



ANNUAL REPORT

Virtus Emerging Markets Opportunities Fund

September 30, 2016

TRUST NAME: VIRTUS OPPORTUNITIES TRUST

Not FDIC Insured
No Bank Guarantee
May Lose Value



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Virtus Emerging Markets Opportunities Fund

(“Emerging Markets Opportunities Fund”)

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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 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 Virtus Emerging Markets Opportunities 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 Virtus Emerging Markets Opportunities Fund Shareholders:



I am pleased to present this report that reviews the performance of your fund for the nine months ended September 30, 2016.

Equities plummeted in early 2016, but stabilizing oil prices and the Federal Reserve's ("the Fed") softened stance on further rate hikes for 2016 sparked a rally in mid-February that lasted until June. The U.K.'s June 23 "Brexit" decision to leave the European Union triggered a selloff that was largely short-lived. Calm was restored by better-than-expected corporate earnings, an improving global economic picture, and reassurance that the world's central banks would continue to provide monetary stimulus. By the end of September, U.S. equity markets had recovered much of their losses, and the nine-month period was positive for many asset classes.

For the nine months ended September 30, 2016, U.S. small-cap stocks, as measured by the 11.46% return of the Russell 2000® Index, outperformed the 7.84% return of the S&P 500® Index of U.S. large-cap stocks. Within international equities, emerging markets significantly outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 16.02%, while the MSCI EAFE® Index (net) returned 1.73%.

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 September 30, 2016, the benchmark 10-year U.S. Treasury yielded 1.60% compared with 2.27% on December 31, 2015. For the nine months ended September 30, 2016, 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, gained 5.80%, while non-investment grade bonds rose 15.11%, as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

The strength of the global economy will likely remain a leading concern for markets in the months ahead, and investors will watch with great interest the actions of the Fed and other major central banks. The U.S. economy's continued growth, as evidenced by recent strong jobs, housing, and consumer spending data, should give investors reason for optimism, but future market direction will be determined largely by the ability of corporations to continue to produce robust earnings.

Market uncertainty is an ever-present reminder of the importance of portfolio diversification, including exposure to both 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.

As always, 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

October 2016

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 EMERGING MARKETS OPPORTUNITIES FUND
DISCLOSURE OF FUND EXPENSES (Unaudited)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2016 TO SEPTEMBER 30, 2016

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 Emerging Markets Opportunities 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 sales charges and Class R6 shares 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 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 given for your Fund 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 the timing of any purchases or redemptions.

**VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
DISCLOSURE OF FUND EXPENSES (Unaudited) (Continued)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2016 TO SEPTEMBER 30, 2016**

Expense Table

| | Beginning Account Value April 1, 2016 | Ending Account Value September 30, 2016 | Annualized Expense Ratio | Expenses Paid During Period* |
|---|--|---|--------------------------------|---------------------------------------|
| Emerging Markets Opportunities Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,116.10 | 1.61% | \$8.52 |
| Class C | 1,000.00 | 1,113.30 | 2.36 | 12.47 |
| Class I | 1,000.00 | 1,117.90 | 1.35 | 7.15 |
| Class R6 | 1,000.00 | 1,119.00 | 1.23 | 6.52 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,016.95 | 1.61 | 8.12 |
| Class C | 1,000.00 | 1,013.20 | 2.36 | 11.88 |
| Class I | 1,000.00 | 1,018.25 | 1.35 | 6.81 |
| Class R6 | 1,000.00 | 1,018.85 | 1.23 | 6.21 |

* 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 (183) expenses were accrued in the most recent fiscal half-year, then divided by 366 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 had been 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 current prospectus.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
KEY INVESTMENT TERMS
SEPTEMBER 30, 2016 (Unaudited)

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.

Exchange-Traded Funds (ETF)

A 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 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 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 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 is not available for direct investment.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
KEY INVESTMENTS TERMS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

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.

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").

EMERGING MARKETS OPPORTUNITIES FUND (Unaudited)

Fund Summary Portfolio Manager Commentary by Vontobel Asset Management, Inc.

Ticker Symbols:
A Share: HEMZX
C Share: PICEX
I Share: HIEMX
R6 Share: VREMX

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

Effective September 23, 2016, Virtus Emerging Markets Opportunities Fund was reorganized as a series of the Virtus Opportunities Trust and changed its fiscal year end from December 31 to September 30. As a result the commentary addresses nine months of performance through September 30.

- For the fiscal period January 1 through September 30, 2016, the Fund's Class A shares at NAV returned 14.06%*, Class C shares at NAV returned 13.56%*, Class I shares at NAV returned 14.29%* and Class R6 shares returned 14.40%*. For the same period the MSCI Emerging Markets Index (net) which serves as the broad-based and style specific benchmark index appropriate for comparison returned 16.02%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above.

How did the market perform during the Fund's nine-month fiscal period?

During the nine months ended September 30, 2016, the MSCI Emerging Markets Index (total return net dividends) was positive in the fiscal second quarter, flat in the fiscal third quarter, and positive in the fiscal fourth quarter.

Emerging market equities rebounded in the early months of 2016, driven by stronger commodity prices, a sharp rise in many emerging market currencies, and lower expectations for U.S. rate increases. The rally reversed in May as investors digested waning commodities prices, the prospect of a U.S. interest rate hike, and the

potential impact of a change in government in Brazil after President Dilma Rousseff was suspended from office. Emerging markets rebounded over the summer as lower-than-expected interest rates in the United States continued to support demand for higher-yielding assets in the emerging world. Improved capital flows helped some emerging market currencies recover lost ground relative to the U.S. dollar, and stabilizing commodity prices helped a number of markets during the final months of the period.

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

The following discussion highlights the specific stocks that provided the largest contribution to the Fund's absolute performance and those that were the largest detractors during the nine months ended September 30, 2016. As bottom-up stock pickers, we hope that investors find this useful and gain a greater understanding of how we invest their capital.

Stocks that Helped Absolute Performance

- **Tencent Holdings Limited** (China) – A major Internet platform in China, Tencent has had a strong presence in online gaming, instant messaging, and has been one of the country's largest web portals. The company performed well after reporting solid earnings for the second calendar quarter of 2016 that topped estimates, due to strong performance in mobile games, online advertising, and cloud services. The sharp rise of subscription-based revenue in areas such as music and video also contributed to performance. Tencent Holdings has been successful in providing popular services to attract new users and creating a network effect to maintain existing users. Expectations have been growing that the company will be able to successfully monetize its OTT application, "WeChat," through advertising revenue. Online gaming has been its

EMERGING MARKETS OPPORTUNITIES FUND (Unaudited) (Continued)

largest contributor to revenue, but Tencent also has generated sales through fee-based social networks, advertising, and e-commerce. The gaming revenues have benefited from operating the dominant social networking platform by directing traffic to the gaming platform. This has translated into strong sales, as well as earnings growth.

