

September 30, 2017

Virtus Newfleet Multi-Sector Short Term Bond Fund

Not FDIC Insured
No Bank Guarantee
May Lose Value



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Virtus Newfleet Multi-Sector Short Term Bond Fund

(“Newfleet Multi-Sector Short Term Bond Fund”)

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

The subadviser votes proxies relating to portfolio securities in accordance with procedures that have been approved by the Board of Trustees of the Trust (“Trustees,” or the “Board”). You may obtain a description of these procedures, along with information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, free of charge, by calling toll-free 1-800-243-1574. This information is also available through the Securities and Exchange Commission’s (the “SEC”) website at <http://www.sec.gov>.

FORM N-Q INFORMATION

The Trust files a complete schedule of portfolio holdings for the Fund with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC’s website at <http://www.sec.gov>. Form N-Q may be reviewed and copied at the SEC’s Public Reference Room. Information on the operation of the SEC’s Public Reference Room can be obtained by calling toll-free 1-800-SEC-0330.

This report is not authorized for distribution to prospective investors in the Newfleet Multi-Sector Short Term Bond Fund unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, the Fund’s record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:



I am pleased to present the annual report for your fund for the 12-month period ended September 30, 2017.

Over the past year, the Federal Reserve (“the Fed”) raised interest rates three times, and in October 2017 began the process of unwinding the balance sheet debt it had accumulated since 2008 in its efforts to stimulate the economy – a clear signal that it believes the U.S. is back on a growth path. Global economic growth also strengthened, with other major central banks preparing to taper their own stimulus policies. Rounding out the optimistic picture, corporate earnings were generally strong for the first three quarters of 2017.

Against this positive backdrop, equity markets have surged. U.S. large- and small-cap stocks returned 18.61% and 20.74%, as measured by the performance of the S&P 500® Index and Russell 2000® Index, respectively. Within international equities, emerging markets outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 22.46%, compared with the MSCI EAFE® Index (net), which returned 19.10%.

Demand for U.S. Treasuries also remained strong, driven by foreign investors who favored their yield advantage and credit quality over many foreign government bonds. On September 30, 2017, the benchmark 10-year U.S. Treasury yielded 2.33%, compared with 1.60% one year earlier. The broader U.S. fixed income market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which tracks Treasuries and other investment-grade debt securities, increased 0.07% for the 12 months, while non-investment grade bonds gained 8.88%, as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

Market uncertainty is an ever-present reminder of the importance of portfolio diversification, including exposure to traditional and alternative asset classes. While diversification cannot guarantee a profit or prevent a loss, owning a variety of asset classes may cushion your portfolio against inevitable market fluctuations. Your financial advisor can help you ensure that your portfolio is adequately diversified across asset classes and investment strategies. The Virtus Funds have even more investment options following Virtus Investment Partners’ (“Virtus”) acquisition of RidgeWorth Investments. We now offer 26 additional funds, including equity, fixed income, international, and asset allocation strategies from three new Virtus affiliates – Ceredex Value Advisors, Seix Investment Advisors, and Silvant Capital Management – and from subadvisers WCM Investment Management and Zevenbergen Capital Investments. I invite you to learn more about our growing family of managers and funds at Virtus.com.

On behalf of our investment affiliates, thank you for entrusting the Virtus Funds with your assets. Should you have questions about your account or require assistance, please visit Virtus.com, or call our customer service team at 1-800-243-1574. We appreciate your business and remain committed to your long-term financial success.

Sincerely,



George R. Aylward
President, Virtus Mutual Funds

October 2017

Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
DISCLOSURE OF FUND EXPENSES (Unaudited)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2017 TO SEPTEMBER 30, 2017

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Newfleet Multi-Sector Short Term Bond 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 C1 shares; and (2) ongoing costs, including investment advisory fees, distribution and service fees, and other expenses. Class C shares are sold without a sales charge. Class I shares and Class R6 shares are sold without a sales charge and do not incur distribution and service fees. For further information regarding applicable sales charges, see Note 1 in the Notes to Financial Statements. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period. The Annualized Expense Ratio may be different from the expense ratio in the Financial Highlights which is for the fiscal year ended September 30, 2017. The following Expense Table illustrates your Fund's costs in two ways.

Actual Expenses

The first section of the accompanying table provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The second section of the accompanying table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the accompanying table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges or contingent deferred sales charges. Therefore, the second section of the accompanying table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

**VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
DISCLOSURE OF FUND EXPENSES (Unaudited) (Continued)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2017 TO SEPTEMBER 30, 2017**

Expense Table

	Beginning Account Value April 1, 2017	Ending Account Value September 30, 2017	Annualized Expense Ratio	Expenses Paid During Period*
Actual				
Class A	\$1,000.00	\$1,019.30	1.01%	\$5.11
Class C	1,000.00	1,017.80	1.25	6.32
Class C1	1,000.00	1,017.40	1.75	8.85
Class R6	1,000.00	1,021.00	0.71	3.60
Class I	1,000.00	1,022.70	0.75	3.80
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,020.00	1.01	5.11
Class C	1,000.00	1,018.80	1.25	6.33
Class C1	1,000.00	1,016.29	1.75	8.85
Class R6	1,000.00	1,021.51	0.71	3.60
Class I	1,000.00	1,021.31	0.75	3.80

* 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 365 to reflect the one-half year period.

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

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

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
KEY INVESTMENT TERMS (Unaudited)
SEPTEMBER 30, 2017

American Depositary Receipt (“ADR”)

Represents shares of foreign companies traded in U.S. dollars on U.S. exchanges that are held by a U.S. bank or a trust. Foreign companies use ADRs in order to make it easier for Americans to buy their shares.

Bloomberg Barclays U.S. Aggregate Bond Index

The Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment-grade fixed-rate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Bloomberg Barclays U.S. Corporate High Yield Bond Index

The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

BofA Merrill Lynch 1–3 Year A–BBB US Corporate Index

The BofA Merrill Lynch 1–3 Year A–BBB US Corporate Index measures performance of U.S. investment grade corporate bond issues rated “BBB” and “A” by Standard & Poor’s/Moody’s with maturities between one and three years. 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”)

An open-end fund that is traded on a stock exchange. Most ETFs have a portfolio of stocks or bonds that track a specific market index.

Federal Reserve (the “Fed”)

The Central Bank of the U.S., responsible for controlling money supply, interest rates, and credit with the goal of keeping the U.S. economy and currency stable. Governed by a seven-member board, the system includes 12 regional Federal Reserve Banks, 25 branches, and all national and state banks that are part of the system.

London Interbank Offered Rate (“LIBOR”)

A benchmark rate that some of the world’s leading banks charge each other for short-term loans and that serves as the first step to calculating interest rates on various loans throughout the world.

MSCI EAFE® Index (net)

The MSCI EAFE® (Europe, Australasia, Far East) Index (net) is a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
KEY INVESTMENT TERMS (Unaudited) (Continued)
SEPTEMBER 30, 2017

MSCI Emerging Markets Index (net)

The MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Real Estate Investment Trust ("REIT")

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

Russell 2000® Index

The Russell 2000® Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

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.

NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND (Unaudited)

Fund Summary

Portfolio Manager Commentary by Newfleet Asset Management, LLC

Ticker Symbols:
Class A: NARAX
Class C: PSTCX
Class C1: PMSTX
Class R6: VMSSX
Class I: PIMSX

■ The Fund is diversified and has an investment objective of providing high current income while attempting to limit changes in the Fund's net asset value per share caused by interest rate changes. *There is no guarantee that the Fund will meet its objective.*

■ For the fiscal year ended September 30, 2017, the Fund's Class A shares at NAV returned 3.07%; Class C shares returned 2.78%; Class C1 shares returned 2.28%; Class I shares returned 3.54%; and Class R6 shares from November 3, 2016 (inception date) through September 30, 2017 returned 3.54%*. For the same period, the BofA Merrill Lynch 1–3 Year A–BBB US Corporate Index, which serves as the Fund's broad-based and style-specific index appropriate for comparison, returned 1.82%.

* Returns less than one year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the market perform during the Fund's fiscal year?

■ Most spread sectors outperformed U.S. Treasuries during the fiscal year ended September 30, 2017. The global growth outlook remained favorable and the search for yield persisted through the end of the fiscal year. Within most fixed income sectors, longer duration and lower quality assets were key drivers of performance.

■ The positive tone of the market that continued after the surprise outcome of the U.S. presidential election faced numerous challenges over the fiscal year. Geopolitical tensions with North Korea, continued gridlock in Washington, moderate volatility in oil prices, and major weather events such as Hurricane Harvey caused periods of weakness within spread sectors. However, these periods were short-lived as investors bought into any meaningful dip in prices, quickly pushing prices higher.

■ As anticipated, the Federal Reserve (Fed) raised its target rate 0.25% on three separate occasions during the last 12 months to a range of 1.00% to 1.25%. During its September 2017 meeting, the Fed announced the start of its balance sheet reduction plan.

■ Over the last 12 months, yields increased across the curve and the overall shape of the curve was unchanged as the shift in rates was parallel across most maturities.

What factors affected the Fund's performance during its fiscal year?

■ The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the Fund's outperformance for the fiscal year.

■ Among fixed income sectors the Fund's allocations to corporate high yield and emerging markets high yield, as well as issue selection within asset-backed securities were the largest positive contributors to performance for the fiscal year.

■ During the fiscal year, the Fund's allocation to agency mortgage-backed securities detracted from performance, although the Fund's underweight versus the benchmark was beneficial. Also, issue selection within the bank loan allocation detracted during the period as a handful of credit-specific events impacted performance.

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

NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND (Unaudited) (Continued)

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice. Past performance is no guarantee of future results, and there is no guarantee that market forecasts will be realized.

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

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

High Yield-High Risk Fixed Income Securities: *There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.*

ABS/MBS: *Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.*

Bank Loans: *Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times.*

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

Asset Allocations

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

Corporate Bonds and Notes	36%
Financials	13%
Energy	6
Industrials	3
All other Corporate Bonds and Notes	14
Mortgage-Backed Securities	22
Asset-Backed Securities	21
Loan Agreements	11
Foreign Government Securities	7
Other (includes short-term investment)	3
Total	100%

NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND (Continued)

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

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Class A Shares at NAV²	3.07%	2.51%	4.52%	—	—
Class A Shares at POP^{3,4}	0.75	2.04	4.28	—	—
Class C Shares at NAV² and with CDSC⁴	2.78	2.26	4.27	—	—
Class C1 Shares at NAV² and with CDSC⁴	2.28	1.76	3.76	—	—
Class R6 Shares at NAV²	—	—	—	3.54%	11/3/16
Class I Shares at NAV²	3.54	2.80	—	5.12	6/6/08
Bloomberg Barclays U.S. Aggregate Bond Index*	0.07	2.07	4.27	— ⁷	—
BofA Merrill Lynch 1–3 Year A–BBB US Corporate Index*	1.82	1.88	3.27	— ⁵	—

Fund Expense Ratios⁶: Class A Shares: 1.00%; Class C Shares: 1.25%; Class C1 Shares: 1.75%; Class R6 Shares: 0.68%; Class I Shares: 0.75%.

All returns represent past performance which is no guarantee of future results. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The above table and graph below do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

² "NAV" (Net Asset Value) total returns do not include the effect of any sales charge.

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.25% sales charge.

⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C1 shares are 1% within the first year and 0% thereafter.

⁵ The Index returned 3.12% for Class I shares and 1.70% for Class R6 shares since the inception date of the respective share class.

⁶ The expense ratios for the Fund are set forth according to the prospectus for the Fund effective April 10, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights tables for more current expense ratios. Expense ratios include fees and expenses associated with the underlying funds.

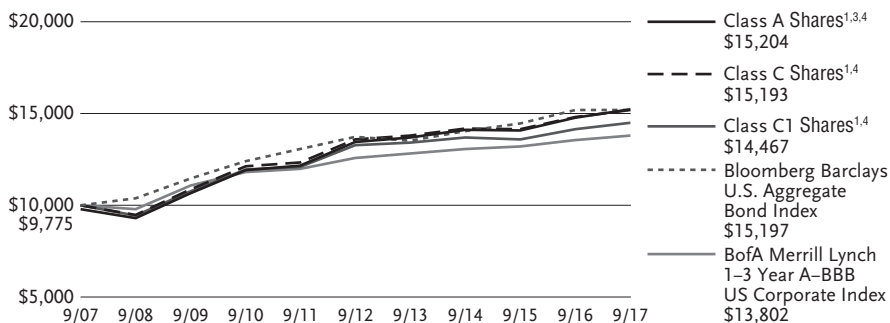
⁷ The Index returned 4.09% for Class I shares and 0.80% for Class R6 shares since the inception date of the respective share class.

* The BofA Merrill Lynch 1–3 Year A–BBB US Corporate Index is an appropriate broad-based index. The Fund is no longer using the Bloomberg Barclays U.S. Aggregate Bond Index.

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

This chart assumes an initial investment of \$10,000 made on September 30, 2007, for Class A, Class C, and Class C1 shares including any applicable sales charges or fees. The performance of the other share class may be greater or less than that shown based on differences in inception dates, fees and sales charges.

Performance assumes reinvestment of dividends and capital gain distributions.



