 Fund's 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 Fund. These fees are reflected as "Low Balance Account Fees" in the Fund's Statement 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 the Fund are borne pro rata by the holders of each class of shares.

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The preparation of financial statements in

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

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, 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 the 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 quarterly by the Board.

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

Equity securities are valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded or, if no closing price is available, at the last bid price and are categorized as Level 1 in the hierarchy. Restricted equity securities and private placements that are not widely traded, are illiquid, or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

Certain non-U.S. securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that non-U.S. markets close (where the security is principally traded) and the time that the Fund calculates its net asset value (“NAV”) (at the close of regular trading on the New York Stock Exchange (“NYSE”), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets. In such cases the Fund fair values non-U.S. securities using an independent pricing service which considers the correlation of

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

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.

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

B. Security Transactions and Investment Income

Security transactions are recorded on the trade date. Realized gains and losses from the sale 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 the Fund is notified. Interest income is recorded on the accrual basis. The Fund amortizes premiums and accretes discounts using the effective interest method.

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 year-end, and may differ from the estimated amounts.

C. Income Taxes

The Fund is treated as a separate taxable entity. It is the intention of the 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.

The Fund may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The 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 Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. As of March 31, 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).

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

D. Distributions to Shareholders

Distributions are recorded by the 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 the Fund and other affiliated mutual funds are allocated in proportion to the net assets of each such fund, except where allocation of direct expense to each fund or an alternative allocation method can be more appropriately used.

In addition to the net operating expenses that the Fund bears directly, the shareholders of the Fund indirectly bear the Fund's pro rata expenses of any underlying mutual funds in which the Fund invests.

F. Earnings Credit and Interest

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

Note 3. 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 Fund's investment program and general operations of the Fund, including oversight of the Fund's subadviser.

As compensation for its services to the Fund, the Adviser is entitled to a fee based upon the following annual rates as a percentage of the average daily net assets of the Fund:

<u>First \$1 Billion</u>	<u>\$1 Billion through \$2 Billion</u>	<u>\$2+ Billion</u>
0.75%	0.70%	0.65%

B. Subadviser

Duff & Phelps Investment Management Co. (the "Subadviser"), an indirect wholly owned subsidiary of Virtus, is the subadviser to the Fund. The subadviser manages the investments of the Fund for which the Subadviser is paid a fee by the Adviser.

C. Distributor

VP Distributors, LLC ("VP Distributors"), an indirect wholly owned subsidiary of Virtus, serves as the distributor of the Fund's shares. VP Distributors has advised the Fund that for the six months (the "period") ended March 31, 2017, it retained net commissions of \$5 for Class A shares and deferred sales charges of \$0 for Class C shares.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

In addition, the Fund pays VP Distributors 12b-1 fees under a 12b-1 Plan as a percentage of the daily average net assets of each respective class at the annual rates as follows: 0.25% for Class A shares and 1.00% for Class C shares. Class R6 shares and Class I shares are not subject to a 12b-1 Plan.

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.

D. Administrator and Transfer Agent

Virtus Fund Services, LLC, an indirect wholly owned subsidiary of Virtus, serves as administrator and transfer agent to the Fund.

For the period ended March 31, 2017, the Fund incurred administration fees totaling \$537 which are included in the Statement of Operations.

For the period ended March 31, 2017, the Fund incurred transfer agent fees totaling \$1,122 which are included in the Statement of Operations. A portion of these fees was paid to outside entities that also provide services to the Trust.