- **Alibaba Group Holdings** (China) – As the leading e-commerce platform operator in China, Alibaba has had a dominant market share in terms of overall gross merchandise volume (GMV). It has had multiples larger in GMV compared to the second biggest player in China, JD.com. The key advantage that Alibaba has had versus competitors is that it has had the widest number of vendors, which in turn has attracted a massive pool of buyers. Other markets like Japan and the U.S. have shown that it is difficult to displace a player who has a significant supplier/merchant advantage. This allows buyers to have access to the widest base of vendors and available inventory at the most competitive prices in almost any category. Further, by segmenting the market to lower-priced merchants (Taobao) and more established/ trustworthy merchants in Tmall, we believe Alibaba can cater to a wider base of consumers. There is also the tailwind from e-commerce penetration in China that is still in its relatively early stages. Given the fast take-up of smartphone penetration, as of the Fund's fiscal year-end, we believe there is the potential for this to increase significantly, and Alibaba is in prime position to benefit.

Alibaba's shares soared in August after delivering strong results for its first fiscal quarter of 2017 that exceeded expectations. China retail revenue (which is the pure e-commerce segment) grew 49%, and that was on the back of GMV growth of 24%, the fastest revenue growth since the company's initial public offering in September 2014. The

main driver has been the improvement in the company's monetization rate, with mobile monetization now marginally overtaking desktop at 2.8%. The biggest driver of monetization has been the mix shift to Tmall, which consumers are migrating to as it has higher quality branded merchants. This has been growing at close to double the rate of its Taobao website, and with monetization that we estimate is four times the level of Taobao. The company has also been increasing ad loads off a low level, and getting higher clicks per minute (CPMs) as they provide advertisers with better targeted audiences and higher conversion rates particularly on mobile.

Stocks that Hurt Absolute Performance

- **Cipla** (India) – Cipla is one of the largest pharmaceutical companies in India. In the first quarter of 2016, Cipla reported earnings results that were below consensus expectations. We sold the company on weak business fundamentals.
- **Wal-mart de Mexico ("Walmex")** (Mexico) – Walmex is the premier Mexican retailer. Unlike Wal-Mart in the United States, which offers cheap prices but not the best shopping environment, Walmex offers both low prices and a better shopping experience than most stores in the country. The company has had no net debt, effective working capital management, and has generated strong cash flow. Walmex reported a solid second quarter, consistent with retail sales data. However, results were below consensus estimates, so expectations for slower growth was confirmed, taking some near-term momentum out of the stock. The stock came under pressure due to uncertainty linked to the weaker Mexican peso and the U.S. election, with protectionist fears hurting local Mexico consumer sentiment. The company confirmed it will increase some logistics spending as it ramps up its e-commerce platform. Walmex also confirmed its confidence in

EMERGING MARKETS OPPORTUNITIES FUND (Unaudited) (Continued)

the brand expansion into five neighboring counties, leveraging its scale and distribution. As of the end of the Fund's fiscal year, we still believe the company remains the top quality retail operator with a highly defensible franchise set to launch its online platform, great pricing power as the quality offering in Mexican retail, a coherent business strategy to grow consumer wallet share, and leverage its economies of scale.

The preceding information is the opinion of portfolio management only through the end of the period of the report as 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.

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.*

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

Geographic Concentration: *A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.*

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 ALLOCATION

The following table presents asset allocations within certain sectors as a percentage of total investments at September 30, 2016.

| | |
|---|--------------------|
| Consumer Staples | 42% |
| Financials | 20 |
| Information Technology | 19 |
| Consumer Discretionary | 8 |
| Health Care | 3 |
| Telecommunication Services | 3 |
| Real Estate | 2 |
| Other (includes short-term investments and securities lending collateral) | <u>3</u> |
| Total | <u><u>100%</u></u> |

EMERGING MARKETS OPPORTUNITIES FUND (Continued)

Average Annual Total Returns¹ for periods ended 09/30/16

| | 1 Year | 5 Years | 10 Years | Since Inception | Inception Date |
|---|---------------|--------------|--------------|--------------------------|-------------------|
| Class A Shares at NAV² | 15.38% | 5.45% | 6.70% | — | — |
| Class A Shares at POP^{3,4} | 8.74 | 4.21 | 6.07 | — | — |
| Class C Shares at NAV² and CDSC⁴ | 14.64 | 4.67 | 5.92 | — | — |
| Class I Shares at NAV | 15.75 | 5.72 | 6.96 | — | — |
| Class R6 Shares at NAV | 15.87 | — | — | -0.04% | 11/12/14 |
| MSCI Emerging Markets Index (net)[*] | 16.78 | 3.03 | 3.94 | -2.68⁵ | — |
| S&P 500[®] Index[*] | 15.43 | 16.37 | 7.24 | 5.56⁵ | — |

Fund Expense Ratios⁶: A Shares 1.56%; C Shares 2.31%; I Shares: 1.31%; R6 Shares 1.18%.

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 gains 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 and all redemptions of Class C shares are 1% within the first year and 0% thereafter.

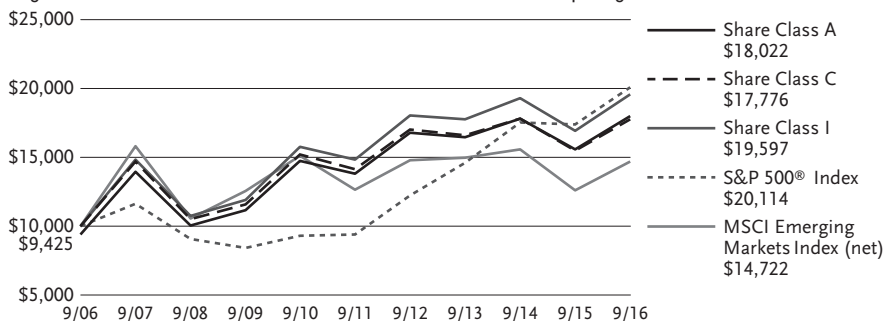
⁵ The since inception index returns are from the inception date of Class R6 shares.

⁶ The expense ratios of the Fund, both net and gross, are set forth according to the prospectus for the Fund effective September 23, 2016, 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 reflect fees and expenses associated with the underlying funds.