The 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.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

		PAR VALUE	VALUE			PAR VALUE	VALUE
FOREIGN GOVERNMENT SECURITIES (continued)				Agency (continued)			
United Mexican States Series M				4.000%, 4/1/47			
6.500%, 6/9/22		250,769 ^{MMN}	\$ 13,652	\$ 7,692		\$ 8,099	
TOTAL FOREIGN GOVERNMENT SECURITIES (Identified Cost \$525,124)				353,447			
MORTGAGE-BACKED SECURITIES—21.5%				Non-Agency—16.6%			
Agency—4.9%				FNMA			
FNMA				6.500%, 11/15/31			
4.500%, 4/1/18		\$ 16	16	6.500%, 2/15/32		11	12
5.000%, 10/1/19		74	76	358,694			
5.500%, 2/1/20		19	19	Adjustable Rate			
5.500%, 3/1/20		12	12	Mortgage Trust			
5.500%, 3/1/20		6	6	05-1, 3A1			
5.500%, 3/1/20		13	13	3.313%, 5/25/35 ⁽²⁾		2,664	2,688
5.500%, 3/1/20		40	41	American Homes 4			
5.500%, 4/1/20		80	82	Rent Trust 15-SFR1, A 144A			
5.000%, 6/1/20		159	163	3.467%, 4/17/52 ⁽³⁾		11,656	12,048
4.000%, 8/1/25		6,205	6,521	Ameriquest Mortgage Securities, Inc.			
3.000%, 6/1/27		665	685	03-10, AF6,			
3.000%, 10/1/30		20,193	20,786	5.210%, 11/25/33 ⁽²⁾		426	438
3.000%, 10/1/30		29,442	30,263	03-10, AV1,			
2.500%, 2/1/31		33,470	33,718	(1 month LIBOR + 0.760%)			
3.000%, 2/1/31		12,760	13,116	1.997%, 12/25/33 ⁽²⁾		3,890	3,868
6.000%, 12/1/32		29	33	AMSR Trust 16-SFR1, A 144A, (1 month LIBOR + 1.400%)			
5.500%, 2/1/33		37	41	2.634%, 11/17/33 ⁽²⁾⁽³⁾		4,170	4,207
5.500%, 5/1/34		197	219	16-SFR1, C 144A, (1 month LIBOR + 2.250%)			
6.000%, 8/1/34		160	183	3.484%, 11/17/33 ⁽²⁾⁽³⁾		3,495	3,556
5.500%, 11/1/34		143	158	16-SFR1, D 144A, (1 month LIBOR + 2.400%)			
5.500%, 11/1/34		133	147	3.634%, 11/17/33 ⁽²⁾⁽³⁾		425	431
6.000%, 11/1/34		137	154	Angel Oak Mortgage Trust LLC 17-1, A3 144A			
5.500%, 12/1/34		42	47	3.644%, 1/25/47 ⁽²⁾⁽³⁾		1,462	1,478
5.500%, 1/1/35		219	245				
6.000%, 7/1/37		17	19				
6.000%, 4/1/38		111	125				
5.000%, 12/1/39		3,426	3,797				
4.500%, 4/1/40		5,323	5,750				
5.000%, 8/1/40		6,091	6,649				
4.000%, 10/1/40		117	124				
4.000%, 3/1/41		4,084	4,317				
4.500%, 5/1/41		3,778	4,087				
3.500%, 4/1/42		8,381	8,676				
4.000%, 10/1/44		19,360	20,397				
3.500%, 1/1/46		9,595	9,895				
4.000%, 1/1/46		12,295	12,945				
3.500%, 6/1/46		19,181	19,780				
3.500%, 12/1/46		16,937	17,467				
3.500%, 1/1/47		22,095	22,785				

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			04-4, A6, 5.500%, 5/25/34	\$ 606	\$ 610
Asset Backed Funding Certificates			Bank of America (Merrill Lynch) Commercial Mortgage Securities Trust 15-200P, A 144A		
05-AQ1, A6 4.780%, 1/25/35 ⁽²⁾	\$ 1,099	\$ 1,128	3.218%, 4/14/33 ⁽³⁾	12,120	12,262
Aventura Mall Trust 13-AVM, A 144A 3.867%, 12/5/32 ⁽²⁾⁽³⁾	10,350	10,771	Bank of America (Merrill Lynch) Investors Trust MLMI 04-A4, A1 3.280%, 8/25/34 ⁽²⁾	1,248	1,268
Banc of America Funding Trust 04-4, 3A1, 4.750%, 10/25/19	701	646	Bayview Commercial Asset Trust 06-2A, A2 144A, (1 month LIBOR + 0.280%) 1.517%, 7/25/36 ⁽²⁾⁽³⁾		
04-B, 2A1, 3.640%, 11/20/34 ⁽²⁾	667	673	08-1, A3 144A, (1 month LIBOR + 1.500%) 2.737%, 1/25/38 ⁽²⁾⁽³⁾	8,889	8,811
04-D, 5A1, 3.541%, 1/25/35 ⁽²⁾	3,526	3,327	Bayview Financial Acquisition Trust 07-A, 1A2, 6.205%, 5/28/37 ⁽²⁾	4,359	4,512
05-1, 1A1, 5.500%, 2/25/35	387	388	06-A, 1A4, 6.087%, 2/28/41 ⁽²⁾	6,400	6,526
06-2, 3A1, 6.000%, 3/25/36	1,660	1,682	Bayview Koitere Fund Trust 17-RT4, A 144A 3.500%, 7/28/57 ⁽²⁾⁽³⁾	9,907	10,166
Banc of America Mortgage Trust 05-3, 1A15 5.500%, 4/25/35	1,035	1,050	Bayview Opportunity Master Fund IIIa Trust 17-RN7, A1 144A 3.105%, 9/28/32 ⁽³⁾	12,000	12,000
Bank of America (Countrywide) Asset-Backed Certificates 05-1, AF5A 5.090%, 7/25/35 ⁽²⁾	9,315	9,632	Bayview Opportunity Master Fund IIIb Trust 17-RN2, A1 144A 3.475%, 4/28/32 ⁽²⁾⁽³⁾	5,010	5,040
Bank of America (Merrill Lynch – Countrywide) Alternative Loan Trust 04-22CB, 1A1 6.000%, 10/25/34	17,774	18,302	Bayview Opportunity Master Fund IVa Trust 16-SPL1, B1 144A, 4.250%, 4/28/55 ⁽³⁾	7,758	8,020
Bank of America (Merrill Lynch – Countrywide) Asset- Backed Certificates Trust 04-10, AF6 4.485%, 12/25/34 ⁽²⁾	154	158			
Bank of America (Merrill Lynch – Countrywide) Home Loan Mortgage Pass-Through-Trust 04-6, 1A2, 3.575%, 5/25/34 ⁽²⁾	1,073	1,069			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			Colony Multi-Family		
17-RT1, A1 144A, 3.000%, 3/28/57 ⁽²⁾⁽³⁾	\$ 4,850	\$ 4,902	Mortgage Trust 14-1, A 144A 2.543%, 4/20/50 ⁽³⁾	\$ 3,971	\$ 3,955
17-SLP5, B1 144A, 4.000%, 6/28/57 ⁽²⁾⁽³⁾	5,910	6,224	Colony Starwood Homes Trust 16-2A, C 144A , (1 month LIBOR + 2.150%)		
17-SPL1, B1 144A, 4.250%, 10/28/64 ⁽²⁾⁽³⁾	7,957	8,289	3.384%, 12/17/33 ⁽²⁾⁽³⁾	18,880	18,895
Bayview Opportunity Master Fund IVb Trust 16-SPL2, B1 144A, 4.250%, 6/28/53 ⁽²⁾⁽³⁾	5,532	5,718	COLT Mortgage Loan Trust Funding LLC 16-1, A1 144A, 3.000%, 5/25/46 ⁽³⁾	2,840	2,887
17-SPL3, B1 144A, 4.250%, 11/28/53 ⁽²⁾⁽³⁾	2,000	2,092	16-2, A1 144A, 2.750%, 9/25/46 ⁽²⁾⁽³⁾	6,954	7,053
17-SPL4, A 144A, 3.500%, 1/28/55 ⁽²⁾⁽³⁾	3,473	3,560	16-3, A1 144A, 2.800%, 12/26/46 ⁽²⁾⁽³⁾	3,756	3,757
Citigroup Commercial Mortgage Trust 16-SMPL, A 144A 2.228%, 9/10/31 ⁽³⁾	3,655	3,622	17-1, A3 144A, 3.074%, 5/27/47 ⁽²⁾⁽³⁾	1,456	1,473
Citigroup Mortgage Loan Trust, Inc. 04-UST1, A3, 3.215%, 8/25/34 ⁽²⁾	952	957	Commercial Mortgage Lease- Backed Certificates 01-CMLB, A3 144A 7.471%, 6/20/31 ⁽²⁾⁽³⁾	4,080	4,515
04-NCM2, 2CB2, 6.750%, 8/25/34 14-A, A 144A, 4.000%, 1/25/35 ⁽²⁾⁽³⁾	9,474	10,190	Commercial Mortgage Trust 14-277P, A 144A 3.732%, 8/10/49 ⁽²⁾⁽³⁾	8,705	9,089
05-5, 2A3, 5.000%, 8/25/35 15-PS1, A1 144A, 3.750%, 9/25/42 ⁽²⁾⁽³⁾	282	280	Credit Suisse Commercial Mortgage Trust 14-LVR2, A2 144A 3.821%, 4/25/44 ⁽²⁾⁽³⁾	8,998	9,295
15-A, A1 144A, 3.500%, 6/25/58 ⁽²⁾⁽³⁾	3,144	3,194	Credit Suisse First Boston Mortgage Securities Corp. 03-27, 5A3, 5.250%, 11/25/33	1,025	1,038
CLNS Trust 17-IKPR, B 144A , (1 month LIBOR + 1.000%) 2.235%, 6/11/32 ⁽²⁾⁽³⁾	11,820	11,816	03-AR30, 5A1, 3.310%, 1/25/34 ⁽²⁾	4,961	5,078
Cold Storage Trust 17-ICE3, A 144A , (1 month LIBOR + 1.000%) 2.234%, 4/15/36 ⁽²⁾⁽³⁾	21,345	21,411	04-8, 7A1, 6.000%, 12/25/34	4,743	4,973
Colony American Finance Ltd. 15-1, A 144A 2.896%, 10/15/47 ⁽³⁾	9,782	9,839			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			GSA Home Equity		
Credit Suisse			Trust		
Mortgage Capital			05-1, AF4,		
Trust			5.619%, 11/25/34 ⁽²⁾	\$ 305	\$ 311
16-BDWN, A 144A,			05-12, AF3W,		
(1 month LIBOR +			4.999%, 9/25/35 ⁽²⁾	3,514	3,556
2.900%)			GSR Mortgage Loan		
4.134%, 2/15/29 ⁽²⁾⁽³⁾	\$ 2,975	\$ 2,986	Trust 06-1F, 2A4		
13-HYB1, A16			6.000%, 2/25/36	713	638
144A,			Hilton USA Trust		
2.998%, 4/25/43 ⁽²⁾⁽³⁾	4,352	4,403	16-SFP, B 144A		
Credit Suisse			3.323%, 11/5/35 ⁽³⁾	22,020	22,142
Mortgage Trust			Home Equity Loan		
17-FHA1, A1 144A			Trust		
3.250%, 4/25/47 ⁽²⁾⁽³⁾	12,928	13,041	06-H1, M1,		
Deephaven			6.010%, 2/25/36 ⁽²⁾	1,088	1,092
Residential			07-HSA3, A14,		
Mortgage Trust			6.110%, 6/25/37 ⁽²⁾	7,393	7,413
17-1A, A1 144A,			Hospitality Mortgage		
2.725%, 12/26/46 ⁽²⁾⁽³⁾	6,814	6,795	Trust 17-HIT, B		
17-1A, A2 144A,			144A, (1 month		
2.928%, 12/26/46 ⁽²⁾⁽³⁾	1,727	1,723	LIBOR + 1.180%)		
17-2A, A1 144A,			2.412%, 5/8/30 ⁽²⁾⁽³⁾	12,255	12,255
2.453%, 6/25/47 ⁽²⁾⁽³⁾	5,647	5,614	IMC Home Equity		
17-2A, A2 144A,			Loan Trust 97-5, A9		
2.606%, 6/25/47 ⁽²⁾⁽³⁾	2,549	2,534	7.310%, 11/20/28	2,031	2,027
GAHR Commercial			Jefferies		
Mortgage Trust			Resecuritization		
15-NRF, CFX 144A			Trust		
3.495%, 12/15/34 ⁽²⁾⁽³⁾	16,875	17,098	14-R1, 1A1 144A,		
Galton Funding			4.000%, 12/27/37 ⁽³⁾	2,203	2,200
Mortgage Trust			14-R1, 2A1 144A,		
17-1, A21 144A			4.000%, 12/27/37 ⁽³⁾	988	981
3.500%, 7/25/56 ⁽²⁾⁽³⁾	20,266	20,591	JPMorgan Chase		
GMAC Mortgage			(Bear Stearns)		
Corp. Loan Trust			Adjustable Rate		
04-AR1, 12A,			Mortgage Trust		
3.960%, 6/25/34 ⁽²⁾	3,875	3,924	04-10, 14A1,		
05-AR1, 5A,			3.452%, 1/25/35 ⁽²⁾	1,018	1,007
3.563%, 3/18/35 ⁽²⁾	1,330	1,265	04-10, 21A1,		
Goldman Sachs			3.527%, 1/25/35 ⁽²⁾	6,691	6,782
Mortgage Securities			JPMorgan Chase		
Trust 12-ALOH, A			(Bear Stearns)		
144A			Commercial		
3.551%, 4/10/34 ⁽³⁾	8,176	8,524	Mortgage Securities		
			Trust 07-PW18, AM		
			6.084%, 6/11/50 ⁽²⁾	12,400	12,421