E. Affiliated Shareholders

At March 31, 2017, Virtus and its affiliates, and the retirement plans of Virtus and its affiliates, held shares of the Fund which may be redeemed at any time that aggregated to the following:

	<u>Shares</u>	<u>Aggregate Net Asset Value</u>
Class I	118,309	\$3,532

F. 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 Statement of Assets and Liabilities at March 31, 2017.

Note 4. Purchases and Sales of Securities

(\$ reported in thousands)

Purchases and sales of securities (excluding U.S. Government and agency securities and short-term securities) during the period ended March 31, 2017, were as follows:

<u>Purchases</u>	<u>Sales</u>
\$106,474	\$280,498

There were no purchases or sales of long-term U.S. Government and agency securities for the period ended March 31, 2017.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

Note 5. Borrowings

(\$ reported in thousands)

On June 29, 2016, the Fund and other affiliated funds renewed a \$50,000 secured line of credit. The Credit Agreement (the "Agreement") is with a commercial bank (the "Bank") that allows the Fund to borrow cash from the Bank to manage large unexpected redemptions and trade fails, up to a limit of one-fifth of the Fund's total net assets in accordance with the Agreement. The agreement has a term of 364 days and is renewable by the Fund with the Bank's consent and approval of the Board. 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 Fund 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 Bank has the ability to require repayment of outstanding borrowings under the Agreement upon certain circumstances such as an event of default.

The Fund had no outstanding borrowings at any time during the period ended March 31, 2017.

Note 6. 10% Shareholders

As of March 31, 2017, the Fund 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 the Fund as detailed below:

<u>% of Shares Outstanding</u>	<u>Number of Accounts</u>
10%	1*

* The shareholders are not affiliated with Virtus.

Note 7. Credit Risk and Asset Concentrations

The Fund may invest a high percentage of its assets in specific sectors of the market in the pursuit of its investment objective. Fluctuations in these sectors of concentration may have a greater impact on the Fund, positive or negative, than if the Fund did not concentrate its investments in such sectors.

Note 8. 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 Fund enters into contracts that provide a variety of indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund and that have not occurred. However, the Fund has not had prior claims or losses pursuant to these arrangements and expects the risk of loss to be remote.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

Note 9. Federal Income Tax Information

(\$ reported in thousands)

At March 31, 2017, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$720,089	\$300,376	\$(11,758)	\$288,618

Note 10. Custody Fees Reimbursed

State Street Bank & Trust, custodian for the Fund through January 29, 2010, reimbursed the Fund for out-of-pocket custody expenses overbilled for the period 1998 through January 29, 2010. The amount reimbursed, including interest, is shown in the Statement of Operations under "Custody fees reimbursed."

Note 11. Regulatory Matters and Litigation

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

On February 20, 2015, a putative class action complaint (In re Virtus Investment Partners, Inc. Securities Litigation; formerly styled as Tom Cummins v. Virtus Investment Partners Inc., et al.) alleging violations of certain provisions of the federal securities laws was filed by an individual shareholder against Virtus and certain of its officers (the "defendants") in the United States District Court for the Southern District of New York. On August 21, 2015, the lead plaintiff filed a Consolidated Class Action Complaint (the "Consolidated Complaint") amending the originally filed complaint and adding the Trust as a defendant. The Consolidated Complaint was purportedly filed on behalf of all purchasers of Virtus common stock between January 25, 2013 and May 11, 2015 (the "Class Period"). The Consolidated Complaint alleges that during the Class Period, the defendants disseminated materially false and misleading statements and concealed material adverse facts relating to certain funds previously subadvised by F-Squared Investments, Inc. and/or its affiliates ("F-Squared"). The plaintiff seeks to recover unspecified damages. A motion to dismiss the Consolidated Complaint was filed on behalf of the defendants on October 21, 2015. Pursuant to an Opinion & Order ("Order") filed on July 1, 2016, the court granted in part and denied in part the defendants' motion to dismiss. Although the Order narrows the scope of the claims asserted and dismisses one of the defendants from the suit, claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder survive the motion. The remaining defendants filed an Answer to the Consolidated Complaint on August 5, 2016. Pursuant to an Opinion & Order filed on May 15, 2017, the plaintiff's motion for class certification was granted by the court. Virtus and its affiliates, including the Adviser, believe that the suit is without merit and intend to defend it vigorously. The Trust believes that the risk of loss to the Fund as a result of this suit is remote. The Adviser does not believe that the suit will have any impact on its ability to provide services to the Fund.

VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES FUND
NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
MARCH 31, 2017

On May 8, 2015, a putative class action complaint (Mark Youngers v. Virtus Investment Partners, Inc., et al.) alleging violations of certain provisions of the federal securities laws was filed in the United States District Court for the Central District of California. The complaint, which was purportedly filed on behalf of purchasers of certain Virtus Funds previously subadvised by F-Squared between May 8, 2010 and December 22, 2014, inclusive (the "Class Period"), alleged claims against Virtus, certain Virtus officers and affiliates (including the Adviser, Euclid Advisors LLC ("Euclid") and VP Distributors, LLC), the trustees and certain officers of the Trust, and certain other parties (the "defendants"). The complaint alleges that during the Class Period the defendants disseminated materially false and misleading statements and concealed or omitted material facts necessary to make the statements made not misleading. On October 1, 2015, the plaintiffs filed a First Amended Class Action Complaint which, among other things, added a derivative claim for breach of fiduciary duty on behalf of the Trust. On October 19, 2015, the United States District Court for the Central District of California entered an order transferring the action to the Southern District of New York. On January 4, 2016, the plaintiffs filed a Second Amended Complaint. Motions to dismiss were filed on behalf of Virtus, its officers and affiliates and the independent trustees on February 1, 2016. An Opinion & Order ("Order") granting in part and denying in part the defendants' motions to dismiss was issued on July 1, 2016. The Order dismissed all claims against the Adviser, Euclid, the independent trustees and certain of the other individual defendants, and narrowed the claims asserted against the remaining defendants. The remaining defendants filed an Answer to the Second Amended Complaint on August 5, 2016. A Stipulation of Voluntary Dismissal of the claim under Section 12 of the Securities Act of 1933, as amended, was filed on September 15, 2016. The remaining defendants filed a motion to certify an interlocutory appeal of the July 1, 2016 order to the Court of Appeals for the Second Circuit on August 26, 2016. The motion was denied on January 6, 2017. Pursuant to an Opinion & Order filed on May 15, 2017, the plaintiffs' motion for class certification was denied by the court. Virtus and its affiliates, including the Adviser, believe that the suit has no basis in law or fact and intend to defend it vigorously. The Trust believes that the risk of loss to the Fund as a result of this suit is remote. The Adviser does not believe that the suit will have any impact on its ability to provide services to the Fund.

Note 12. New Accounting Pronouncements

On October 13, 2016, the SEC amended existing rules intended to modernize reporting and disclosure of information. Certain of these amendments relate to Regulation S-X which sets forth the requisite form and content of financial statements. At this time, management is evaluating the implications of adopting these amendments and their impact on the financial statements and accompanying notes.

Note 13. Subsequent Events

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

CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES

The Board of Trustees (the "Board") of Virtus Opportunities Trust (the "Trust") is responsible for determining whether to approve the continuation of the investment advisory agreement (the "Advisory Agreement") between the Trust and Virtus Investment Advisers, Inc. ("VIA") and of the subadvisory agreement (the "Subadvisory Agreement") (together with the Advisory Agreement, the "Agreements") with respect to the funds of the Trust, including Virtus Real Estate Securities Fund (the "Fund"). At in-person meetings held on November 2, 2016 and November 16-17, 2016 (the "Meetings"), the Board, including a majority of the Trustees who are not interested persons of the Trust as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (such Act, the "1940 Act" and such Trustees, the "Independent Trustees"), considered and approved the continuation of each Agreement due for renewal, as further discussed below. In addition, prior to the Meetings, the Independent Trustees met with their independent legal counsel to discuss and consider the information provided by management and submitted questions to management, and they considered the responses provided.