^{*} The MSCI Emerging Markets Index (net) is an appropriate Broad Based Index. The Fund is no longer using 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, 2006, for Class A, Class C and Class I shares including any applicable sales charges or fees. The performance of Class C shares 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 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 EMERGING MARKETS OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE |
|---|--------------------------|----------------|-------------------------------------|---|------------------|
| COMMON STOCKS—96.6% | | | Consumer Staples (continued) | | |
| Consumer Discretionary—7.7% | | | ITC Ltd. (India) | | |
| Kangwon Land, Inc. (South Korea) | 2,060,668 | \$ 73,634 | | 82,213,347 | \$ 298,341 |
| Las Vegas Sands Corp. (United States) | 2,103,223 | 121,020 | | | |
| Matahari Department Store Tbk PT (Indonesia) | 72,580,113 | 103,059 | | 134,105 | 116,705 |
| Naspers Ltd. Class N (South Africa) | 1,220,346 | 211,229 | | President Chain Store Corp. (Taiwan) | 6,724,158 |
| New Oriental Education & Technology Group, Inc. Sponsored ADR (Cayman Islands) ⁽²⁾ | 1,610,838 | 74,678 | | SABMiller plc (South Africa) | 4,768,140 |
| | | <u>583,620</u> | | Thai Beverage PCL (Thailand) | 121,848,700 |
| | | | | Unilever Indonesia Tbk PT (Indonesia) | 17,530,457 |
| | | | | Unilever N.V. CVA (Netherlands) | 4,889,450 |
| | | | | Wal-Mart de Mexico SAB de CV (Mexico) | 78,899,133 |
| | | | | | <u>172,734</u> |
| | | | | | <u>3,108,248</u> |
| Consumer Staples—41.1% | | | Energy—1.0% | | |
| Ambev S.A. Sponsored ADR (Brazil) | 46,869,454 | 285,435 | | Ultrapar Participacoes S.A. (Brazil) | |
| AmorePacific Corp. (South Korea) | 466,833 | 165,549 | | 3,371,571 | 74,633 |
| Anheuser-Busch InBev N.V. (Belgium) | 575,891 | 75,432 | Financials—19.5% | | |
| British American Tobacco Bhd (Malaysia) | 1,691,314 ⁽⁴⁾ | 20,097 | | Bank Central Asia Tbk PT (Indonesia) | |
| British American Tobacco plc (United Kingdom) | 6,899,201 ⁽³⁾ | 441,222 | | 104,509,793 | 126,057 |
| Colgate Palmolive India Ltd. (India) | 1,626,621 | 23,734 | | Bank Pekao SA (Poland) | |
| CP ALL PCL (Thailand) | 110,847,000 | 197,163 | | 2,212,071 | 71,559 |
| Fomento Economico Mexicano SAB de C.V. Sponsored ADR (Mexico) | 2,896,456 | 266,590 | | BB Seguridade Participacoes (Brazil) | |
| Hanjaya Mandala Sampoerna Tbk PT (Indonesia) | 303,382,500 | 91,878 | | 8,545,096 | 78,826 |
| Heineken N.V. (Netherlands) | 1,720,107 | 151,318 | | Grupo Financiero Santander Mexico SAB de C.V. ADR, B Shares (Mexico) | |
| Hindustan Unilever Ltd. (India) | 7,738,511 | 100,963 | | 9,816,747 | 86,387 |
| | | | | Hong Kong Exchanges & Clearing Ltd. (Hong Kong) | |
| | | | | 1,013,498 | 26,823 |
| | | | | Housing Development Finance Corp. (India) | |
| | | | | 14,634,001 | 306,948 |
| | | | | Housing Development Finance Corp. Bank Ltd. (India) | |
| | | | | 18,255,241 | 349,572 |
| | | | | Housing Development Finance Corp. Bank Ltd. ADR (India) | |
| | | | | 563,699 | 40,524 |

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE |
|--|------------|------------------|--|-------------|------------------|
| Financials (continued) | | | Information Technology (continued) | | |
| Public Bank Bhd (Malaysia) | 23,794,000 | \$ 114,091 | Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan) | 18,944,492 | \$ 111,358 |
| Remgro Ltd. (South Africa) | 6,006,565 | 100,482 | Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR (Taiwan) | 3,146,244 | 96,243 |
| Samsung Fire & Marine Insurance Co., Ltd. (South Korea) | 315,968 | 80,478 | Tata Consultancy Services Ltd. (India) | 4,757,516 | 173,864 |
| United Overseas Bank Ltd. (Singapore) | 6,934,600 | 96,209 | Tencent Holdings Ltd. (Cayman Islands) | 11,328,516 | 314,956 |
| | | <u>1,477,956</u> | | | <u>1,385,968</u> |
| Health Care—3.3% | | | Real Estate—1.6% | | |
| Dr. Reddy's Laboratories Ltd. (India) | 1,102,230 | 51,433 | Link REIT (The) (Hong Kong) | 16,364,861 | 120,807 |
| Dr. Reddy's Laboratories Ltd. ADR (India) ⁽⁵⁾ | 360,312 | 16,726 | Telecommunication Services—2.6% | | |
| Mediclinic International plc (United Kingdom) | 6,150,558 | 74,291 | Telekomunikasi Indonesia Persero Tbk PT (Indonesia) | 579,195,465 | 192,865 |
| Sun Pharmaceutical Industries Ltd. (India) | 9,677,687 | 108,184 | | | |
| | | <u>250,634</u> | TOTAL COMMON STOCKS | | |
| Industrials—1.5% | | | (Identified Cost \$6,423,862) 7,305,894 | | |
| Grupo Aeroportuario del Pacifico SAB de C.V. Class B (Mexico) | 2,346,605 | 22,308 | TOTAL LONG TERM INVESTMENTS—96.6% | | |
| Korea Aerospace Industries Ltd. (South Korea) | 1,274,987 | 88,855 | (Identified Cost \$6,423,862) 7,305,894 | | |
| | | <u>111,163</u> | SHORT-TERM INVESTMENT—0.5% | | |
| Information Technology—18.3% | | | Money Market Mutual Fund—0.5% | | |
| Alibaba Group Holding Ltd. Sponsored ADR (China) ⁽²⁾ | 3,420,134 | 361,816 | JPMorgan U.S. Government Money Market Fund – Institutional Shares (seven-day effective yield 0.360%) ⁽⁷⁾ | 41,135,789 | 41,136 |
| Cielo S.A. (Brazil) | 15,952,354 | 160,301 | TOTAL SHORT-TERM INVESTMENT | | |
| NetEase, Inc. ADR (China) | 695,364 | 167,430 | (Identified Cost \$41,136) 41,136 | | |

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | <u>SHARES</u> | <u>VALUE</u> |
|--|---------------|----------------------------------|
| SECURITIES LENDING COLLATERAL—0.2% | | |
| INVESCO Trust | | |
| Short-Term | | |
| Investments Liquid | | |
| Assets Portfolio | | |
| (The) – | | |
| Institutional | | |
| Shares (seven-day | | |
| effective yield | | |
| 0.390%) ⁽⁶⁾⁽⁷⁾ | 12,243,680 | \$ 12,244 |
| TOTAL SECURITIES LENDING COLLATERAL | | |
| (Identified Cost \$12,244) | | 12,244 |
| TOTAL INVESTMENTS—97.3% | | |
| (Identified Cost \$6,477,242) | | 7,359,274⁽¹⁾ |
| Other assets and liabilities, | | |
| net—2.7% | | 204,658 |
| NET ASSETS—100.0% | | <u><u>\$7,563,932</u></u> |

Abbreviations:

ADR American Depositary Receipt
REIT Real Estate Investment Trust

FOOTNOTE LEGEND:

- ⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2016, see Note 8 Federal Income Tax Information in the Notes to Financial Statements.
⁽²⁾ Non-income producing.
⁽³⁾ Shares traded on Johannesburg Exchange.
⁽⁴⁾ Shares traded on London Exchange.
⁽⁵⁾ All or a portion of security is on loan.
⁽⁶⁾ Represents security purchased with cash collateral received for securities on loan.
⁽⁷⁾ Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available.