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			05-A4, 3A1,		
JPMorgan Chase			3.329%, 7/25/35 ⁽²⁾	\$ 2,938	\$ 2,984
(Washington			06-A6, 3A3L,		
Mutual) Mortgage			3.399%, 10/25/36 ⁽²⁾	1,152	1,015
Pass-Through			14-1, 1A1 144A,		
Certificates Trust			4.000%, 1/25/44 ⁽²⁾⁽³⁾	16,104	16,642
04-CB1, 5A,			15-1, AM1 144A,		
5.000%, 6/25/19	\$ 372	\$ 374	2.630%, 12/25/44 ⁽²⁾⁽³⁾	13,817	13,877
03-AR6, A1,			16-1, M2 144A,		
3.231%, 6/25/33 ⁽²⁾	603	607	3.750%, 4/25/45 ⁽²⁾⁽³⁾	14,379	14,630
03-AR4, 2A1,			15-5, A2 144A,		
3.012%, 8/25/33 ⁽²⁾	177	176	2.859%, 5/25/45 ⁽²⁾⁽³⁾	13,031	13,097
04-CB1, 2A,			16-2, M2 144A,		
5.000%, 6/25/34	1,895	1,923	3.750%, 12/25/45 ⁽²⁾⁽³⁾	14,823	15,081
JPMorgan Chase			11-C4, A4 144A,		
Commercial			4.388%, 7/15/46 ⁽³⁾	5,175	5,487
Mortgage Securities			16-5, A1 144A,		
Trust			2.609%, 12/25/46 ⁽²⁾⁽³⁾	43,658	43,734
10-CNTR, A2 144A,			17-3, 2A2 144A,		
4.311%, 8/5/32 ⁽³⁾	7,503	7,773	2.500%, 8/25/47 ⁽²⁾⁽³⁾	10,675	10,632
15-SGP, B 144A,			MASTR Adjustable		
(1 month LIBOR +			Rate Mortgages		
2.750%)			Trust 04-12, 3A1		
3.977%, 7/15/36 ⁽²⁾⁽³⁾	13,925	14,029	3.718%, 11/25/34 ⁽²⁾	374	371
11-C4, A3 144A,			MASTR Alternative		
4.106%, 7/15/46 ⁽³⁾	1,808	1,829	Loan Trust		
06-LDP9, AM,			04-7, 4A1,		
5.372%, 5/15/47	12,813	12,805	4.500%, 7/25/19	966	970
14-C22, A4,			03-8, 2A1,		
3.801%, 9/15/47	16,998	17,880	5.750%, 11/25/33	3,985	4,110
07-LDPX, AM,			04-4, 6A1,		
5.464%, 1/15/49 ⁽²⁾	6,622	6,617	5.500%, 4/25/34	2,388	2,472
JPMorgan Chase			04-6, 7A1,		
Mortgage Trust			6.000%, 7/25/34	4,371	4,267
14-2, 2A2 144A,			04-7, 9A1,		
3.500%, 6/25/29 ⁽²⁾⁽³⁾	8,460	8,643	6.000%, 8/25/34	11,451	11,814
4-5, B1 144A,			05-2, 2A1,		
3.008%, 10/25/29 ⁽²⁾⁽³⁾	2,949	2,911	6.000%, 1/25/35	2,781	2,869
14-5, B2 144A,			05-2, 1A1,		
3.008%, 10/25/29 ⁽²⁾⁽³⁾	1,388	1,363	6.500%, 3/25/35	8,510	8,738
06-A2, 4A1,			MASTR Asset		
3.728%, 8/25/34 ⁽²⁾	1,172	1,184	Securitization Trust		
04-A4, 2A1,			05-1, 1A1		
3.464%, 9/25/34 ⁽²⁾	4,412	4,496	5.000%, 5/25/20	337	341
05-A1, 4A1,			Mill City Mortgage		
3.702%, 2/25/35 ⁽²⁾	554	563	Trust		
05-A2, 4A1,			15-1, A3 144A,		
3.187%, 4/25/35 ⁽²⁾	825	819	3.000%, 6/25/56 ⁽²⁾⁽³⁾	11,900	11,928

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			14-3A, AFX3 144A,		
16-1, A1 144A,			3.750%, 11/25/54 ⁽²⁾⁽³⁾	\$ 10,995	\$ 11,105
2.500%, 4/25/57 ⁽²⁾⁽³⁾	\$ 3,269	\$ 3,267	15-2A, A1 144A,		
17-1, A1 144A,			3.750%, 8/25/55 ⁽²⁾⁽³⁾	8,576	8,866
2.750%, 11/25/58 ⁽²⁾⁽³⁾	9,767	9,821	16-1A, A1 144A,		
Morgan Stanley –			3.750%, 3/25/56 ⁽²⁾⁽³⁾	7,189	7,374
Bank of America			16-3A, A1 144A,		
(Merrill Lynch) Trust			3.750%, 9/25/56 ⁽²⁾⁽³⁾	7,849	8,096
13-C13, AS			16-4A, A1 144A,		
4.266%, 11/15/46	1,735	1,843	3.750%, 11/25/56 ⁽²⁾⁽³⁾	5,658	5,838
Morgan Stanley			17-2A, A3 144A,		
Capital Barclays			4.000%, 3/25/57 ⁽²⁾⁽³⁾	10,366	10,833
Bank Trust			NovaStar Mortgage		
16-MART, A 144A			Funding Trust		
2.200%, 9/13/31 ⁽³⁾	14,805	14,659	Series 04-4, M5,		
Morgan Stanley			(1 month LIBOR +		
Capital I Trust			1.725%)		
08-T29, AM			2.962%, 3/25/35 ⁽²⁾	3,556	3,560
6.498%, 1/11/43 ⁽²⁾	1,610	1,620	One Market Plaza		
Morgan Stanley			Trust 17-1MKT, A		
Mortgage Loan Trust			144A		
04-2AR, 4A,			3.614%, 2/10/32 ⁽³⁾	10,700	11,110
2.902%, 2/25/34 ⁽²⁾	638	647	Pretium Mortgage		
04-2AR, 3A,			Credit Partners I		
3.118%, 2/25/34 ⁽²⁾	972	977	LLC		
Morgan Stanley			17-NPL3, A1 144A,		
Residential Mortgage			3.250%, 6/29/32 ⁽²⁾⁽³⁾	2,264	2,261
Loan Trust 14-1A,			17-NPL2, A1 144A,		
A1 144A			3.250%, 3/28/57 ⁽²⁾⁽³⁾	14,418	14,422
2.967%, 6/25/44 ⁽²⁾⁽³⁾	5,227	5,295	Progress Residential		
Motel 6 Trust			Trust 17-SFR1, B		
17-MTL6, A 144A ,			144A		
(1 month LIBOR +			3.017%, 8/17/34 ⁽³⁾	4,000	4,001
0.920%)			RCO Mortgage LLC		
2.154%, 8/15/34 ⁽²⁾⁽³⁾	17,855	17,877	17-1, A1 144A		
National City Mortgage			3.375%, 8/25/22 ⁽²⁾⁽³⁾	13,531	13,548
Capital Trust 08-1,			Residential Accredit		
2A1			Loans, Inc. 05-QS1,		
6.000%, 3/25/38	1,254	1,296	A5 5.500%, 1/25/35	308	308
New Residential			Residential Asset		
Mortgage Loan Trust			Mortgage Products		
16-2A, A1 144A,			Trust		
3.750%, 11/26/35 ⁽²⁾⁽³⁾	15,551	16,060	04-SL2, A3,		
14-1A, A 144A,			7.000%, 10/25/31	1,411	1,467
3.750%, 1/25/54 ⁽²⁾⁽³⁾	13,913	14,316	04-SL1, A8,		
14-2A, A3 144A,			6.500%, 11/25/31	1,597	1,680
3.750%, 5/25/54 ⁽²⁾⁽³⁾	1,292	1,319	05-SL2, A4,		
			7.500%, 2/25/32	1,595	1,579

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			Structured Asset Securities Corp.		
04-SL4, A3, 6.500%, 7/25/32	\$ 672	\$ 677	Mortgage-Pass-Through Certificates		
03-RS8, A17, 5.015%, 9/25/33 ⁽²⁾	149	150	03-30, 2A1, 5.095%, 10/25/33 ⁽²⁾	\$ 1,995	\$ 2,031
Residential Asset Securitization Trust			03-33H, 1A1, 5.500%, 10/25/33	2,928	2,981
03-A11, A9, 5.750%, 11/25/33	2,088	2,118	03-34A, 6A, 3.542%, 11/25/33 ⁽²⁾	2,216	2,193
04-A1, A5, 5.500%, 4/25/34	9,827	9,885	Sutherland Commercial Mortgage Loans		
Residential Funding Mortgage Securities I, Inc.			17-SBC6, A 144A 3.192%, 5/25/37 ⁽²⁾⁽³⁾	10,622	10,581
06-S12, 1A1 5.500%, 12/25/21	491	495	Towd Point Mortgage Trust		
Seasoned Credit Risk Transfer Trust			15-1, A2 144A, 3.250%, 10/25/53 ⁽²⁾⁽³⁾	11,184	11,354
Series 16-1, M1 144A 3.000%, 9/25/55 ⁽²⁾⁽³⁾	6,500	6,288	15-3, A1B 144A, 3.000%, 3/25/54 ⁽²⁾⁽³⁾	3,856	3,890
Sequoia Mortgage Trust			16-1, A1B 144A, 2.750%, 2/25/55 ⁽²⁾⁽³⁾	6,202	6,234
13-8, B1, 3.532%, 6/25/43 ⁽²⁾	6,578	6,630	15-6, M1 144A, 3.750%, 4/25/55 ⁽²⁾⁽³⁾	11,010	11,443
17-CH1, A2 144A, 3.500%, 10/25/47 ⁽²⁾⁽³⁾	5,500	5,580	15-5, A1B 144A, 2.750%, 5/25/55 ⁽²⁾⁽³⁾	5,633	5,662
Starwood Waypoint Homes Trust 17-1, A 144A , (1 month LIBOR + 0.950%) 2.200%, 1/17/35 ⁽²⁾⁽³⁾	13,815	13,821	15-5, A2 144A, 3.500%, 5/25/55 ⁽²⁾⁽³⁾	3,901	4,014
Structured Adjustable Rate Mortgage Loan Trust			16-2, A1 144A, 3.000%, 8/25/55 ⁽²⁾⁽³⁾	6,636	6,710
04-4, 3A2, 3.471%, 4/25/34 ⁽²⁾	2,192	2,218	16-3, A1 144A, 2.250%, 4/25/56 ⁽²⁾⁽³⁾	5,433	5,405
04-4, 3A1, 3.471%, 4/25/34 ⁽²⁾	496	498	16-4, A1 144A, 2.250%, 7/25/56 ⁽²⁾⁽³⁾	10,518	10,449
04-4, 3A4, 3.471%, 4/25/34 ⁽²⁾	1,691	1,702	15-2, 1M1 144A, 3.250%, 11/25/60 ⁽²⁾⁽³⁾	22,328	22,714
04-14, 7A, 3.411%, 10/25/34 ⁽²⁾	7,774	7,787	Tricon American Homes Trust		
Structured Asset Securities Corp.			16-SFR1, C 144A, 3.487%, 11/17/33 ⁽³⁾	4,640	4,676
Assistance Loan Trust 03-AL1, A 144A 3.357%, 4/25/31 ⁽³⁾	5,602	5,542	17-SFR1, A 144A, 2.716%, 9/17/34 ⁽³⁾	3,595	3,579
			Velocity Commercial Capital Loan Trust		
			17-1, AFX 144A 3.000%, 5/25/47 ⁽²⁾⁽³⁾	3,303	3,322

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VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES (continued)			Non-Agency (continued)		
Non-Agency (continued)			07-16, 1A1,		
Vericrest Opportunity			6.000%, 12/28/37	\$ 1,615	\$ 1,682
Loan Trust			07-AR10, 2A1,		
LVI LLC, 17-NPL3,			5.691%, 1/25/38 ⁽²⁾	2,701	2,572
A1 144A,					1,228,440
3.500%, 3/25/47 ⁽²⁾⁽³⁾	\$ 13,732	\$ 13,837			
LVIII LLC, 17-NPL5,					
A1 144A,					
3.375%, 5/28/47 ⁽²⁾⁽³⁾	3,128	3,148			
Vericrest Opportunity			TOTAL MORTGAGE-BACKED SECURITIES		
Loan Trust LLC			(Identified Cost \$1,575,364)		
15-NPL4, A1 144A,					1,587,134
3.500%, 2/25/55 ⁽²⁾⁽³⁾	1,929	1,936	ASSET-BACKED SECURITIES—21.3%		
17-NPL7, A1 144A,			American Credit		
3.250%, 4/25/59 ⁽²⁾⁽³⁾	10,732	10,773	Acceptance		
Vericrest Opportunity			Receivables Trust		
Loan Trust LXII LLC			14-3, C 144A,		
17-NPL9, A1 144A			3.430%, 6/10/20 ⁽³⁾		
3.125%, 9/25/47 ⁽²⁾⁽³⁾	9,715	9,718	10,224	10,242	
Verus Securitization			17-3, B 144A,		
Trust			2.250%, 1/11/21 ⁽³⁾		
17-1A, A1 144A,			8,000		
2.853%, 1/25/47 ⁽²⁾⁽³⁾	6,888	6,974	16-1A, B 144A,		
17-2A, A1 144A,			4.240%, 6/13/22 ⁽³⁾		
2.485%, 7/25/47 ⁽²⁾⁽³⁾	19,514	19,529	7,500	7,571	
VSD 17-PLT1, A			17-1, C 144A,		
3.600%, 12/25/43	7,043	7,047	2.880%, 3/13/23 ⁽³⁾		
Wells Fargo Mortgage			9,000		
Backed Securities			17-2, C 144A,		
Trust			2.860%, 6/12/23 ⁽³⁾		
03-G, A1,			6,705		
3.365%, 6/25/33 ⁽²⁾	907	914	AmeriCredit		
03-J, 5A1,			Automobile		
3.490%, 10/25/33 ⁽²⁾	274	278	Receivables Trust		
04-4, A9,			14-2, C,		
5.500%, 5/25/34	1,334	1,359	2.180%, 6/8/20		
04-U, A1,			19,450		
3.490%, 10/25/34 ⁽²⁾	722	725	14-1, D,		
04-Z, 2A1,			2.540%, 6/8/20		
3.009%, 12/25/34 ⁽²⁾	3,607	3,670	22,955		
04-CC, A1,			15-3, C,		
3.127%, 1/25/35 ⁽²⁾	1,659	1,689	2.730%, 3/8/21		
05-12, 1A1,			9,730		
5.500%, 11/25/35	2,515	2,565	16-4, C,		
05-14, 2A1,			2.410%, 7/8/22		
5.500%, 12/25/35	1,708	1,751	18,468		
			17-1, C,		
			2.710%, 8/18/22		
			10,360		
			17-2, C,		
			2.970%, 3/20/23		
			7,840		
			17-3, D,		
			3.180%, 7/18/23		
			14,385		
			14,370		
			Ascentium		
			Equipment		
			Receivables LLC		
			15-A1, B 144A		
			2.260%, 6/10/21 ⁽³⁾		
			1,753	1,755	