In connection with the approval of the Agreements, the Board requested and evaluated information provided by VIA and the subadviser (the "Subadviser") which, in the Board's view, constituted information necessary for the Board to form a judgment as to whether the renewal of each of the Agreements would be in the best interests of the Fund and its shareholders. The Board also considered information furnished throughout the year at regular Board meetings with respect to the services provided by VIA and the Subadviser, including quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from the Subadviser with respect to the Fund. The Board noted the affiliation of the Subadviser with VIA and any potential conflicts of interest.

The Board was separately advised by independent legal counsel throughout the process. For each Agreement, the Board considered all the criteria separately with respect to the Fund and its shareholders. In their deliberations, the Board considered various factors, including those discussed below, none of which were controlling, and each Trustee may have attributed different weights to the various factors. The Independent Trustees also discussed the proposed approval of the Agreements in private sessions with their independent legal counsel at which no representatives of management were present.

In considering whether to approve the renewal of the Agreements, the Board reviewed and analyzed the factors it deemed relevant, including: (1) the nature, extent and quality of the services to be provided to the Fund by VIA and the Subadviser; (2) the performance of the Fund as compared to an appropriate peer group and an appropriate index; (3) the level and method of computing the Fund's advisory and subadvisory fees, and comparisons of the Fund's advisory fee rates with those of a group of funds with similar investment objectives; (4) the profitability of VIA under the Advisory Agreement; (5) any "fall-out" benefits to VIA, the Subadviser and their affiliates (*i.e.*, ancillary benefits realized by VIA, the Subadviser or their affiliates from VIA's or the Subadviser's relationship with the Trust); (6) the anticipated effect of growth in size on the Fund's performance and expenses; (7) fees paid to VIA and the Subadviser by comparable accounts, as applicable; (8) possible conflicts of interest; and (9) the terms of the Agreements.

Nature, Extent and Quality of Services

The Trustees received in advance of the Meetings information provided by VIA and the Subadviser, including a completed questionnaire, concerning a number of topics, including such company's investment philosophy, resources, operations and compliance structure. The Trustees also received a presentation by VIA's senior management personnel, during which among other items, VIA's history, investment process, investment strategies, personnel,

CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

compliance procedures and the firm's overall performance were reviewed and discussed. The Trustees noted that the Fund is managed using a "manager of managers" structure that generally involves the use of one or more subadvisers to manage some or all of the Fund's portfolio. Under this structure, VIA is responsible for the management of the Fund's investment programs and for evaluating and selecting subadvisers on an ongoing basis and making any recommendations to the Board regarding hiring, retaining or replacing subadvisers. In considering the Advisory Agreement with VIA, the Board considered VIA's process for supervising and managing the Fund's subadviser, including (a) VIA's ability to select and monitor the subadviser; (b) VIA's ability to provide the services necessary to monitor the subadviser's compliance with the Fund's investment objectives, policies and restrictions as well as provide other oversight activities; and (c) VIA's ability and willingness to identify instances in which a subadviser should be replaced and to carry out the required changes. The Trustees also considered: (a) the experience and capability of VIA's management and other personnel; (b) the financial condition of VIA, and whether it had the financial wherewithal to provide a high level and quality of services to the Fund; (c) the quality of VIA's own regulatory and legal compliance policies, procedures and systems; (d) the nature, extent and quality of administrative, transfer agency and other services provided by VIA and its affiliates to the Fund; (e) VIA's supervision of the Fund's other service providers; and (f) VIA's risk management processes. It was noted that affiliates of VIA serve as administrator, transfer agent and distributor to the Fund. The Board also took into account its knowledge of VIA's management and the quality of the performance of VIA's duties through Board meetings, discussions and reports during the preceding year, as well as information from the Trust's Chief Compliance Officer regarding the Fund's compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act.