Country Weightings (Unaudited)†

| | |
|--------------|-------------|
| India | 20% |
| Brazil | 8 |
| South Africa | 8 |
| Indonesia | 8 |
| Mexico | 8 |
| China | 7 |
| South Korea | 7 |
| Other | 34 |
| Total | 100% |

† % of total investments as of September 30, 2016

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2016 (See Security Valuation Note 2A in the Notes to Financial Statements):

| | <u>Total Value at</u> <u>September 30, 2016</u> | <u>Level 1</u> <u>Quoted Prices</u> | <u>Level 2</u> <u>Significant</u> <u>Observable</u> <u>Inputs</u> |
|-------------------------------|--|--|--|
| Equity Securities: | | | |
| Common Stocks | \$7,305,894 | \$3,483,684 | \$3,822,210 |
| Securities Lending Collateral | 12,244 | 12,244 | — |
| Short-term Investment | 41,136 | 41,136 | — |
| Total Investments | <u><u>\$7,359,274</u></u> | <u><u>\$3,537,064</u></u> | <u><u>\$3,822,210</u></u> |

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

Securities held by the fund with an end of period value of \$275,195 were transferred from Level 1 to Level 2 and securities held by the fund with an end of period value of \$106,891 were transferred from Level 2 to Level 1 based on out valuation procedures for non U.S. securities (see Note 2A in the Notes to Financial Statements for more information)

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2016

(Reported in thousands except shares and per share amounts)

Assets

| | |
|---|------------------|
| Investment in securities at value ⁽¹⁾⁽³⁾ | \$ 7,359,274 |
| Foreign currency at value ⁽²⁾ | 5,094 |
| Cash | 275,000 |
| Receivables | |
| Investment securities sold | 23,982 |
| Fund shares sold | 19,420 |
| Dividends and interest receivable | 58 |
| Securities lending receivable | 3 |
| Prepaid expenses | 211 |
| Prepaid trustee retainer | 103 |
| Other assets | 101 |
| Total assets | <u>7,683,246</u> |

Liabilities

| | |
|--|----------------|
| Payables | |
| Fund shares repurchased | 19,334 |
| Investment securities purchased | 77,269 |
| Collateral on securities loaned | 12,244 |
| Investment advisory fees | 5,975 |
| Distribution and service fees | 401 |
| Administration fees | 758 |
| Transfer agent fees and expenses | 2,306 |
| Trustees' fees and expenses | 89 |
| Professional fees | 46 |
| Trustee deferred compensation plan | 101 |
| Other accrued expenses | 791 |
| Total liabilities | <u>119,314</u> |

Net Assets

\$ 7,563,932

Net Assets Consist of:

| | |
|---|-----------|
| Common stock \$0.001 par value | \$ 743 |
| Capital paid in on shares of beneficial interest | 7,440,659 |
| Accumulated undistributed net investment income (loss) | 25,349 |
| Accumulated undistributed net realized gain (loss) | (784,900) |
| Net unrealized appreciation (depreciation) on investments | 882,081 |

Net Assets

\$ 7,563,932

Class A

| | |
|--|--------------|
| Net asset value (net assets/shares outstanding) per share | \$ 9.90 |
| Maximum offering price per share NAV/(1-5.75%) | \$ 10.50 |
| Shares of beneficial interest outstanding, unlimited authorization | 109,286,346 |
| Net Assets | \$ 1,082,242 |

Class C

| | |
|--|------------|
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 9.63 |
| Shares of beneficial interest outstanding, unlimited authorization | 23,083,431 |
| Net Assets | \$ 222,221 |

Class I

| | |
|--|--------------|
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.24 |
| Shares of beneficial interest outstanding, unlimited authorization | 606,672,241 |
| Net Assets | \$ 6,214,272 |

Class R6

| | |
|--|-----------|
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.25 |
| Shares of beneficial interest outstanding, unlimited authorization | 4,409,492 |
| Net Assets | \$ 45,197 |

⁽¹⁾ Investment in securities at cost

\$ 6,477,242

⁽²⁾ Foreign currency at cost

5,094

⁽³⁾ Market value of securities on loan

12,041

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND

STATEMENTS OF OPERATIONS

(\$ reported in thousands)

| | Fiscal Period Ended September 30, 2016 ⁽²⁾ | Year Ended December 31, 2015 |
|--|--|---------------------------------|
| Investment Income | | |
| Dividends | \$123,861 | \$ 240,159 |
| Security lending, net of fees | 138 | 91 |
| Foreign taxes withheld | (5,688) | (11,057) |
| Total investment income | 118,311 | 229,193 |
| Expenses | | |
| Investment advisory fees | 57,321 | 95,290 |
| Distribution and service fees, Class A | 1,454 | 2,006 |
| Distribution and service fees, Class C | 1,607 | 2,452 |
| Distribution fees, Class I | — | 1,382 |
| Administration fees | 7,563 | 12,110 |
| Transfer agent fees and expenses | 10,834 | 17,075 |
| Custodian fees | 1,580 | 3,834 |
| Printing fees and expenses | 1,694 | 717 |
| Trustees' fees and expenses | 583 | 478 |
| Registration fees | 253 | 285 |
| Professional fees | 204 | 124 |
| Miscellaneous expenses | 484 | 566 |
| Total expenses | 83,577 | 136,319 |
| Less expenses reimbursed by investment adviser and/(or) distributor | — | (1,382) |
| Earnings credit from custodian | (536) | (38) |
| Low balance account fees | — ⁽¹⁾ | — |
| Net expenses | 83,041 | 134,899 |
| Net investment income (loss) | 35,270 | 94,294 |
| Net Realized and Unrealized Gain (Loss) on Investments | | |
| Net realized gain (loss) on investments | 20,544 | (756,362) |
| Net realized gain (loss) on foreign currency transactions | (3,387) | (13,839) |
| Net change in unrealized appreciation (depreciation) on investments | 912,262 | (339,055) |
| Net change in unrealized appreciation (depreciation) on foreign currency translation | 1,512 | (1,176) |
| Net change in foreign taxes on unrealized capital gains | — | 4,337 |
| Net gain (loss) on investments | 930,931 | (1,106,095) |
| Net increase (decrease) in net assets resulting from operations | \$966,201 | \$(1,011,801) |

⁽¹⁾ Amount is less than \$500.