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	<u>PAR VALUE</u>	<u>VALUE</u>		<u>PAR VALUE</u>	<u>VALUE</u>
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
Ascantium			California Republic		
Equipment			Auto Receivables		
Receivables Trust			Trust		
17-1A, B 144A			14-2, B,		
2.850%, 10/10/21 ⁽³⁾	\$ 7,764	\$ 7,761	2.340%, 4/15/20	\$ 7,090	\$ 7,121
Associates			15-3, B,		
Manufactured			2.700%, 9/15/21	3,705	3,729
Housing Pass-			16-1, B,		
Through			3.430%, 2/15/22	4,615	4,696
Certificates			17-1, B,		
96-1, B1			2.910%, 12/15/22	7,000	6,994
8.000%, 3/15/27 ⁽²⁾	571	583	Capital Auto		
Avis Budget Rental			Receivables Asset		
Car Funding LLC			Trust		
(AESOP) 12-3A, A			15-2, C,		
144A,			2.670%, 8/20/20	7,250	7,310
2.100%, 3/20/19 ⁽³⁾	23,085	23,108	16-3, C,		
(AESOP) 13-2A, A			2.350%, 9/20/21	8,935	8,863
144A,			CarFinance Capital		
2.970%, 2/20/20 ⁽³⁾	6,350	6,409	Auto Trust 14-1A, B		
2A, A 144A,			144A,		
2.630%, 12/20/21 ⁽³⁾	17,315	17,315	2.720%, 4/15/20 ⁽³⁾	1,730	1,734
(AESOP) 16-1A, A			14-2A, B 144A,		
144A,			2.640%, 11/16/20 ⁽³⁾	3,455	3,460
2.990%, 6/20/22 ⁽³⁾	27,000	27,234	14-2A, C 144A,		
BCC Funding VIII			3.240%, 11/16/20 ⁽³⁾	2,765	2,766
LLC			15-A1, B 144A,		
14-A, B 144A,			2.910%, 6/15/21 ⁽³⁾	6,000	6,035
3.123%, 8/20/20 ⁽³⁾	1,211	1,211	CarMax Auto Owner		
14-1A, C 144A,			Trust		
4.216%, 8/20/20 ⁽³⁾	5,519	5,519	14-2, B,		
BCC Funding XIII			1.880%, 11/15/19	1,000	1,001
LLC 16-1, D 144A			15-2, C,		
4.780%, 8/20/22 ⁽³⁾	5,392	5,324	2.390%, 3/15/21	2,275	2,286
BRE Grand Islander			17-1, B,		
Timeshare Issuer			2.540%, 9/15/22	5,025	5,062
LLC 17-1A, A 144A			Carnow Auto		
2.940%, 5/25/29 ⁽³⁾	10,035	10,054	Receivables Trust		
BXG Receivables			16-1A, D 144A		
Note Trust			7.340%, 11/15/21 ⁽³⁾	4,460	4,471
12-A, A 144A,			Centre Point Funding		
2.660%, 12/2/27 ⁽³⁾	2,232	2,209	LLC 12-2A,1 144A		
13-A, A 144A,			2.610%, 8/20/21 ⁽³⁾	8,666	8,541
3.010%, 12/4/28 ⁽³⁾	4,827	4,845	Chrysler Capital Auto		
15-A, A 144A,			Receivables Trust		
2.880%, 5/2/30 ⁽³⁾	4,321	4,340	15-BA, D 144A,		
17-A, A 144A,			4.170%, 1/16/23 ⁽³⁾	8,400	8,623
2.950%, 10/4/32 ⁽³⁾	9,277	9,245			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	<u>PAR VALUE</u>	<u>VALUE</u>		<u>PAR VALUE</u>	<u>VALUE</u>
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
16-BA, D 144A, 3.510%, 9/15/23 ⁽³⁾	\$ 2,150	\$ 2,143	DRB Prime Student Loan Trust 15-D, A3 144A		
Citi Held For Asset Issuance 15-PM3, B 144A			2.500%, 1/25/36 ⁽³⁾	\$ 3,093	\$ 3,094
4.310%, 5/16/22 ⁽³⁾	16,812	16,933	Drive Auto Receivables Trust		
CKE Restaurant Holdings, Inc. 13-1A, A2 144A			16-AA, B 144A, 3.170%, 5/15/20 ⁽³⁾	2,725	2,730
4.474%, 3/20/43 ⁽³⁾	21,654	21,816	17-1, B, 2.360%, 3/15/21	14,640	14,665
Club Credit Trust 17-NP1, A 144A,			15-AA, C 144A, 3.060%, 5/17/21 ⁽³⁾	15,811	15,911
2.390%, 4/17/23 ⁽³⁾	1,441	1,442	17-BA, C 144A, 2.610%, 8/16/21 ⁽³⁾	8,750	8,783
17-NP1, B 144A, 3.170%, 4/17/23 ⁽³⁾	5,500	5,506	16-CA, C 144A, 3.020%, 11/15/21 ⁽³⁾	6,280	6,358
17-NP1, B 144A, 3.560%, 9/15/23 ⁽³⁾	4,565	4,565	17-AA, C 144A, 2.980%, 1/18/22 ⁽³⁾	15,410	15,571
Commonbond Student Loan Trust 17-AGS, A1 144A			15-AA, D 144A, 4.120%, 7/15/22 ⁽³⁾	13,120	13,395
2.550%, 5/25/41 ⁽³⁾	9,013	8,951	17-2, C, 2.750%, 9/15/23	4,030	4,024
Conn's Receivables Funding LLC 16-B, A 144A			Drug Royalty II LP 2 14-1, A2 144A		
3.730%, 10/15/18 ⁽³⁾	575	575	3.484%, 7/15/23 ⁽³⁾	11,041	11,045
Consumer Installment Loan Trust 16-LD1, A 144A			Drug Royalty III LP 1 17-1A, A1 144A, (3 month LIBOR + 2.500%)		
3.960%, 7/15/22 ⁽³⁾	1,991	2,000	3.804%, 4/15/27 ⁽²⁾⁽³⁾	3,691	3,691
CPS Auto Receivables Trust 16-C, B 144A,			16-1A, A 144A, 3.979%, 4/15/27 ⁽³⁾	9,766	9,785
2.480%, 9/15/20 ⁽³⁾	3,000	3,008	DT Auto Owner Trust 16-1A, B 144A, 2.790%, 5/15/20 ⁽³⁾	2,273	2,275
16-B, B 144A, 3.180%, 9/15/20 ⁽³⁾	4,500	4,541	14-3A, C 144A, 3.040%, 9/15/20 ⁽³⁾	2,275	2,280
17-C, B 144A, 2.300%, 7/15/21 ⁽³⁾	6,610	6,599	15-1A, C 144A, 2.870%, 11/16/20 ⁽³⁾	1,879	1,882
16-A, C 144A, 3.800%, 12/15/21 ⁽³⁾	6,500	6,586	15-3A, C 144A, 3.250%, 7/15/21 ⁽³⁾	2,285	2,297
DB Master Finance LLC 17-1A, A2I 144A			16-2A, C 144A, 3.670%, 1/18/22 ⁽³⁾	8,555	8,637
3.629%, 11/20/47 ⁽³⁾	7,845	7,844	16-3A, C 144A, 3.150%, 3/15/22 ⁽³⁾	8,485	8,526
Diamond Resorts Owner Trust 14-1, A 144A			16-4A, C 144A, 2.740%, 10/17/22 ⁽³⁾	21,875	21,920
2.540%, 5/20/27 ⁽³⁾	5,847	5,795			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
17-1A, D 144A, 3.550%, 11/15/22 ⁽³⁾	\$ 10,000	\$ 10,003	15-1, D 144A, 5.260%, 7/15/21 ⁽³⁾	\$ 3,565	\$ 3,676
17-2A, D 144A, 3.890%, 1/15/23 ⁽³⁾	10,070	10,149	15-2, C 144A, 4.080%, 12/15/21 ⁽³⁾	6,495	6,657
17-3A, C 144A, 3.010%, 5/15/23 ⁽³⁾	10,560	10,538	16-2, B 144A, 3.840%, 9/15/22 ⁽³⁾	4,175	4,268
Earnest Student Loan Program LLC 17-A, A2 144A, 2.650%, 1/25/41 ⁽³⁾	5,906	5,877	16-3, D 144A, 3.890%, 11/15/22 ⁽³⁾	4,990	5,027
Exeter Automobile Receivables Trust 13-1A, C 144A, 3.520%, 2/15/19 ⁽³⁾	3,000	3,002	17-1, C 144A, 3.220%, 5/15/23 ⁽³⁾	7,500	7,521
14-1A, C 144A, 3.570%, 7/15/19 ⁽³⁾	6,196	6,220	17-3, C 144A, 2.910%, 9/15/23 ⁽³⁾	5,750	5,749
14-2A, C 144A, 3.260%, 12/16/19 ⁽³⁾	12,224	12,297	Foundation Finance Trust 16-1A, A 144A, 3.960%, 6/15/35 ⁽³⁾	2,187	2,207
15-A1, C 144A, 4.100%, 12/15/20 ⁽³⁾	19,850	20,198	Foursight Capital Automobile Receivables Trust 16-1, A2 144A, 2.870%, 10/15/21 ⁽³⁾	5,143	5,162
15-2A, C 144A, 3.900%, 3/15/21 ⁽³⁾	24,230	24,608	17-1, B 144A, 3.050%, 12/15/22 ⁽³⁾	8,965	8,968
14-3A, D 144A, 5.690%, 4/15/21 ⁽³⁾	23,980	24,773	17-1, C 144A, 3.470%, 12/15/22 ⁽³⁾	2,258	2,258
16-3A, B 144A, 2.840%, 8/16/21 ⁽³⁾	8,475	8,495	GLS Auto Receivables Trust 16-1A, B 144A, 4.390%, 1/15/21 ⁽³⁾	10,500	10,521
17-1A, B 144A, 3.000%, 12/15/21 ⁽³⁾	13,250	13,267	17-1A, B 144A, 2.980%, 12/15/21 ⁽³⁾	12,150	12,125
17-2A, B 144A, 2.820%, 5/16/22 ⁽³⁾	18,780	18,766	17-1A, C 144A, 3.500%, 7/15/22 ⁽³⁾	5,900	5,884
17-3A, B 144A, 2.810%, 9/15/22 ⁽³⁾	14,185	14,116	GM Financial Consumer Automobile Receivables Trust 17-1A, B 144A 2.300%, 6/16/23 ⁽³⁾	4,185	4,178
Fairway Outdoor Funding LLC 12-1A, A2 144A, 4.212%, 10/15/42 ⁽³⁾	18,581	18,867	Gold Key Resorts LLC 14-A, A 144A 3.220%, 3/17/31 ⁽³⁾	5,391	5,395
First Investors Auto Owner Trust 15-1A, C 144A, 2.710%, 6/15/21 ⁽³⁾	5,000	5,012	GreatAmerica Leasing Receivables Funding LLC 17-1, A4 144A 2.360%, 1/20/23 ⁽³⁾	18,010	17,994
17-2A, B 144A, 2.650%, 11/15/22 ⁽³⁾	2,160	2,157			
Flagship Credit Auto Trust 16-1, A 144A, 2.770%, 12/15/20 ⁽³⁾	2,584	2,600			
14-2, D 144A, 5.210%, 2/15/21 ⁽³⁾	11,010	11,286			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
Hertz Vehicle			10-1A, B 144A,		
Financing LLC			4.520%, 10/20/32 ⁽³⁾	\$ 465	\$ 467
15-2A, A 144A,			Murray Hill		
2.020%, 9/25/19 ⁽³⁾	\$ 4,845	\$ 4,829	Marketplace Trust		
16-1A, A 144A,			16-LC1, A 144A		
2.320%, 3/25/20 ⁽³⁾	8,800	8,789	4.190%, 11/25/22 ⁽³⁾	792	795
15-1A, A 144A,			MVW Owner Trust		
2.730%, 3/25/21 ⁽³⁾	29,900	29,914	15-1A, B 144A,		
3A, A 144A,			2.960%, 12/20/32 ⁽³⁾	1,051	1,047
2.670%, 9/25/21 ⁽³⁾	25,000	24,784	16-1A, A 144A,		
Hilton Grand			2.250%, 12/20/33 ⁽³⁾	5,203	5,124
Vacations Trust			17-1A, A 144A,		
13-A, A 144A,			2.420%, 12/20/34 ⁽³⁾	4,034	4,026
2.280%, 1/25/26 ⁽³⁾	4,716	4,698	OneMain Direct Auto		
14-AA, A 144A,			Receivables Trust		
1.770%, 11/25/26 ⁽³⁾	6,745	6,667	16-1A, B 144A		
17-AA, A 144A,			2.760%, 5/15/21 ⁽³⁾	5,000	5,014
2.660%, 12/26/28 ⁽³⁾	6,493	6,499	OneMain Financial		
HOA Funding LLC			Issuance Trust		
14-1A, A2 144A			14-1A, A 144A,		
4.846%, 8/20/44 ⁽³⁾	8,817	8,249	2.430%, 5/18/24 ⁽³⁾	5	5
Hyundai Auto			15-2A, A 144A,		
Receivables Trust			2.570%, 7/18/25 ⁽³⁾	13,045	13,069
14-B, D,			15-1A, A 144A,		
2.510%, 12/15/20	9,675	9,735	3.190%, 6/18/26 ⁽³⁾	26,301	26,558
15-A, D,			17-1A, A1 144A,		
2.730%, 6/15/21	8,950	8,983	2.370%, 9/14/32 ⁽³⁾	5,500	5,476
17-B, B,			Orange Lake		
2.230%, 2/15/23	4,240	4,219	Timeshare Trust		
Laurel Road Prime			12-AA, A 144A,		
Student Loan Trust			3.450%, 3/10/27 ⁽³⁾	2,044	2,053
17-B, A2FX 144A			15-AA, A 144A,		
2.770%, 8/25/42 ⁽³⁾	6,745	6,732	2.880%, 9/8/27 ⁽³⁾	4,678	4,671
Leaf Receivables			14-AA, A 144A,		
Funding 12 LLC			2.290%, 7/9/29 ⁽³⁾	2,063	2,048
17-1, B 144A			Prestige Auto		
2.650%, 2/15/22 ⁽³⁾	9,145	9,110	Receivables Trust		
Mariner Finance			14-1A, C 144A,		
Issuance Trust			2.390%, 5/15/20 ⁽³⁾	7,000	7,029
17-AA, A 144A			17-1A, C 144A,		
3.620%, 2/20/29 ⁽³⁾	7,335	7,374	2.810%, 1/17/23 ⁽³⁾	8,355	8,378
Marriott Vacation			Prosper Marketplace		
Club Owner Trust			Issuance Trust		
12-1A, A 144A,			17-1A, B 144A,		
2.510%, 5/20/30 ⁽³⁾	8,499	8,506	3.650%, 6/15/23 ⁽³⁾	17,008	17,158
10-1A, A 144A,			17-2A, B 144A,		
3.540%, 10/20/32 ⁽³⁾	238	239	3.480%, 9/15/23 ⁽³⁾	8,005	8,024