With respect to the services provided by the Subadviser, the Board considered information provided to the Board by the Subadviser, including the Subadviser's Form ADV, as well as information provided throughout the past year. With respect to the Subadvisory Agreement, the Board noted that the Subadviser provided portfolio management, compliance with the Fund's investment policies and procedures, compliance with applicable securities laws and assurances thereof. The Board also noted that VIA's and the Subadviser's management of the Fund is subject to the oversight of the Board and must be carried out in accordance with the investment objective(s), policies and restrictions set forth in the Fund's prospectus and statement of additional information. In considering the renewal of the Subadvisory Agreement, the Board also considered the Subadviser's investment management process, including (a) the experience and capability of the Subadviser's management and other personnel committed by the Subadviser to the Fund; (b) the financial condition of the Subadviser; (c) the quality of the Subadviser's regulatory and legal compliance policies, procedures and systems; and (d) the Subadviser's brokerage and trading practices, including with respect to best execution and soft dollars. The Board also took into account the Subadviser's risk assessment and monitoring process. The Board noted the Subadviser's regulatory history, including whether it was currently involved in any regulatory actions or investigations as well as material litigation, and any settlements and amelioratory actions undertaken, as appropriate.

After considering all of the information provided to them, the Trustees concluded that the nature, extent and quality of the services provided by VIA and the Subadviser were satisfactory and that there was a reasonable basis on which to conclude that each would continue to provide a high quality of investment services to the Fund.

CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

Investment Performance

The Board considered performance reports and discussions at Board meetings throughout the year, as well as a report (the “Lipper Report”) for the Fund prepared by Broadridge, an independent third party provider of investment company data, furnished in connection with the contract renewal process. The Lipper Report presented the Fund’s performance relative to a peer group of other mutual funds (the “Performance Universe”) and relevant indexes, as selected by Broadridge. The Board also considered performance information presented by management and took into account management’s discussion of the same, including the effect of market conditions on the Fund’s performance. The Board evaluated the Fund’s performance in the context of the considerations that a “manager of managers” structure requires. The Board noted that it also reviews on a quarterly basis detailed information about both the Fund’s performance results and portfolio composition, as well as the Subadviser’s investment strategy. The Board noted VIA’s expertise and resources in monitoring the performance, investment style and risk-adjusted performance of the Subadviser. The Board also noted the Subadviser’s performance record with respect to the Fund. The Board was mindful of VIA’s focus on the Subadviser’s performance and noted VIA’s performance in monitoring and responding to any performance issues with respect to the Fund. The Board also took into account its discussions with management regarding factors that contributed to the performance of the Fund.

The Board considered, among other performance data, the information set forth below with respect to the performance of the Fund for the period ended June 30, 2016.

The Board noted that the Fund outperformed the median of its Performance Universe for the 1-, 3-, 5- and 10-year periods. The Board also noted that the Fund underperformed its benchmark for the 1-, 3-, 5- and 10-year periods.

The Board also considered management’s discussion about the reasons for the Fund’s underperformance relative to its benchmark. After reviewing these and related factors, the Board concluded that the Fund’s overall performance, or reasons discussed for underperformance, was satisfactory.

Management Fees and Total Expenses

The Board considered the fees charged to the Fund for advisory services as well as the total expense level of the Fund. This information included comparisons of the Fund’s net management fee and total expense level to those of its peer group (the “Expense Group”). In comparing the Fund’s net management fee to that of comparable funds, the Board noted that in the materials presented such fee included both advisory and administrative fees. The Board also noted that the subadvisory fee was paid by VIA out of its management fees rather than paid separately by the Fund. In this regard, the Board took into account management’s discussion with respect to the advisory/subadvisory fee structure, including the amount of the advisory fee retained by VIA after payment of the subadvisory fee. The Board also took into account the size of the Fund and the impact on expenses. The Subadviser provided, and the Board considered, fee information of comparable accounts managed by the Subadviser, as applicable.