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

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

| | Fiscal Period Ended September 30, 2016 ⁽⁹⁾ | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|--|--|---------------------------------|---------------------------------|
| INCREASE/(DECREASE) IN NET ASSETS | | | |
| From Operations | | | |
| Net investment income (loss) | \$ 35,270 | \$ 94,294 | \$ 65,058 |
| Net realized gain (loss) | 17,157 | (770,201) | (22,763) |
| Net change in unrealized appreciation (depreciation) | 913,774 | (335,894) | 289,719 |
| Increase (decrease) in net assets resulting from operations | 966,201 | (1,011,801) | 332,014 |
| From Distributions to Shareholders | | | |
| Net investment income, Class A | — | (5,106) | (5,770) |
| Net investment income, Class C | — | — | (194) |
| Net investment income, Class I | — | (81,136) | (63,020) |
| Net investment income, Class R6 | — | (358) | (1) |
| Net realized long-term gains, Class A | — | — | (11,495) |
| Net realized long-term gains, Class C | — | — | (2,358) |
| Net realized long-term gains, Class I | — | — | (69,577) |
| Net realized long-term gains, Class R6 | — | — | — ⁽¹⁾ |
| Decrease in net assets from distributions to shareholders | — | (86,600) | (152,415) |
| From Share Transactions | | | |
| Sale of shares | | | |
| Class A (54,614, 45,415, 39,977) | 513,358 | 426,955 | 390,454 |
| Class C (2,986, 9,993, 6,261) | 26,602 | 92,797 | 60,377 |
| Class I (224,369, 573,808, 302,688) | 2,042,674 | 5,590,072 | 3,053,397 |
| Class R6 (4,035, 4,009, 10) | 37,563 | 38,958 | 100 |
| Reinvestment of distributions | | | |
| Class A (0, 527, 1,626) | — | 4,555 | 16,026 |
| Class C (0, 0, 230) | — | — | 2,226 |
| Class I (0, 8,333, 11,523) | — | 74,414 | 116,581 |
| Class R6 (0, 39, — ⁽²⁾) | — | 348 | 1 |
| Shares repurchased | | | |
| Class A (31,260, 40,498, 79,655) | (279,242) | (373,105) | (782,854) |
| Class C (6,216, 8,084, 5,996) | (54,465) | (72,343) | (55,400) |
| Class I (591,491, 374,295, 213,715) | (5,387,548) | (3,524,585) | (2,080,416) |
| Class R6 (3,461, 222, 0) | (31,143) | (2,054) | — |
| Increase (decrease) in net assets from share transactions | (3,132,201) | 2,256,012 | 720,492 |
| Net increase (decrease) in net assets | (2,166,000) | 1,157,611 | 900,091 |
| Net Assets | | | |
| Beginning of period | 9,729,932 | 8,572,321 | 7,672,230 |
| End of period | \$ 7,563,932 | \$ 9,729,932 | \$ 8,572,321 |
| Accumulated undistributed net investment income (loss) at end of period | \$ 25,349 | \$ (6,533) | \$ (388) |

⁽¹⁾ Amount is less than \$500.

⁽²⁾ Shares are less than 500.

⁽³⁾ The Fund changed its fiscal year end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES 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) ⁽²⁾ | Net Realized and Unrealized Gain/(Loss) | Total from Investment Operations | Dividends from Net Investment Income | Distributions from Net Realized Gains | Total Distributions |
|-----------------------------------|---|---|--|----------------------------------|---|--|---------------------|
| Class A | | | | | | | |
| 1/1/16 to 9/30/16 ⁽¹¹⁾ | \$ 8.68 | 0.03 | 1.19 | 1.22 | — | — | — |
| 1/1/15 to 12/31/15 | 9.58 | 0.07 | (0.91) | (0.84) | (0.06) | — | (0.06) |
| 1/1/14 to 12/31/14 | 9.26 | 0.07 | 0.42 | 0.49 | (0.06) | (0.11) | (0.17) |
| 1/1/13 to 12/31/13 | 10.00 | 0.08 | (0.74) | (0.66) | (0.08) | — ⁽³⁾ | (0.08) |
| 1/1/12 to 12/31/12 | 8.44 | 0.07 | 1.57 | 1.64 | (0.05) | (0.03) | (0.08) |
| 1/1/11 to 12/31/11 | 8.83 | 0.09 | (0.37) | (0.28) | (0.04) | (0.07) | (0.11) |
| Class C | | | | | | | |
| 1/1/16 to 9/30/16 ⁽¹¹⁾ | \$ 8.49 | (0.02) | 1.16 | 1.14 | — | — | — |
| 1/1/15 to 12/31/15 | 9.37 | — | (0.88) | (0.88) | — | — | — |
| 1/1/14 to 12/31/14 | 9.08 | (0.01) | 0.42 | 0.41 | (0.01) | (0.11) | (0.12) |
| 1/1/13 to 12/31/13 | 9.82 | 0.01 | (0.72) | (0.71) | (0.03) | — ⁽³⁾ | (0.03) |
| 1/1/12 to 12/31/12 | 8.31 | — ⁽³⁾ | 1.56 | 1.56 | (0.02) | (0.03) | (0.05) |
| 1/1/11 to 12/31/11 | 8.72 | 0.03 | (0.37) | (0.34) | — ⁽³⁾ | (0.07) | (0.07) |

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

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
FINANCIAL HIGHLIGHTS (Continued)
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 (in thousands) | Ratio of Net Operating Expenses to Average Net Assets ⁽¹⁾ | Ratio of Gross Operating Expenses to Average Net Assets ⁽⁶⁾ | Ratio of Net Investment Income to Average Net Assets | Portfolio Turnover Rate |
|---------------------------|--------------------------------|-----------------------------|---|---|---|---|-------------------------|
| 1.22 | \$ 9.90 | 14.06% ⁽⁹⁾ | \$1,082,242 | 1.59% ⁽⁴⁾⁽⁸⁾ | 1.60% ⁽⁸⁾ | 0.40% ⁽⁸⁾ | 25% ⁽⁹⁾ |
| (0.90) | 8.68 | (8.77) | 745,947 | 1.56 | 1.56 ⁽¹⁰⁾ | 0.73 | 27 |
| 0.32 | 9.58 | 5.23 | 770,941 | 1.55 | 1.55 | 0.71 | 28 |
| (0.74) | 9.26 | (6.58) | 1,097,753 | 1.58 | 1.58 | 0.79 | 31 |
| 1.56 | 10.00 | 19.62 | 1,208,195 | 1.60 | 1.60 | 0.78 | 28 |
| (0.39) | 8.44 | (3.13) | 474,368 | 1.61 | 1.61 | 1.09 | 29 |
| 1.14 | \$ 9.63 | 13.56% ⁽⁹⁾ | \$ 222,221 | 2.34% ⁽⁴⁾⁽⁸⁾ | 2.35% ⁽⁸⁾ | (0.31)% ⁽⁸⁾ | 25% ⁽⁹⁾ |
| (0.88) | 8.49 | (9.50) | 223,303 | 2.31 | 2.31 ⁽¹⁰⁾ | (0.01) | 27 |
| 0.29 | 9.37 | 4.40 | 228,652 | 2.30 | 2.30 | (0.13) | 28 |
| (0.74) | 9.08 | (7.21) | 217,034 | 2.33 | 2.33 | 0.07 | 31 |
| 1.51 | 9.82 | 18.66 | 203,974 | 2.35 | 2.35 | 0.01 | 28 |
| (0.41) | 8.31 | (3.77) | 70,198 | 2.36 | 2.36 | 0.36 | 29 |