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
Santander Drive Auto Receivables Trust			SLM Private Education Loan Trust		
13-3, C, 1.810%, 4/15/19	\$ 19	\$ 19	13-B, A2A 144A, 1.850%, 6/17/30 ⁽³⁾	\$ 4,383	\$ 4,385
14-3, C, 2.130%, 8/17/20	6,558	6,568	13-C, A2A 144A, 2.940%, 10/15/31 ⁽³⁾	3,717	3,754
16-2, B, 2.080%, 2/16/21	8,250	8,272	SoFi Consumer Loan Program LLC		
17-1, C, 2.580%, 5/16/22	9,830	9,853	16-3, A 144A, 3.050%, 12/26/25 ⁽³⁾	12,480	12,600
17-2, C, 2.790%, 8/15/22	3,795	3,805	17-1, A 144A, 3.280%, 1/26/26 ⁽³⁾	17,833	18,067
17-3, C, 2.760%, 12/15/22	4,510	4,515	17-3, A 144A, 2.770%, 5/25/26 ⁽³⁾	8,589	8,624
17-2, D, 3.490%, 7/17/23	9,960	10,083	17-5, A2 144A, 2.780%, 9/25/26 ⁽³⁾	14,080	14,033
Sierra Receivables Funding Co., LLC			SoFi Professional Loan Program LLC		
17-1A, A 144A, 2.910%, 3/20/34 ⁽³⁾	7,166	7,205	14-B, A2 144A, 2.550%, 8/27/29 ⁽³⁾	628	631
Sierra Timeshare Receivables Funding LLC			15-A, A2 144A, 2.420%, 3/25/30 ⁽³⁾	2,638	2,639
12-3A, A 144A, 1.870%, 8/20/29 ⁽³⁾	4,311	4,311	16-A, A2 144A, 2.760%, 12/26/36 ⁽³⁾	1,568	1,582
13-1A, A 144A, 1.590%, 11/20/29 ⁽³⁾	1,557	1,556	17-A, A2B 144A, 2.400%, 3/26/40 ⁽³⁾	10,000	9,913
14-1A, A 144A, 2.070%, 3/20/30 ⁽³⁾	1,399	1,397	17-B, A1FX 144A, 1.830%, 5/25/40 ⁽³⁾	8,389	8,391
14-2A, A 144A, 2.050%, 6/20/31 ⁽²⁾⁽³⁾	1,956	1,953	17-C, A2A 144A, 1.750%, 7/25/40 ⁽³⁾	6,765	6,759
16-1A, A 144A, 3.080%, 3/21/33 ⁽³⁾	4,595	4,635	Springleaf Funding Trust 16-AA, A 144A		
16-2A, A 144A, 2.330%, 7/20/33 ⁽³⁾	4,350	4,342	2.900%, 11/15/29 ⁽³⁾	11,590	11,620
Silverleaf Finance LLC			Structured Asset Securities Corp. Mortgage Pass-Through Certificates 01-SB1, A2		
XVII 13-A, A 144A, 2.680%, 3/16/26 ⁽³⁾	1,419	1,417	3.375%, 8/25/31	1,143	1,131
XVIII 14-A, A 144A, 2.810%, 1/15/27 ⁽³⁾	1,007	1,005	SVO VOI Mortgage Corp. 12-AA, A 144A		
Skopos Auto Receivables Trust			2.000%, 9/20/29 ⁽³⁾	5,795	5,730
15-2A, A 144A, 3.550%, 2/15/20 ⁽³⁾	413	413			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
ASSET-BACKED SECURITIES (continued)			ASSET-BACKED SECURITIES (continued)		
TCF Auto Receivables			17-AA, A,		
Owner Trust			2.820%, 6/15/33	\$ 3,407	\$ 3,393
14-1A, B 144A,			Wendy's Funding		
2.330%, 5/15/20 ⁽³⁾	\$ 1,733	\$ 1,738	LLC		
14-1A, C 144A,			15-1A, A2I 144A,		
3.120%, 4/15/21 ⁽³⁾	2,035	2,042	3.371%, 6/15/45 ⁽³⁾	10,990	11,088
16-PT1A, C 144A,			15-1A, A2II 144A,		
3.210%, 1/17/23 ⁽³⁾	10,900	10,871	4.080%, 6/15/45 ⁽³⁾	9,401	9,627
TGIF Funding LLC			Westgate Resorts		
17-1A, A2 144A			LLC 16-1A, A 144A		
6.202%, 4/30/47 ⁽³⁾	17,567	17,824	3.500%, 12/20/28 ⁽³⁾	7,084	7,144
Tidewater Auto			Westlake Automobile		
Receivables Trust			Receivables Trust		
14-AA, C 144A,			15-1A, C 144A,		
2.560%, 8/15/19 ⁽³⁾	1,059	1,060	2.290%, 11/16/20 ⁽³⁾	3,209	3,211
16-AA, B 144A,			16-2A, C 144A,		
3.130%, 3/15/20 ⁽³⁾	7,393	7,414	2.830%, 5/17/21 ⁽³⁾	3,190	3,211
TRIP Rail Master			15-3A, D 144A,		
Funding LLC 1A, A1			4.400%, 5/17/21 ⁽³⁾	10,000	10,132
144A			17-1A, B 144A,		
2.709%, 8/15/47 ⁽³⁾	10,218	10,242	2.300%, 10/17/22 ⁽³⁾	10,000	10,018
U-Haul S Fleet LLC			17-2A, C 144A,		
10-BT1A, 1 144A			2.590%, 12/15/22 ⁽³⁾	16,230	16,186
4.899%, 10/25/23 ⁽³⁾	25,613	25,623			
United Auto Credit			TOTAL ASSET-BACKED SECURITIES		
Securitization Trust			(Identified Cost \$1,568,776)		1,573,800
16-2, C 144A					
2.480%, 3/10/20 ⁽³⁾	9,425	9,437	CORPORATE BONDS AND NOTES—35.4%		
Volvo Financial			Consumer Discretionary—2.0%		
Equipment LLC			Alibaba Group		
Series			Holding Ltd.		
14-1A, C 144A,			2.500%, 11/28/19	6,600	6,654
1.940%, 11/15/21 ⁽³⁾	6,000	6,003	Caesars		
17-1A, B 144A,			Entertainment		
2.400%, 1/18/22 ⁽³⁾	3,600	3,598	Operating Co., Inc.		
VSE VOI Mortgage			9.000%, 2/15/20 ⁽³⁾	3,565	4,742
LLC			Clear Channel		
16-A, A 144A,			Worldwide		
2.540%, 7/20/33 ⁽³⁾	5,638	5,606	Holdings, Inc.		
17-A, A 144A,			Series B		
2.330%, 3/20/35 ⁽³⁾	10,550	10,496	7.625%, 3/15/20	7,910	7,811
Welk Resorts LLC			Delphi Automotive		
13-AA, A 144A,			plc		
3.100%, 3/15/29 ⁽³⁾	2,321	2,331	3.150%, 11/19/20	15,000	15,345
15-AA, A 144A,			Delphi Corp.		
2.790%, 6/16/31 ⁽³⁾	4,404	4,381	4.150%, 3/15/24	3,665	3,887

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Energy (continued)		
Energy (continued)			Petrobras Global		
Continental Resources, Inc.			Finance BV		
5.000%, 9/15/22	\$ 5,035	\$ 5,117	8.375%, 5/23/21	\$ 35,515	\$ 41,078
4.500%, 4/15/23	3,035	3,043	144A,		
Ecopetrol S.A.			5.299%, 1/27/25 ⁽³⁾	5,992	5,983
5.875%, 9/18/23	36,745	40,805	Petroleos de		
Enbridge Energy Partners LP			Venezuela S.A.		
4.375%, 10/15/20	3,930	4,130	144A		
Encana Corp.			6.000%, 5/16/24 ⁽³⁾	9,545	2,902
3.900%, 11/15/21	7,960	8,201	Petroleos Mexicanos		
8.125%, 9/15/30	8,110	10,493	4.875%, 1/24/22	45,120	47,320
Energy Partners LP			6.875%, 8/4/26	13,475	15,328
4.500%, 11/1/23	4,855	5,086	PTTEP Treasury		
Energy Transfer Equity LP			Center Co., Ltd.		
5.000%, 10/1/22	17,910	19,339	144A,		
EP Energy LLC			4.875%, 12/31/49 ⁽³⁾	3,007	3,058
9.375%, 5/1/20	7,130	5,936	Sabine Pass		
144A,			Liquefaction LLC		
8.000%, 11/29/24 ⁽³⁾	7,660	7,737	5.625%, 2/1/21	8,000	8,669
EQT Corp.			6.250%, 3/15/22	8,415	9,462
2.500%, 10/1/20	2,859	2,869	Sinopec Capital Ltd.		
3.000%, 10/1/22	2,721	2,725	144A		
FTS International, Inc.			1.875%, 4/24/18 ⁽³⁾	11,750	11,738
6.250%, 5/1/22	2,245	2,054	Southern Gas		
KazMunayGas National Co. 144A			Corridor CJSC		
6.375%, 4/9/21 ⁽³⁾	4,800	5,248	144A		
Kinder Morgan, Inc.			6.875%, 3/24/26 ⁽³⁾	6,435	7,239
144A			Transocean, Inc.		
5.625%, 11/15/23 ⁽³⁾	20,300	22,603	144A,		
Lukoil International Finance BV 144A			9.000%, 7/15/23 ⁽³⁾	3,680	3,965
3.416%, 4/24/18 ⁽³⁾	6,000	6,035	6.800%, 3/15/38	7,800	6,357
Newfield Exploration Co.			Ultra Resources, Inc.		
5.625%, 7/1/24	7,925	8,500	144A		
NGL Energy Partners LP			6.875%, 4/15/22 ⁽³⁾	1,258	1,283
5.125%, 7/15/19	11,500	11,500	Weatherford		
Oasis Petroleum, Inc.			International Ltd.		
6.875%, 3/15/22	10,500	10,684	144A		
Peabody Energy Corp. 144A			9.875%, 2/15/24 ⁽³⁾	4,795	5,275
6.000%, 3/31/22 ⁽³⁾	10,496	10,837	YPF S.A. 144A		
			8.500%, 3/23/21 ⁽³⁾	7,000	7,855
					443,201
			Financials—12.4%		
			AerCap Ireland		
			Capital Ltd.		
			3.950%, 2/1/22	3,670	3,819

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Financials (continued)		
Financials (continued)			Blackstone Holdings		
Air Lease Corp.			Finance Co., LLC		
2.625%, 9/4/18	\$ 5,495	\$ 5,539	144A		
Akbank TAS 144A			6.625%, 8/15/19 ⁽³⁾	\$ 7,105	\$ 7,699
7.500%, 2/5/18 ⁽³⁾	33,705 ^{TRY}	9,320	Bonos del Banco		
Altice US Finance I			Central de Chile En		
Corp. 144A			Pesos		
5.375%, 7/15/23 ⁽³⁾	8,250	8,724	4.500%, 6/1/20	4,570,000 ^{CLP}	7,452
Ares Capital Corp.			Brookfield Finance		
3.875%, 1/15/20	4,286	4,394	LLC		
3.625%, 1/19/22	4,475	4,539	4.000%, 4/1/24	15,475	16,022
3.500%, 2/10/23	11,230	11,098	Capital One N.A.		
Australia & New			2.950%, 7/23/21	14,425	14,615
Zealand Banking			Capital One N.A.		
Group Ltd. 144A			2.400%, 9/5/19	5,000	5,022
4.400%, 5/19/26 ⁽³⁾	14,195	14,766	Citigroup, Inc.		
Aviation Capital			(3 month LIBOR +		
Group Corp. 144A			0.960%)		
2.875%, 9/17/18 ⁽³⁾	4,415	4,453	2.274%, 4/25/22 ⁽²⁾	18,055	18,164
Banco de Credito del			(3 month LIBOR +		
Peru 144A			1.430%)		
4.250%, 4/1/23 ⁽³⁾	15,500	16,500	2.746%, 9/1/23 ⁽²⁾	10,755	11,030
Bank of America			3.200%, 10/21/26	7,335	7,227
Corp.			Corp Financiera de		
2.000%, 1/11/18	14,905	14,921	Desarrollo SA 144A		
5.490%, 3/15/19	2,868	2,997	4.750%, 7/15/25 ⁽³⁾	6,000	6,465
(3 month LIBOR +			Discover Bank		
1.180%)			8.700%, 11/18/19	1,750	1,955
2.487%, 10/21/22 ⁽²⁾	10,735	10,912	Drawbridge Special		
(3 month LIBOR +			Opportunities Fund		
1.000%)			LP 144A		
2.313%, 4/24/23 ⁽²⁾	14,445	14,570	5.000%, 8/1/21 ⁽³⁾	14,685	14,963
4.200%, 8/26/24	10,473	11,006	Fifth Third Bancorp		
Bank of Baroda 144A			4.500%, 6/1/18	6,745	6,869
4.875%, 7/23/19 ⁽³⁾	11,775	12,248	First Tennessee Bank		
Bank of India 144A			N.A.		
3.625%, 9/21/18 ⁽³⁾	10,200	10,291	2.950%, 12/1/19	4,500	4,546
Barclays Bank plc			Ford Motor Credit		
144A			Co., LLC		
6.050%, 12/4/17 ⁽³⁾	13,130	13,222	5.000%, 5/15/18	10,000	10,197
Barclays plc			FS Investment Corp.		
3.200%, 8/10/21	10,345	10,504	4.250%, 1/15/20	7,725	7,917
BBVA Banco			General Motors		
Continental S.A.			Financial Co., Inc.		
RegS			3.500%, 7/10/19	9,715	9,949
5.000%, 8/26/22 ⁽⁴⁾	16,280	17,745	4.200%, 3/1/21	7,300	7,650