In addition to the foregoing, the Board considered, among other data, the information set forth below with respect to the Fund’s fees and expenses. In each case, the Board took into account management’s discussion of the Fund’s expenses, including the type and size of the Fund relative to the other funds in its Expense Group.

The Board considered that the Fund’s net management fee and net total expenses were above the median of the Expense Group.

CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

The Board concluded that the advisory and subadvisory fees, including with any proposed amendments, were fair and reasonable in light of the usual and customary charges made for services of the same nature and quality and the other factors considered.

Profitability

The Board also considered certain information relating to profitability that had been provided by VIA. In this regard, the Board considered information regarding the overall profitability, as well as on a fund-by-fund basis, of VIA for its management of the Fund and other funds of the Trust, as well as its profits and those of its affiliates for managing and providing other services to the Trust, such as distribution, transfer agency and administrative services provided to the Fund by a VIA affiliate. In addition to the fees paid to VIA and its affiliates, including the Subadviser, the Board considered any other benefits derived by VIA or its affiliates from their relationships with the Fund. The Board reviewed the methodology used to allocate costs to the Fund, taking into account the fact that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. The Board concluded that the profitability to VIA and its affiliates from the Fund was reasonable in light of the quality of the services rendered to the Fund by VIA and its affiliates.

In considering the profitability to the Subadviser in connection with its relationship to the Fund, the Board noted that the fees under the Subadvisory Agreement are paid by VIA out of the fees that VIA receives under the Advisory Agreement, so that Fund shareholders are not directly impacted by those fees. In considering the reasonableness of the fees payable by VIA to the Subadviser, the Board noted that, because the Subadviser is an affiliate of VIA, such profitability might be directly or indirectly shared by VIA. For each of the above reasons, the Board concluded that the profitability to the Subadviser and its affiliates from their relationship with the Fund was not a material factor in approval of the Subadvisory Agreement.

Economies of Scale

The Board received and discussed information concerning whether VIA realizes economies of scale as the Fund's assets grow. The Board noted that the management fee for the Fund included breakpoints based on assets under management. The Board also took into account management's discussion of the Fund's management fee and subadvisory fee structure. The Board also took into account the current size of the Fund. The Board concluded that no changes to the advisory fee structure of the Fund were necessary at this time. The Board noted that VIA and the Fund may realize certain economies of scale if the assets of the Fund were to increase, particularly in relationship to certain fixed costs, and that shareholders of the Fund would have an opportunity to benefit from these economies of scale.

For similar reasons as stated above with respect to the Subadviser's profitability, and based upon the current size of the Fund managed by the Subadviser, the Board concluded that the potential for economies of scale in the Subadviser's management of the Fund was not a material factor in the approval of the Subadvisory Agreement at this time.

Other Factors

The Board considered other benefits that may be realized by VIA and the Subadviser and their respective affiliates from their relationships with the Fund. Among them, the Board recognized that VP Distributors, LLC, an affiliate of VIA, serves as the distributor for the Trust, and, as such, receives payments pursuant to Rule 12b-1 from the Fund to compensate it for providing selling activities, which could lead to growth in the Trust's assets and corresponding benefits from such growth, including economies of scale. The Board noted that an affiliate of VIA also provides

CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

administrative and transfer agency services to the Trust. The Board noted management's discussion of the fact that, while the Subadviser is an affiliate of VIA, there are no other direct benefits to the Subadviser or VIA in providing investment advisory services to the Fund, other than the fee to be earned under the applicable Agreement. There may be certain indirect benefits gained, including to the extent that serving the Fund could provide the opportunity to provide advisory services to additional portfolios of the Trust or certain reputational benefits.

Based on all of the foregoing considerations, the Board, including a majority of the Independent Trustees, determined that approval of each Agreement, as amended, was in the best interests of the Fund and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Agreements, as amended, with respect to the Fund.

VIRTUS OPPORTUNITIES TRUST

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Important Notice to Shareholders

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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