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

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES 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) ⁽²⁾ | Net Realized and Unrealized Gain/(Loss) | Total from Investment Operations | Dividends from Net Investment Income | Distributions from Net Realized Gains | Total Distributions |
|-------------------------------------|---|---|--|----------------------------------|---|--|---------------------|
| Class I | | | | | | | |
| 1/1/16 to 9/30/16 ⁽¹¹⁾ | \$ 8.96 | 0.04 | 1.24 | 1.28 | — | — | — |
| 1/1/15 to 12/31/15 | 9.89 | 0.10 | (0.95) | (0.85) | (0.08) | — | (0.08) |
| 1/1/14 to 12/31/14 | 9.55 | 0.09 | 0.45 | 0.54 | (0.09) | (0.11) | (0.20) |
| 1/1/13 to 12/31/13 | 10.31 | 0.11 | (0.76) | (0.65) | (0.11) | — ⁽³⁾ | (0.11) |
| 1/1/12 to 12/31/12 | 8.70 | 0.10 | 1.62 | 1.72 | (0.08) | (0.03) | (0.11) |
| 1/1/11 to 12/31/11 | 9.10 | 0.12 | (0.38) | (0.26) | (0.07) | (0.07) | (0.14) |
| Class R6 | | | | | | | |
| 1/1/16 to 9/30/16 ⁽¹¹⁾ | \$ 8.96 | 0.05 | 1.24 | 1.29 | — | — | — |
| 1/1/15 to 12/31/15 | 9.89 | 0.08 | (0.91) | (0.83) | (0.10) | — | (0.10) |
| 11/12/14 ⁽⁶⁾ to 12/31/14 | 10.42 | (0.01) | (0.45) | (0.46) | (0.06) | (0.01) | (0.07) |

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
FINANCIAL HIGHLIGHTS (Continued)
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 (in thousands) | Ratio of Net Operating Expenses to Average Net Assets ⁽⁶⁾ | Ratio of Gross Operating Expenses to Average Net Assets ⁽⁶⁾ | Ratio of Net Investment Income to Average Net Assets | Portfolio Turnover Rate |
|---------------------------|--------------------------------|-----------------------------|---|---|---|---|-------------------------|
| 1.28 | \$10.24 | 14.29% ⁽⁹⁾ | \$6,214,272 | 1.33% ⁽⁴⁾⁽⁸⁾ | 1.34% ⁽⁸⁾ | 0.64% ⁽⁸⁾ | 25% ⁽⁹⁾ |
| (0.93) | 8.96 | (8.55) | 8,726,303 | 1.31 | 1.32 ⁽¹⁰⁾ | 0.99 | 27 |
| 0.34 | 9.89 | 5.54 | 7,572,633 | 1.30 | 1.35 | 0.85 | 28 |
| (0.76) | 9.55 | (6.32) | 6,357,443 | 1.33 | 1.38 | 1.06 | 31 |
| 1.61 | 10.31 | 19.88 | 5,352,379 | 1.35 | 1.40 | 0.99 | 28 |
| (0.40) | 8.70 | (2.92) | 2,082,147 | 1.36 | 1.41 | 1.34 | 29 |
| 1.29 | \$10.25 | 14.40% ⁽⁹⁾ | \$ 45,197 | 1.21% ⁽⁴⁾⁽⁸⁾ | 1.22% ⁽⁸⁾ | 0.72% ⁽⁸⁾ | 25% ⁽⁹⁾ |
| (0.93) | 8.96 | (8.44) | 34,379 | 1.21 | 1.21 ⁽¹⁰⁾ | 0.90 | 27 |
| (0.53) | 9.89 | (4.60) ⁽⁹⁾ | 95 | 1.24 ⁽⁸⁾ | 1.24 ⁽⁸⁾ | (0.41) ⁽⁸⁾ | 28 ⁽⁷⁾⁽⁹⁾ |

Footnote Legend:

- ⁽¹⁾ Sales charges, where applicable, are not reflected in total return calculation.
⁽²⁾ Computed using average shares outstanding.
⁽³⁾ Amount is less than \$0.005.
⁽⁴⁾ Net expense ratio includes extraordinary proxy expenses.
⁽⁵⁾ Inception date.
⁽⁶⁾ The Funds will 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.
⁽⁷⁾ Reported on Fund level not class level.
⁽⁸⁾ Annualized.
⁽⁹⁾ Not Annualized.
⁽¹⁰⁾ Earnings credits from Custodian were not material as reflected in the Statements of Operations, and had no impact on Financial Highlights.
⁽¹¹⁾ The Fund changed its fiscal year end to September 30 during the period.

See Notes to Financial Statements

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 31 funds of the Trust are offered for sale of which the Emerging Markets Opportunities Fund (the "Fund") is reported in this annual report. The Fund's investment objective is outlined in the Fund Summary Page. *There is no guarantee that the Fund will achieve its objective.*

The Fund offers Class A shares, Class C shares, Class I shares, and Class R6 shares.

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.

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 sales charge.

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 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 Board approved Rule 12b-1 and/or shareholder service plan ("12b-1 plan") and has exclusive voting rights with respect to such plan(s). 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 conformity with accounting principles generally accepted in the United States of America 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.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

A. Security Valuation

Security valuation procedures for the Fund, which include nightly price variance, as well as back-testing such as bi-weekly unchanged price, monthly secondary source and transaction analysis, have been approved by the Board of Trustees (the "Board," or the "Trustees"). All internally fair valued securities are approved by a valuation committee (the "Valuation Committee") appointed by the Board. 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. Quarterly fair valuations are reviewed 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 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

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

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, are illiquid, 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 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.

Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds.

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 September 30, 2016, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2013 forward (with limited exceptions).

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

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 accounting principles generally accepted in the United States of America. These differences may include the treatment of non-taxable dividends, market premium and discount, non-deductible expenses, expiring capital loss carryovers, foreign currency gain or loss, gain or loss on futures contracts, partnerships, operating losses and losses deferred due to wash sales. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest.