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Financials (continued)		
Financials (continued)			Lazard Group LLC		
Genworth Holdings, Inc.			4.250%, 11/14/20	\$ 7,765	\$ 8,202
7.625%, 9/24/21	\$ 6,910	\$ 6,723	Lincoln National Corp.		
Goldman Sachs Group, Inc. (The)			8.750%, 7/1/19	4,613	5,128
2.350%, 11/15/21	4,425	4,391	(3 month LIBOR + 2.040%)		
4.250%, 10/21/25	24,315	25,340	3.347%, 4/20/67 ⁽²⁾⁽⁶⁾	2,885	2,606
Guanay Finance Ltd. 144A			Macquarie Group Ltd.		
6.000%, 12/15/20 ⁽³⁾	21,012	21,537	144A,		
HBOS plc 144A			3.000%, 12/3/18 ⁽³⁾	4,870	4,928
6.750%, 5/21/18 ⁽³⁾	685	705	144A,		
HSBC Holdings plc , (3 month LIBOR + 1.500%)			6.000%, 1/14/20 ⁽³⁾	10,950	11,827
2.801%, 1/5/22 ⁽²⁾	6,524	6,731	Morgan Stanley (3 month LIBOR + 0.930%)		
HSBC USA, Inc. 2.625%, 9/24/18	19,485	19,670	2.243%, 7/22/22 ⁽²⁾	18,055	18,123
Huntington Bancshares, Inc. 7.000%, 12/15/20	17,065	19,396	(3 month LIBOR + 1.400%)		
ICICI Bank Ltd. RegS 4.700%, 2/21/18 ⁽⁴⁾	13,000	13,128	2.713%, 10/24/23 ⁽²⁾	25,080	25,644
Industrial & Commercial Bank of China Ltd. 3.231%, 11/13/19	6,275	6,373	Navient Corp. 6.500%, 6/15/22	8,220	8,718
International Lease Finance Corp. 3.875%, 4/15/18	7,635	7,720	7.250%, 9/25/23	3,620	3,932
iStar, Inc. 4.875%, 7/1/18	6,945	7,033	Nuveen Finance LLC 144A		
6.000%, 4/1/22	4,815	4,984	2.950%, 11/1/19 ⁽³⁾	2,850	2,897
5.250%, 9/15/22	6,650	6,750	Prudential Financial, Inc., 8.875%, 6/15/38	11,200	11,732
Jefferies Group LLC 5.125%, 4/13/18	6,541	6,656	Russian Agricultural Bank OJSC (RSHB Capital SA) 144A		
5.125%, 1/20/23	3,725	4,067	5.298%, 12/27/17 ⁽³⁾	8,655	8,704
JPMorgan Chase & Co. 2.295%, 8/15/21	4,495	4,490	S&P Global, Inc. 3.300%, 8/14/20	15,097	15,484
(3 month LIBOR + 0.900%)			Santander Holdings USA, Inc. 2.700%, 5/24/19	10,650	10,733
2.214%, 4/25/23 ⁽²⁾	18,055	18,183	2.650%, 4/17/20	7,540	7,573
JPMorgan Chase Bank N.A. 1.650%, 9/23/19	8,805	8,772	144A, 3.700%, 3/28/22 ⁽³⁾	7,190	7,323
			SBA Tower Trust 144A,		
			3.156%, 10/8/20 ⁽³⁾	6,050	6,095
			144A,		
			3.168%, 4/11/22 ⁽³⁾	18,490	18,471

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VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Financials (continued)		
Financials (continued)			XLIT Ltd.		
Sberbank of Russia			2.300%, 12/15/18	\$ 9,730	\$ 9,767
5.717%, 6/16/21 ⁽⁶⁾	\$ 7,000	\$ 7,566			917,559
Springleaf Finance Corp.			Health Care—2.3%		
6.125%, 5/15/22	6,040	6,397	Abbott Laboratories		
State Bank of India 144A			2.900%, 11/30/21	8,815	8,965
3.250%, 4/18/18 ⁽³⁾	10,470	10,537	3.400%, 11/30/23	3,910	4,025
State Street Corp.			AbbVie, Inc.		
4.956%, 3/15/18	24,025	24,362	2.500%, 5/14/20	11,705	11,844
TC Ziraat Bankasi AS 144A			3.200%, 11/6/22	1,940	1,989
5.125%, 5/3/22 ⁽³⁾	11,820	12,006	Allergan Funding		
Toronto-Dominion Bank (The)			3.000%, 3/12/20	2,825	2,884
2.125%, 4/7/21	11,005	10,971	3.450%, 3/15/22	3,815	3,959
Trinity Acquisition plc			Becton Dickinson & Co.		
3.500%, 9/15/21	1,485	1,516	2.894%, 6/6/22	11,831	11,857
4.400%, 3/15/26	9,145	9,692	3.363%, 6/6/24	7,740	7,809
Turkiye Garanti Bankasi AS 144A			Cardinal Health, Inc.		
4.750%, 10/17/19 ⁽³⁾	8,500	8,691	2.616%, 6/15/22	10,985	10,973
Turkiye Is Bankasi 144A			3.079%, 6/15/24	11,180	11,253
3.750%, 10/10/18 ⁽³⁾	12,630	12,651	Community Health Systems, Inc.		
Turkiye Vakiflar Bankasi TAO 144A			6.250%, 3/31/23	7,185	7,095
3.750%, 4/15/18 ⁽³⁾	4,000	4,002	Endo Dac 144A		
5.625%, 5/30/22 ⁽³⁾	14,600	14,828	6.000%, 7/15/23 ⁽³⁾	720	594
UBS Group Funding Jersey Ltd. 144A			Express Scripts Holding Co.		
2.650%, 2/1/22 ⁽³⁾	8,475	8,439	3.300%, 2/25/21	2,330	2,396
Vnesheconombank 144A			Forest Laboratories LLC 144A		
6.902%, 7/9/20 ⁽³⁾	9,500	10,273	4.375%, 2/1/19 ⁽³⁾	3,556	3,646
Wells Fargo & Co.			Fresenius U.S. Finance II, Inc.		
3.069%, 1/24/23	6,915	7,032	4.500%, 1/15/23 ⁽³⁾	2,590	2,745
(3 month LIBOR + 1.230%)			HCA, Inc.		
2.541%, 10/31/23 ⁽²⁾	10,770	11,014	6.500%, 2/15/20	13,125	14,290
Wells Fargo Bank N.A.			Mylan NV		
2.150%, 12/6/19	17,645	17,736	3.000%, 12/15/18	5,360	5,420
			3.150%, 6/15/21	4,065	4,135
			Owens & Minor, Inc.		
			3.875%, 9/15/21	2,485	2,526
			Shire Acquisitions Investments Ireland DAC		
			2.400%, 9/23/21	9,275	9,240

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Industrials (continued)		
Health Care (continued)					
Tenet Healthcare Corp.			Doric Nimrod Air Finance Alpha Pass-Through-Trust 12-1, A 144A		
6.000%, 10/1/20 144A,	\$ 5,560	\$ 5,925	5.125%, 11/30/22 ⁽³⁾	\$ 2,738	\$ 2,844
4.625%, 7/15/24 ⁽³⁾ 144A,	4,350	4,301	Embraer Overseas Ltd. 144A		
5.125%, 5/1/25 ⁽³⁾	4,765	4,699	5.696%, 9/16/23 ⁽³⁾	3,460	3,793
Valeant Pharmaceuticals International, Inc. 144A			ESAL GmbH 144A		
6.500%, 3/15/22 ⁽³⁾	2,190	2,310	6.250%, 2/5/23 ⁽³⁾	8,600	8,335
Zimmer Biomet Holdings, Inc.			Hawaiian Airlines Pass-Through Certificates 13-1, B		
3.150%, 4/1/22	25,115	25,530	4.950%, 1/15/22	6,520	6,716
		<u>170,410</u>	Latam Finance Ltd. 144A		
Industrials—3.1%			6.875%, 4/11/24 ⁽³⁾	18,525	19,664
Alfa SAB de CV 144A			Masco Corp. 5.950%, 3/15/22	13,945	15,701
5.250%, 3/25/24 ⁽³⁾	6,775	7,376	Penske Truck Leasing Co., LP RegS,		
America West Airlines Pass-Through-Trust 01-1, G			2.500%, 6/15/19 ⁽⁴⁾ 144A,	3,470	3,492
7.100%, 4/2/21	34,376	37,384	3.375%, 2/1/22 ⁽³⁾	8,365	8,587
British Airways Pass-Through-Trust 13-1, B 144A			Pitney Bowes, Inc. 3.875%, 5/15/22	10,523	10,351
5.625%, 6/20/20 ⁽³⁾	7,080	7,398	SCF Capital Designated Activity Co. 144A		
CEMEX Finance LLC 144A			5.375%, 6/16/23 ⁽³⁾	8,460	8,760
6.000%, 4/1/24 ⁽³⁾	2,390	2,533	Standard Industries, Inc. 144A		
CNH Industrial N.V. 4.500%, 8/15/23	15,130	16,023	5.500%, 2/15/23 ⁽³⁾	6,590	6,977
Continental Airlines Pass-Through-Trust 99-2, C2 Series AMBC,			Toledo Edison Co. (The)		
6.236%, 3/15/20	5,892	6,098	7.250%, 5/1/20	224	247
01-1, A1,			UAL Pass-Through-Trust 07-01, A		
6.703%, 6/15/21	2,490	2,639	6.636%, 7/2/22	35,334	38,514
Doric Nimrod Air Alpha Pass-Through-Trust 13-1, A 144A					<u>231,304</u>
5.250%, 5/30/23 ⁽³⁾	16,960	17,872	Information Technology—1.4%		
			Broadcom Corp. 144A,		
			2.375%, 1/15/20 ⁽³⁾	10,660	10,717
			144A,		
			3.000%, 1/15/22 ⁽³⁾	7,550	7,681

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Materials (continued)		
Information Technology (continued)			Glencore Funding		
144A,			LLC 144A		
3.625%, 1/15/24 ⁽³⁾	\$ 7,360	\$ 7,559	4.125%, 5/30/23 ⁽³⁾	\$ 17,615	\$ 18,338
Dell International LLC			NOVA Chemicals		
144A			Corp.		
5.450%, 6/15/23 ⁽³⁾	10,540	11,560	144A,		
Dun & Bradstreet			4.875%, 6/1/24 ⁽³⁾	9,000	9,113
Corp. (The)			144A,		
3.500%, 12/1/17	12,110	12,134	5.000%, 5/1/25 ⁽³⁾	16,890	17,143
4.250%, 6/15/20	4,660	4,796	OCP SA 144A		
Hewlett Packard			5.625%, 4/25/24 ⁽³⁾	17,090	18,411
Enterprise Co.			Reynolds Group		
2.850%, 10/5/18	9,690	9,787	Issuer, Inc. 144A ,		
3.600%, 10/15/20	1,845	1,912	(3 month LIBOR +		
Mizuho Financial			3.500%)		
Group, Inc.			4.804%, 7/15/21 ⁽²⁾⁽³⁾	3,100	3,162
2.601%, 9/11/22	18,300	18,145	Rusal Capital DAC		
VMware, Inc.			144A		
2.300%, 8/21/20	4,567	4,579	5.125%, 2/2/22 ⁽³⁾	17,980	18,292
2.950%, 8/21/22	11,670	11,709	Severstal OAO Via		
		<u>100,579</u>	Steel Capital S.A.		
			144A		
Materials—2.5%			3.850%, 8/27/21 ⁽³⁾⁽⁵⁾	17,780	18,180
Anglo American			Vale Overseas Ltd.		
Capital plc 144A			5.875%, 6/10/21	7,475	8,232
3.625%, 9/11/24 ⁽³⁾	18,490	18,436			<u>182,043</u>
Cemex SAB de CV			Real Estate—1.7%		
RegS			Brixmor Operating		
6.500%, 12/10/19 ⁽⁴⁾	3,598	3,755	Partnership LP		
Equate			3.875%, 8/15/22	5,570	5,737
Petrochemical BV			Digital Realty Trust		
144A			LP		
3.000%, 3/3/22 ⁽³⁾	9,535	9,454	3.400%, 10/1/20	11,735	12,099
FMG Resources			3.950%, 7/1/22	8,175	8,617
August 2006 Pty			Education Realty		
Ltd. 144A			Operating		
9.750%, 3/1/22 ⁽³⁾	16,815	18,909	Partnership LP		
Freeport-McMoRan,			4.600%, 12/1/24	2,040	2,103
Inc.			Government		
3.550%, 3/1/22	3,070	3,023	Properties Income		
3.875%, 3/15/23	7,645	7,530	Trust		
Gerdau Holdings,			3.750%, 8/15/19	2,905	2,946
Inc. 144A			4.000%, 7/15/22	7,345	7,406
7.000%, 1/20/20 ⁽³⁾	7,630	8,250	HCP, Inc.		
Gerdau Trade, Inc.			3.750%, 2/1/19	4,035	4,108
144A					
5.750%, 1/30/21 ⁽³⁾	1,700	1,815			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
CORPORATE BONDS AND NOTES (continued)			Telecommunication Services (continued)		
Real Estate (continued)			Sprint Spectrum Co., LLC 144A		
Healthcare Trust of America Holdings LP			3.360%, 9/20/21 ⁽³⁾	\$ 18,750	\$ 19,031
2.950%, 7/1/22	\$ 17,890	\$ 18,003	T-Mobile USA, Inc.		
Hospitality Properties Trust 4.500%, 6/15/23	4,445	4,711	6.000%, 4/15/24	10,030	10,644
Select Income REIT			Telefonica Emisiones SAU 3.192%, 4/27/18	2,805	2,828
4.150%, 2/1/22	18,910	19,209	Verizon Communications, Inc.		
Senior Housing Properties Trust			2.946%, 3/15/22	15,895	16,161
3.250%, 5/1/19	6,685	6,760	3.125%, 3/16/22	9,017	9,239
Ventas Realty LP					157,749
4.000%, 4/30/19	7,100	7,281	Utilities—1.1%		
2.700%, 4/1/20	2,948	2,975	Dominion Energy, Inc.		
Welltower, Inc.			2.962%, 7/1/19	1,760	1,785
4.125%, 4/1/19	4,100	4,213	Eskom Holdings SOC Ltd. 144A		
West Europe Finance LLC 144A			5.750%, 1/26/21 ⁽³⁾	13,900	14,126
3.250%, 10/5/20 ⁽³⁾	19,265	19,669	Exelon Corp.		
		125,837	2.850%, 6/15/20	18,845	19,216
			3.497%, 6/1/22	8,261	8,507
Telecommunication Services—2.1%			Ferrellgas Partners LP		
Alice Financing S.A. 144A			6.750%, 6/15/23	11,560	11,127
6.625%, 2/15/23 ⁽³⁾	7,045	7,468	Majapahit Holding BV 144A		
AT&T, Inc.			7.750%, 1/20/20 ⁽³⁾	8,800	9,813
3.200%, 3/1/22	1,910	1,947	State Grid Overseas Investment Ltd.		
3.800%, 3/15/22	11,365	11,835	144A,		
3.000%, 6/30/22	7,200	7,270	1.750%, 5/22/18 ⁽³⁾	5,000	4,988
(3 month LIBOR + 0.890%)			144A,		
2.202%, 2/14/23 ⁽²⁾	8,918	8,898	2.750%, 5/7/19 ⁽³⁾	9,370	9,460
2.850%, 2/14/23	18,915	18,822	Talen Energy Supply LLC 144A		
3.800%, 3/1/24	1,860	1,913	4.625%, 7/15/19 ⁽³⁾	1,825	1,802
3.400%, 8/14/24	3,820	3,824	Vistra Operations Company LLC 144A		
4.125%, 2/17/26	6,955	7,146	11.500%, 10/1/20 ⁽³⁾⁽⁸⁾⁽¹⁵⁾	5,925	4
Crown Castle Towers LLC 144A					80,828
6.113%, 1/15/20 ⁽³⁾	5,900	6,303	TOTAL CORPORATE BONDS AND NOTES		
Digicel Group Ltd. 144A			(Identified Cost \$2,567,221)		2,615,724
8.250%, 9/30/20 ⁽³⁾	10,365	10,125			
Frontier Communications Corp.					
8.500%, 4/15/20	3,200	3,104			
8.875%, 9/15/20	3,380	3,264			
10.500%, 9/15/22	9,085	7,927			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	<u>PAR VALUE</u>	<u>VALUE</u>		<u>PAR VALUE</u>	<u>VALUE</u>
LOAN AGREEMENTS⁽²⁾—10.6%			Consumer Discretionary (continued)		
Consumer Discretionary—3.2%			Charter Communications Operating LLC		
Advantage Sales & Marketing, Inc. Tranche B-2, First Lien, (3 month LIBOR + 3.250%) 4.561%, 7/23/21	\$ 7,067	\$ 6,639	Tranche E-1, (1 month LIBOR + 2.000%) 3.240%, 7/1/20	\$ 6,224	\$ 6,242
Altice US Finance I Corp. 2017 Refinancing, (1 month LIBOR + 2.250%) 3.485%, 7/28/25	12,742	12,675	Tranche F-1, (1 month LIBOR + 2.000%) 3.240%, 1/3/21	14,085	14,118
Bass Pro Group LLC, (1 month LIBOR + 5.000%) 6.235%, 12/15/23	5,165	4,859	Tranche I-1, (1 month LIBOR + 2.250%) 3.490%, 1/15/24	10,049	10,087
Caesars Entertainment Operating Co., Inc. Tranche B-4, 1.500%, 10/31/17 ⁽⁹⁾	3,413	4,445	CSC Holdings LLC 2017 Refinancing, (1 month LIBOR + 2.250%) 3.484%, 7/17/25	10,963	10,893
Tranche B-6, 1.500%, 3/1/20 ⁽⁹⁾	3,645	4,421	Delta 2 (Lux) S.a.r.l. Tranche B-3, (1 month LIBOR + 3.000%) 4.235%, 2/1/24	7,886	7,931
Caesars Entertainment Resort Properties LLC Tranche B, First Lien, (1 month LIBOR + 3.500%) 4.735%, 10/11/20	11,333	11,347	El Dorado Resorts, Inc., (1 month LIBOR + 2.250%) 3.500%, 4/17/24	5,020	5,014
Caesars Growth Properties Holdings LLC 2017, First Lien, (1 month LIBOR + 3.000%) 4.235%, 5/8/21	7,120	7,126	Hilton Worldwide Finance LLC Tranche B-2, (1 month LIBOR + 2.000%) 3.237%, 10/25/23	12,371	12,419
CDS US Intermediate Holdings, Inc. Tranche B, First Lien, (3 month LIBOR + 3.750%) 5.083%, 7/8/22	14,390	14,399	Hoya Midco LLC First Lien, (1 month LIBOR + 4.000%) 5.235%, 6/30/24	3,850	3,841
			Las Vegas Sands LLC 2017 Refinancing, (1 month LIBOR + 2.000%) 3.235%, 3/29/24	7,325	7,352

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
LOAN AGREEMENTS⁽²⁾ (continued)			Consumer Discretionary (continued)		
Consumer Discretionary (continued)			ServiceMaster Co.		
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien, (1 month LIBOR + 4.000%)			Tranche C, (1 month LIBOR + 2.500%)		
5.235%, 5/4/22	\$ 7,240	\$ 7,102	3.735%, 11/8/23	\$ 8,126	\$ 8,151
MGM Growth Properties Operation Partnership LP Tranche B, (1 month LIBOR + 2.250%)			Sinclair Television Group, Inc. Tranche B, (1 month LIBOR + 2.250%)		
3.485%, 4/25/23	7,059	7,079	3.490%, 1/3/24	11,399	11,413
Mission Broadcasting, Inc. Tranche B-2, (1 month LIBOR + 2.500%)			UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%)		
3.735%, 1/17/24	357	358	4.490%, 8/18/23	9,056	9,089
Nexstar Broadcasting, Inc. Tranche B-2, (1 month LIBOR + 2.500%)					<u>234,991</u>
3.735%, 1/17/24	2,852	2,859	Consumer Staples—0.9%		
PetSmart, Inc. Tranche B-2, (1 month LIBOR + 3.000%)			Albertson's LLC 2017-1, Tranche B-4, (1 month LIBOR + 2.750%)		
4.240%, 3/11/22	13,660	11,520	3.985%, 8/25/21	14,697	14,157
Playa Resorts Holding B.V., (3 month LIBOR + 3.000%)			2017-1, Tranche B-5, (3 month LIBOR + 3.000%)		
4.320%, 4/29/24	9,581	9,514	4.330%, 12/21/22	2,161	2,080
Scientific Games International, Inc. Tranche B-4, (1 month LIBOR + 3.250%)			Aramark Intermediate HoldCo Corp. Tranche B, (1 month LIBOR + 2.000%)		
4.504%, 8/14/24	12,115	12,126	3.235%, 3/28/24	6,054	6,071
Seminole Tribe of Florida Tranche B, (3 month LIBOR + 2.000%)			Chobani LLC Tranche B, (1 month LIBOR + 3.500%)		
3.456%, 7/8/24	11,920	11,972	0.000%, 10/7/23 ⁽¹¹⁾	3,620	3,650
			First Lien, (1 month LIBOR + 4.250%)		
			5.485%, 10/10/23	2,854	2,878

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
LOAN AGREEMENTS⁽²⁾ (continued)			Financials—0.5%		
Consumer Staples (continued)			Asurion LLC		
Galleria Co.			Tranche B-5,		
Tranche B,			(1 month LIBOR +		
(1 month LIBOR +			3.000%)		
4.250%, 9/29/23	\$ 5,523	\$ 5,502	\$ 7,205	\$ 7,234	
Hostess Brands LLC			Clipper Acquisitions		
2017 Refinancing			Corp. Tranche B ,		
Tranche B, First			(3 month LIBOR +		
Lien , (1 month			2.250%)		
LIBOR + 2.500%)			6,077	6,085	
3.735%, 8/3/22	14,570	14,613	Delos Finance S.a.		
JBS USA Lux S.A. ,			r.l. , (2 month		
(3 month LIBOR +			LIBOR + 2.000%)		
2.500%)			16,529	16,625	
3.804%, 10/30/22	4,796	4,736	FinCo I LLC , (1		
Prestige Brands,			month LIBOR +		
Inc. Tranche B-4 ,			2.750%)		
(1 month LIBOR +			5,220	5,268	
2.750%)			Focus Financial		
3.985%, 1/26/24	1,396	1,402	Partners LLC First		
TKC Holdings, Inc.			Lien , (3 month		
First Lien , (2			LIBOR + 3.250%)		
month LIBOR +			1,345	1,355	
4.250%)			4.574%, 7/3/24		
5.522%, 2/1/23	8,975	9,050	iStar, Inc. , (1 month		
		9,050	LIBOR + 3.000%)		
		64,139	2,414	2,423	
			4.238%, 10/1/21		
				38,990	
			Health Care—1.2%		
Energy—0.4%			Change Healthcare		
Paragon Offshore			Holdings, Inc. , (1		
Finance Co. ,			month LIBOR +		
(1 month PRIME +			2.750%)		
0.000%)	101	— ⁽¹²⁾	5,114	5,126	
0.000%, 7/16/21 ⁽⁸⁾⁽¹⁵⁾			3.985%, 3/1/24		
Seadrill Operating			Endo Luxembourg		
LP, (3 month			Finance Co. S.a.r.l. ,		
LIBOR + 3.000%)			(1 month LIBOR +		
4.333%, 2/21/21	8,724	6,358	4.250%)		
Traverse Midstream			7,686	7,753	
Partners LLC , (3			5.500%, 4/29/24		
month LIBOR +			Envision Healthcare		
4.000%)			Corp. ,		
5.330%, 9/27/24	10,580	10,712	(1 month LIBOR		
Ultra Resources,			+ 3.000%)		
Inc., (3 month			12,722	12,746	
LIBOR + 3.000%)			4.240%, 12/1/23		
4.309%, 4/12/24	9,915	9,890	HLF Financing S.a.r.l.		
		9,890	Senior Lien , (1		
		26,960	3,585	3,621	
			month LIBOR +		
			5.500%)		
			6.735%, 2/15/23		

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	<u>PAR VALUE</u>	<u>VALUE</u>		<u>PAR VALUE</u>	<u>VALUE</u>
LOAN AGREEMENTS⁽²⁾ (continued)			Industrials (continued)		
Health Care (continued)			American Airlines, Inc. Replacement, Tranche B, (1 month LIBOR + 2.500%)		
INC Research Holdings, Inc. Tranche B, (1 month LIBOR + 2.250%)	\$ 7,870	\$ 7,894	3.735%, 4/28/23	\$ 15,904	\$ 15,944
MPH Acquisition Holdings LLC, (3 month LIBOR + 3.000%)			Hayward Industries, Inc. First Lien, (1 month LIBOR + 3.500%)		
4.333%, 6/7/23	3,320	3,344	4.735%, 8/5/24	1,810	1,820
Parexel International Corp. Tranche B (1 month LIBOR + 3.000%)			Husky Injection Molding Systems Ltd., (1 month LIBOR + 3.250%)		
0.000%, 9/27/24 ⁽¹¹⁾	6,415	6,459	4.485%, 6/30/21	4,725	4,754
Quintiles IMS, Inc. Tranche B-2 (1 month LIBOR + 2.000%)			Quikrete Holdings, Inc. First Lien, (1 month LIBOR + 2.750%)		
0.000%, 1/17/25 ⁽¹¹⁾	775	779	3.985%, 11/15/23	11,028	11,019
Surgery Partners LLC, (1 month LIBOR + 3.250%)			TransDigm, Inc. Tranche F, (3 month LIBOR + 3.000%)		
4.490%, 9/2/24	8,865	8,788	4.284%, 6/9/23	18,279	18,323
Team Health Holdings, Inc., (1 month LIBOR + 2.750%)			Tranche G, (1 month LIBOR + 3.000%)		
3.985%, 2/6/24	9,032	8,857	4.284%, 8/22/24	1,556	1,558
U.S. Renal Care, Inc. First Lien, (3 month LIBOR + 4.250%)			United Airlines, Inc. Tranche B, (3 month LIBOR + 2.250%)		
5.583%, 12/30/22	6,933	6,704	3.561%, 4/1/24	13,915	13,956
Valeant Pharmaceuticals International, Inc. Series F, Tranche B, (1 month LIBOR + 4.750%)					<u>69,672</u>
5.990%, 4/1/22	13,156	13,387	Information Technology—1.0%		
		<u>85,458</u>	Blackboard, Inc. Tranche B-4, First Lien, (3 month LIBOR + 5.000%)		
Industrials—0.9%			6.304%, 6/30/21	4,068	3,905
Advanced Disposal Services, Inc., (weekly LIBOR + 2.750%)			First Data Corp. 2024, (1 month LIBOR + 2.500%)		
3.947%, 11/10/23	2,284	2,298	3.737%, 4/26/24	25,370	25,448

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
LOAN AGREEMENTS⁽²⁾ (continued)			Materials (continued)		
Information Technology (continued)			Tranche N, (1 month LIBOR + 2.250%)		
Kronos, Inc.			3.485%, 1/19/24	\$ 1,040	\$ 1,040
First Lien, (3 month LIBOR + 3.500%)			CPG International LLC, (3 month LIBOR + 3.750%)		
4.811%, 11/1/23	\$ 17,720	\$ 17,814	5.083%, 5/5/24	12,074	12,150
Second Lien, (3 month LIBOR + 8.250%)			CPI Acquisition, Inc. First Lien, (3 month LIBOR + 4.500%)		
9.561%, 11/1/24	3,287	3,388	5.962%, 8/17/22	11,746	8,300
Leidos Innovations Corp. Tranche B, (1 month LIBOR + 2.000%)			Huntsman International LLC 2023, Tranche B, (1 month LIBOR + 3.000%)		
3.250%, 8/16/23	5,326	5,356	4.235%, 4/1/23	1,735	1,742
Presidio LLC			Ineos U.S. Finance LLC		
Tranche B, (1 month LIBOR + 3.250%)			2022, (1 month LIBOR + 2.750%)		
4.552%, 2/2/22	6,952	6,997	3.985%, 3/31/22	5,625	5,662
Rackspace Hosting, Inc. 2017			2024, (1 month LIBOR + 2.750%)		
Refinancing			3.985%, 4/1/24	1,960	1,973
Tranche B, First Lien, (3 month LIBOR + 3.000%)			New Arclin U.S. Holdings Corp. First Lien, (3 month LIBOR + 4.250%)		
4.311%, 11/3/23	8,649	8,626	5.583%, 2/14/24	4,758	4,791
Veritas US, Inc.					
Tranche B, (3 month LIBOR + 4.500%)					
5.833%, 1/27/23	6,157	6,210			
		<u>77,744</u>			<u>45,025</u>
Materials—0.6%			Real Estate—0.1%		
Anchor Glass			Capital Automotive LP		
Container Corp. 2017, First Lien, (3 month LIBOR + 2.750%)			Tranche B-2, First Lien, (3 month LIBOR + 3.000%)		
4.024%, 12/7/23	2,838	2,847	4.240%, 3/25/24	835	839
Berry Global Group, Inc.			Tranche B, Second Lien, (1 month LIBOR + 6.000%)		
Tranche M, (1 month LIBOR + 2.250%)			7.240%, 3/24/25	4,145	4,192
3.485%, 10/1/22	6,504	6,520			