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 annual 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. 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 Fund does not isolate that portion of the 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. Securities Lending

The Fund may loan securities to qualified brokers through an agreement with Brown Brothers Harriman ("BBH"), as a third party lending agent. Under the terms of agreement, when doing so the Fund is required to maintain collateral with a market value not less than 100% of the market value of loaned securities. Collateral is adjusted daily in connection with changes in the market value of securities on loan. Collateral may consist of cash and securities issued by the U.S. Government or its agencies. Cash collateral is invested in a short-term money market fund. Dividends earned on the collateral and premiums paid by the broker are recorded as income by the 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.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

At September 30, 2016, the Fund had securities on loan with a market value of \$12,041 and a cash collateral of \$12,244.

H. Earnings Credit and Interest

Through arrangements with the Fund's custodian, the Fund either receive 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 credits from Custodian" and the interest is reflected under "Interest income" in the Fund's Statements of Operations for the period, as applicable.

Note 3. Investment Advisory Fees and Related Party Transactions
(\$ reported in thousands)

A. Adviser

Virtus Investment Advisers, Inc. (the "Adviser"), an indirect wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the adviser to the Trust. The Adviser manages the Fund's investment programs 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</u> |
|--------------------------|---------------------|
| 1.00% | 0.95% |

B. Subadvisers

Vontobel Asset Management, Inc. (the "Subadviser") is 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
(\$ reported in thousands)

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 fiscal period (the "period") ended September 30, 2016, it retained net commissions of \$51 of Class A Shares and deferred sales charges of \$84 and \$52 for Class A Shares and Class C Shares, respectively.

In addition, the Fund pays VP Distributors distribution and/or service 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 and Class R6 shares are not subject to a 12b-1 plan. Prior to its elimination on February 26, 2015, VP Distributors was also entitled to a service fee under a Shareholder Services Plan for Class I shares, at the rate of 0.05% of the average daily net assets of such class of the Fund; however, VP Distributors had waived such fee prior to its elimination, so the Fund's Class I shares did not pay such fee during the fiscal year ended December 31, 2015.

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

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

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 the administrator and transfer agent to the Fund.

For the period ended September 30, 2016, the Fund incurred administration fees totaling \$5,864 which are included in the Statements of Operations.

For the period ended September 30, 2016, the Fund incurred transfer agent fees totaling \$10,603 which are included in the Statements of Operations. A portion of these fees was paid to outside entities that also provide services to the Trust. The Transfer Agent may from time to time temporarily waive all or a portion of its transfer agent fees.

E. Affiliated Shareholders

At September 30, 2016, Virtus and its affiliates, and the retirement plans of Virtus and its affiliates, held shares which may be redeemed at any time, of the Fund in the following aggregated amounts:

| | <u>Shares</u> | <u>Aggregate Net Asset Value</u> |
|--------------------|---------------|--------------------------------------|
| Class R6 | 9,749 | \$100 |

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" on the Statement of Assets and Liabilities at September 30, 2016.

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 September 30, 2016, were as follows:

| <u>Purchases</u> | <u>Sales</u> |
|------------------|--------------|
| \$1,950,902 | \$4,898,915 |

There were no purchases or sales of long term U.S. Government and agency securities for the Fund during the period ended September 30, 2016.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

Note 5. 10% Shareholders

As of September 30, 2016, 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 each such Fund as detailed below:

| <u>% of Shares Outstanding</u> | <u>Number of Accounts</u> |
|------------------------------------|-------------------------------|
| 41% | 2* |

** None of the accounts are affiliated.*

Note 6. 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 the Fund's ability to repatriate such amounts.

The Fund may invest a high percentage of its assets in specific sectors or countries of the market in the pursuit of its investment objectives. 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.

At September 30, 2016, the Fund securities issued by various companies in specific sectors detailed below:

| <u>Sector</u> | <u>Percentage of Total Investments</u> |
|------------------|--|
| Consumer Staples | 42% |

Note 7. 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 the 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. Illiquid securities are footnoted as such at the end of the Fund's Schedule of Investments, where applicable. However, a portion of such footnoted securities could be liquid where the Fund's Subadviser determines that some, though not all, of the position could be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Fund.

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.

The Fund will bear any costs, including those involved in registration under the 1933 Act, in connection with the disposition of such securities.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

At September 30, 2016, the Fund did not hold any securities that were both illiquid and restricted.

Note 8. Federal Income Tax Information

(\$ reported in thousands)

At September 30, 2016, 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> |
|-----------------------------|------------------------------------|--------------------------------------|---|
| \$6,500,520 | \$1,005,202 | (\$146,448) | \$858,754 |

The differences between book basis cost and tax basis cost were attributable primarily to the tax deferral of losses on wash sales.

The Fund has capital loss carryforwards available to offset future realized capital gains as follows:

| <u>No Expiration</u> | | <u>Total</u> |
|----------------------|------------------|--------------|
| <u>Short-term</u> | <u>Long-term</u> | |
| \$348,891 | \$412,731 | \$761,622 |

The Trust may not realize the benefit of these losses to the extent the 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.

Capital losses realized after October 31 and certain late year losses may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal period ended September 30, 2016, the Fund deferred and recognized qualified late year losses as follows:

| <u>Late Year Ordinary Losses Deferred</u> | <u>Late Year Ordinary Losses Recognized</u> | <u>Capital Loss Deferred</u> | <u>Capital Loss Recognized</u> |
|---|---|----------------------------------|--|
| \$— | \$6,533 | \$— | \$64,653 |

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

| <u>Undistributed Ordinary Income</u> | <u>Undistributed Long-Term Capital Gains</u> |
|--|--|
| \$25,349 | \$— |

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. 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.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

The tax character of dividends and distributions paid during the years ended September 30, 2016 and December 31, 2015 and 2014 was as follows:

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------|-------------|-------------|-------------|
| Ordinary Income | \$— | \$86,600 | \$ 68,985 |
| Long-Term Capital Gains | — | — | 83,430 |
| Total | \$— | \$86,600 | \$152,415 |

Note 9. Reclassification of Capital Accounts

(\$ reported in thousands except as noted)

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. The reclassifications have no impact on the net assets or NAV of the Fund. As of September 30, 2016, the Fund recorded reclassifications to increase (decrease) the accounts as listed below:

| Capital Paid in on Shares of Beneficial Interest | Accumulated Net Realized Gain (Loss) | Undistributed Net Investment Income (Loss) |
|---|---|---|
| \$— | \$3,387 | \$(3,387) |

Note 10. 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 manage large unexpected redemptions and trade fails, up to a limit of one-third 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. 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 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 September 30, 2016.

Note 11. Indemnifications

Under the Trust's organizational documents, its Trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Fund. Each Trustee has entered into an indemnification agreement with the Trust. In addition, in the normal course of business, the Fund enter 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 expect the risk of loss to be remote.

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

Note 12. 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 violation 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, claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder survive the motion. The defendants filed an Answer to the Consolidated Complaint on August 5, 2016. 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.

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 plaintiff 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, 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

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016

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. The 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. Oral argument on the motion is scheduled for October 7, 2016. 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 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.



Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets, and the financial highlights present fairly, in all material respects, the financial position of Virtus Emerging Markets Opportunities Fund ((one of the funds constituting Virtus Opportunities Trust, hereafter referred to as the "Fund")) at September 30, 2016, the results of its operations and its cash flows for the period ended September 30, 2016 and for the year ended December 31, 2015, the changes in its net assets for the period ended September 30, 2016 and each of the two years in the period ended December 31, 2015 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 Fund's 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
November 22, 2016

VIRTUS EMERGING MARKETS OPPORTUNITIES FUND
TAX INFORMATION NOTICE (Unaudited)
SEPTEMBER 30, 2016

(\$ reported in thousands)

For the fiscal period ended September 30, 2016, the Fund makes the following disclosures for federal income tax purposes. Below is listed the percentage, or the maximum amount allowable, of its ordinary income dividends to qualify for the lower tax rates ("QDI") applicable to individual shareholders, and the percentage of ordinary income dividends earned by the Fund 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 Fund designates 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> |
|------------|------------|-------------|
| 100% | 13% | \$— |

For the period ended September 30, 2016, the Fund recognized \$120,100 (reported in thousands) of foreign source income on which the Fund paid foreign taxes of \$5,936 (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

Information pertaining to the Trustees and officers of the Trust as of September 30, 2016, 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) 243-1574. The address of each individual, unless otherwise noted, is 100 Pearl Street, Hartford, CT 06103-4506. There is no stated term of office for Trustees of the Trust.

Independent Trustees

| Name, Year of Birth, Year Elected and Number of Funds Overseen | Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee |
|---|---|
| Thomas J. Brown YOB: 1945 Elected: 2016 65 Portfolios | Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 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: 1961 Elected: 2016 69 Portfolios | Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios), Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (4 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). |
| Roger A. Gelfenbien YOB: 1943 Elected: 2016 65 Portfolios | Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (since 1999), USAllianz Variable Insurance Product Trust (42 portfolios). |
| John R. Mallin YOB: 1950 Elected: 2016 65 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 Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Director (since 2013), Horizon, Inc. (non-profit); and Trustee (since 1999), Virtus Variable Insurance Trust (9 portfolios). |
| McClellan, Hassell H. YOB: 1945 Elected: 2015 65 Portfolios | Retired (since 2013); and Professor (1984 to 2013), Wallace E. Carroll School of Management, Boston College. Trustee (since 2016), Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2015), Virtus Mutual Fund Complex (52 portfolios); and Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); Trustee, Virtus Variable Insurance Trust (9 portfolios) (since 2008); and Trustee, John Hancock Fund Complex (since 2000) (collectively, 228 portfolios). |
| McLoughlin, Philip YOB: 1946 Elected: 1999 74 Portfolios | Retired. Director and Chairman (since 2016), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Trustee and Chairman (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Trustee/Director and Chairman (since 2011), Virtus Closed-End Funds (3 funds); 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 Complex (52 portfolios). |
| McNamara, Geraldine M. YOB: 1951 Elected: 2001 69 Portfolios | Retired. Trustee (since 2016) Virtus Alternative Solutions Trust (4 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 Complex (52 portfolios). |

FUND MANAGEMENT TABLES (Continued)

Independent Trustees (Continued)

| Name, Year of Birth, Year Elected and Number of Funds Overseen | Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee |
|---|--|
| Oates, James M. YOB: 1946 Elected: 2000 70 Portfolios | Managing Director (since 1994), Wydown Group (consulting firm). Director (since 2016), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios); Trustee/Director (since 2013), Virtus Closed-End Funds (3 funds); Trustee (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Chairman and Trustee (since 2005), John Hancock Fund Complex (228 portfolios); Director (2002 to 2014), New Hampshire Trust Company; Chairman (since 2000), 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 Complex (52 portfolios). |
| Segerson, Richard E. YOB: 1948 Elected: 2000 65 Portfolios | Retired; and Managing Director (1998 to 2013), Northway Management Company. Trustee (since 2016) Virtus Alternative Solutions Trust (4 portfolios) and Virtus Variable Insurance Trust (9 portfolios); and Trustee (since 1983), Virtus Mutual Fund Complex (52 portfolios). |
| Verdonck, Ferdinand L.J. YOB: 1942 Elected: 2005 65 Portfolios | Vice Chairman (since 2014), Affirmed Therapeutics (biotechnology); 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; 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 (4 portfolios); and Trustee (since 2002), Virtus Mutual Fund Complex (52 portfolios). |

Interested Trustee

The individual listed below is an “interested person” of the Trust, as defined in Section 2(a)(19) of the 1940 Act, as amended, and the rules and regulations thereunder.

| 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 70 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; Trustee and President (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Director (since 2013), Virtus Global Funds, PLC (2 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Trustee and President (since 2011), Virtus Closed-End Funds (3 funds); Trustee (since 2006), Virtus Mutual Funds (52 portfolios); and Director, President and Chief Executive Officer (since 2006), The Zweig Fund and Virtus Global Dividend & Income 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 (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 Complex; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer (Chief Financial Officer) (since 2007), The Zweig Fund 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 Closed-End Funds; 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 Complex; Senior Vice President (2013 to 2014), Vice President (2012 to 2013) and Assistant Secretary (since 2012), Secretary and Chief Legal Officer (2005 to 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; 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; and Assistant Secretary (since 2013), Virtus Alternative Solutions Trust. |

FUND MANAGEMENT TABLES (Continued)

Officers of the Trust Who Are Not Trustees (Continued)

| Name, Address and Year of Birth | Position(s) Held with Trust and Length of Time Served | Principal Occupation(s) During Past 5 Years |
|----------------------------------|---|--|
| Engberg, Nancy J. YOB: 1956 | Vice President and Chief Compliance Officer since 2011. | Vice President (since 2008) 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; Vice President and Chief Compliance Officer (since 2011), Virtus Mutual Fund Complex; Vice President (since 2010) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Vice President and Chief Compliance Officer (since 2011), Virtus Closed-End Funds; Vice President and Chief Compliance Officer (since 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Vice President and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Chief Compliance Officer (since 2015), ETFs Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II. |
| Waltman, Francis G. YOB: 1962 | Executive Vice President (since 2013); Senior Vice President (2008-2013). | 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 Complex; 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 Closed-End Funds; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust. |

VIRTUS OPPORTUNITIES TRUST

101 Munson Street
Greenfield, MA 01301

Trustees

George R. Aylward
Thomas J. Brown
Donald C. Burke
Roger A. Gelfenbein
John R. Mallin
Hassell H. McClellan
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
Nancy J. Engberg, Vice President and
Chief Compliance Officer
Kevin J. Carr, Senior Vice President, Chief
Legal Officer, Counsel and Secretary

Investment Adviser

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100 Pearl Street
Hartford, CT 06103-4506

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Hartford, CT 06103-4506

Administrator and Transfer Agent

Virtus Fund Services, LLC
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Hartford, CT 06103-4506

Custodian

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