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
LOAN AGREEMENTS⁽²⁾ (continued)					
Real Estate (continued)					
ESH Hospitality, Inc., (1 month LIBOR + 2.500%) 3.735%, 8/30/23	\$ 2,472	\$ 2,481			
		<u>7,512</u>			
Telecommunication Services—1.1%					
CenturyLink, Inc. Tranche B (3 month LIBOR + 2.750% + 2.750%, 1/31/25)	9,095	8,809			
Digicel International Finance Ltd. Tranche-B, First Lien, (3 month LIBOR + 3.750%) 5.070%, 5/27/24	1,735	1,739			
Frontier Communications Corp. Tranche B-1, (1 month LIBOR + 3.750%) 4.990%, 6/15/24	11,711	11,103			
Level 3 Financing, Inc. 2024, Tranche B, (1 month LIBOR + 2.250%) 3.486%, 2/22/24	28,944	28,922			
Securus Technologies Holdings, Inc. (3 month LIBOR + 4.500%) 0.000%, 6/20/24 ⁽¹¹⁾	16,425	16,582			
UPC Financing Partnership, (1 month LIBOR + 2.750%) 3.984%, 4/15/25	5,345	5,359			
Virgin Media Bristol LLC, (1 month LIBOR + 2.750%) 3.984%, 1/31/25	7,300	<u>7,325</u>			
		<u>79,839</u>			
			Utilities—0.7%		
			Dynegy, Inc. Tranche C-1, (1 month LIBOR + 3.250%) 4.485%, 2/7/24	\$ 9,314	\$ 9,352
			Energy Future Intermediate Holding Co. LLC, (1 month LIBOR + 3.000%) 4.235%, 6/30/18	11,305	11,359
			NRG Energy, Inc., (3 month LIBOR + 2.250%) 3.583%, 6/30/23	10,062	10,066
			State of Santa Catarina (The) 4.000%, 12/27/22 ⁽¹³⁾⁽¹⁶⁾	11,058	10,920
			Vistra Operations Company LLC (1 month LIBOR + 2.750%) 4.034%, 8/4/23	5,972	5,980
			Tranche C, (1 month LIBOR + 2.750%) 4.084%, 8/4/23	1,373	1,375
			2016, (1 month LIBOR + 2.750%) 4.034%, 12/14/23	1,564	<u>1,569</u>
					50,621
			TOTAL LOAN AGREEMENTS (Identified Cost \$787,114)		780,951
				SHARES	
			PREFERRED STOCKS—0.4%		
			Financials—0.4% Bank of New York Mellon Corp. (The) Series E, 4.950%	12,070 ⁽⁷⁾	12,530

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

	SHARES	VALUE
PREFERRED STOCKS (continued)		
Financials (continued)		
JPMorgan Chase & Co. Series Z, 5.300%	3,985 ⁽⁷⁾	\$ 4,154
Wells Fargo & Co. Series K, 7.980%	16,155 ⁽⁷⁾	16,640
TOTAL PREFERRED STOCKS (Identified Cost \$32,441)		33,324
COMMON STOCKS—0.1%		
Energy—0.1%		
Frontera Energy Corp. ⁽¹⁴⁾	75,733	2,651
Utilities—0.0%		
Vistra Energy Corp.	98,789	1,846
TOTAL COMMON STOCKS (Identified Cost \$4,210)		4,497
AFFILIATED MUTUAL FUND⁽¹⁰⁾—0.9%		
Virtus Newfleet Credit Opportunities Fund Class R6	6,989,143	68,424
TOTAL AFFILIATED MUTUAL FUND (Identified Cost \$69,865)		68,424
RIGHTS—0.0%		
Vistra Energy Corp. ⁽¹⁶⁾	98,789	104
TOTAL RIGHTS (Identified Cost \$84)		104
TOTAL LONG TERM INVESTMENTS—98.8% (Identified Cost \$7,230,356)		7,297,098

	SHARES	VALUE
SHORT-TERM INVESTMENT—0.9%		
Money Market Mutual Fund⁽¹⁰⁾—0.9%		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 0.920%)	66,221,145	\$ 66,221
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$66,221)		66,221
TOTAL INVESTMENTS—99.7% (Identified Cost \$7,296,577)		
Other assets and liabilities, net—0.3%		20,788
NET ASSETS—100.0%		\$7,384,107

Abbreviations:

FNMA	Federal National Mortgage Association (“Fannie Mae”)
GNMA	Government National Mortgage Association (“Ginnie Mae”)
LIBOR	London Interbank Offered Rate
REIT	Real Estate Investment Trust

FOOTNOTE LEGEND:

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

⁽²⁾ Variable rate security. Rate disclosed is as of September 30, 2017. For loan agreements, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for some mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

For information regarding the abbreviations, See Key Investment Terms starting on page 4

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2017, these securities amounted to a value of \$3,263,432 or 44.2% of net assets.
- (4) Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under Rules 903 and 904 of the Securities Act of 1933.
- (5) This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- (6) Interest payments may be deferred.
- (7) Value shown as par value.
- (8) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (9) Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.
- (10) Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available.
- (11) This loan will settle after September 30, 2017, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- (12) Amount is less than \$500.
- (13) Security is fixed rate.
- (14) Non-income producing.
- (15) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (16) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.

Foreign Currencies:

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

Country Weightings (Unaudited)†

United States	79%
Argentina	2
Brazil	2
Turkey	2
Luxembourg	1
Mexico	1
United Kingdom	1
Other	12
Total	100%
† % of total investments as of September 30, 2017	

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

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

	Total Value at September 30, 2017	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$1,573,800	\$ —	\$1,573,800	\$ —
Corporate Bonds and Notes	2,615,724	—	2,615,714	10
Foreign Government Securities	533,447	—	533,447	—
Loan Agreements	780,951	—	770,031	10,920
Mortgage-Backed Securities	1,587,134	—	1,587,134	—
Municipal Bonds	4,240	—	4,240	—
U.S. Government Securities	95,453	—	95,453	—
Equity Securities:				
Affiliated Mutual Fund	68,424	68,424	—	—
Common Stocks	4,497	4,497	—	—
Preferred Stocks	33,324	—	33,324	—
Rights	104	—	—	104
Short-Term Investment	66,221	66,221	—	—
Total Investments	\$7,363,319	\$139,142	\$7,213,143	\$11,034

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

The following is a reconciliation of assets of the Fund for Level 3 investments for which significant unobservable inputs were used to determine fair value.

	Total	Asset- Backed Securities	Corporate Bonds and Notes	Loan Agreements	Rights
Investments in Securities					
Balance as of September 30, 2016:	\$ 22,276	\$ 8,363	\$ 2,595	\$ 11,318	\$ —
Accrued discount/(premium)	(107)	—	—	(107)	—
Realized gain (loss)	(10,926)	72	(10,920)	(78)	—
Change in unrealized appreciation/ (depreciation) ^(c)	12,131	(168)	10,989	1,290	20
Purchases	84	—	—	—	84
Sales ^(b)	(12,424)	(8,267)	(2,654)	(1,503)	—
Transfers into Level 3 ^(a)	— ^{(d)(e)}	—	—	— ^{(d)(e)}	—
Transfers from Level 3 ^(a)	—	—	—	—	—
Balance as of September 30, 2017	\$ 11,034	\$ —	\$ 10^(b)	\$10,920^(b)	\$104

^(a) "Transfers into and/or from" represent the ending value as of September 30, 2017, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.

^(b) Includes paydowns on securities.

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2017

(\$ reported in thousands)

- ^(c) Included in the related net change in unrealized appreciation (depreciation) in the Statement of Operations. The change in unrealized appreciation (depreciation) on investments still held as of September 30, 2017 was \$1,303.
- ^(d) The transfer into Level 3 was due to a security default.
- ^(e) Amount is less than \$500.
- ^(f) Includes internally fair valued security.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2017

(Reported in thousands except shares and per share amounts)

Assets	
Investment in unaffiliated securities at value ⁽¹⁾	\$ 7,294,895
Investment in affiliated fund at value ⁽²⁾	68,424
Foreign currency at value ⁽³⁾	— ⁽⁴⁾
Cash	5,504
Receivables	
Investment securities sold	45,117
Fund shares sold	18,943
Dividends and interest receivable	47,167
Prepaid expenses	129
Prepaid trustee retainer	81
Other assets	252
Total assets	<u>7,480,512</u>
Liabilities	
Payables	
Fund shares repurchased	14,917
Investment securities purchased	73,670
Dividend distributions	1,603
Investment advisory fees	2,817
Distribution and service fees	1,025
Administration fees	734
Transfer agent fees and expenses	1,020
Professional fees	55
Trustee deferred compensation plan	252
Other accrued expenses	312
Total liabilities	<u>96,405</u>
Net Assets	<u>\$ 7,384,107</u>
Net Assets Consist of:	
Capital paid in on shares of beneficial interest	\$ 7,436,914
Accumulated undistributed net investment income (loss)	(3,430)
Accumulated undistributed net realized gain (loss)	(116,117)
Net unrealized appreciation (depreciation) on investments	66,740
Net Assets	<u>\$ 7,384,107</u>
Class A	
Net asset value (net assets/shares outstanding) per share	\$ 4.78
Maximum offering price per share NAV/(1-2.25%)	\$ 4.89
Shares of beneficial interest outstanding, no par value, unlimited authorization	193,707,002
Net Assets	\$ 925,677
Class C	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 4.84
Shares of beneficial interest outstanding, no par value, unlimited authorization	261,476,597
Net Assets	\$ 1,266,378
Class C1	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 4.83
Shares of beneficial interest outstanding, no par value, unlimited authorization	78,251,785
Net Assets	\$ 377,835
Class I	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 4.79
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,005,374,059
Net Assets	\$ 4,811,684
Class R6	
Net asset value (net assets/shares outstanding) and offering price per share	\$ 4.78
Shares of beneficial interest outstanding, no par value, unlimited authorization	530,181
Net Assets	\$ 2,533

⁽¹⁾ Investment in securities at cost \$ 7,226,712
⁽²⁾ Investments in affiliated securities at cost 69,865
⁽³⁾ Foreign currency at cost —⁽⁴⁾
⁽⁴⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2017

(\$ reported in thousands)

Investment Income	
Dividends	\$ 365
Dividends from affiliated fund	3,900
Interest	286,753
Foreign taxes withheld	(530)
Total investment income	<u>290,488</u>
Expenses	
Investment advisory fees	33,823
Distribution and service fees, Class A	2,675
Distribution and service fees, Class B	— ⁽¹⁾
Distribution and service fees, Class C	6,366
Distribution and service fees, Class C1	4,313
Administration fees	9,053
Transfer agent fees and expenses	8,336
Registration fees	275
Printing fees and expenses	644
Custodian fees	207
Professional fees	268
Trustees' fees and expenses	859
Miscellaneous expenses	802
Total expenses	<u>67,621</u>
Less expenses reimbursed and/or waived by investment adviser	(314)
Earnings credit from custodian	(170)
Custody fees reimbursed (Note 11)	(147)
Low balance account fees	(1)
Net expenses	<u>66,989</u>
Net investment income (loss)	<u>223,499</u>
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on unaffiliated investments	(31,818)
Net realized gain (loss) on foreign currency transactions	(325)
Net change in unrealized appreciation (depreciation) on unaffiliated investments	34,383
Net change in unrealized appreciation (depreciation) on affiliated fund	(279)
Net change in unrealized appreciation (depreciation) on foreign currency translation	(47)
Net realized and unrealized gain (loss) on investments	<u>1,914</u>
Net increase (decrease) in net assets resulting from operations	<u>\$225,413</u>

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND

STATEMENTS OF CHANGES IN NET ASSETS

(Reported in thousands)

	Year Ended September 30, 2017	Year Ended September 30, 2016
INCREASE/(DECREASE) IN NET ASSETS		
From Operations		
Net investment income (loss)	\$ 223,499	\$ 233,536
Net realized gain (loss)	(32,143)	(50,143)
Net change in unrealized appreciation (depreciation)	34,057	154,001
Increase (decrease) in net assets resulting from operations	225,413	337,394
From Distributions to Shareholders		
Net investment income, Class A	(32,514)	(40,862)
Net investment income, Class B	(1)	(4)
Net investment income, Class C	(34,979)	(34,858)
Net investment income, Class C1	(9,748)	(11,050)
Net investment income, Class I	(144,718)	(122,921)
Net investment income, Class R6	(28)	—
Decrease in net assets from distributions to shareholders	(221,988)	(209,695)
From Share Transactions		
Sale of shares		
Class A (63,152 and 56,640 shares, respectively)	300,534	265,248
Class C (61,033 and 47,747 shares, respectively)	294,339	226,847
Class C1 (4,748 and 6,103 shares, respectively)	22,813	28,792
Class I (419,667 and 259,826 shares, respectively)	1,997,963	1,217,904
Class R6 (545 and 0 shares, respectively)	2,604	—
Reinvestment of distributions		
Class A (6,104 and 8,038 shares, respectively)	29,029	37,677
Class B (0 ⁽¹⁾ and 1 shares, respectively)	1	4
Class C (7,133 and 7,272 shares, respectively)	34,399	34,521
Class C1 (1,352 and 1,526 shares, respectively)	6,495	7,223
Class I (26,523 and 22,702 shares, respectively)	126,422	106,611
Class R6 (6 and 0 shares, respectively)	28	—
Conversion of shares⁽²⁾		
To Class A (4 and 0 shares, respectively)	18	—
From Class B (4 and 0 shares, respectively)	(18)	—
Shares repurchased		
Class A (149,168 and 127,042 shares, respectively)	(708,133)	(594,535)
Class B (19 and 60 shares, respectively)	(90)	(280)
Class C (79,694 and 89,555 shares, respectively)	(384,088)	(424,109)
Class C1 (29,376 and 29,391 shares, respectively)	(141,194)	(138,732)
Class I (283,905 and 311,788 shares, respectively)	(1,352,667)	(1,457,914)
Class R6 (21 and 0 shares, respectively)	(101)	—
Increase (decrease) in net assets from share transactions	228,354	(690,743)
Net increase (decrease) in net assets	231,779	(563,044)
Net Assets		
Beginning of period	7,152,328	7,715,372
End of period	\$ 7,384,107	\$ 7,152,328
Accumulated undistributed net investment income (loss) at end of period	\$ (3,430)	\$ 13,224

⁽¹⁾ Amount is less than 500 shares.

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

See Notes to Financial Statements

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VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND 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) ⁽⁷⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Return of Capital
Class A							
10/1/16 to 9/30/17	\$4.78	0.14	—	0.14	(0.14)	—	—
10/1/15 to 9/30/16	4.69	0.15	0.08	0.23	(0.14)	—	—
10/1/14 to 9/30/15	4.84	0.15	(0.16)	(0.01)	(0.11)	—	(0.03)
10/1/13 to 9/30/14	4.85	0.16	(0.01)	0.15	(0.16)	— ⁽⁴⁾	— ⁽⁴⁾
10/1/12 to 9/30/13	4.94	0.18	(0.09)	0.09	(0.18)	—	— ⁽⁴⁾
Class C							
10/1/16 to 9/30/17	\$4.84	0.13	—	0.13	(0.13)	—	—
10/1/15 to 9/30/16	4.75	0.14	0.07	0.21	(0.12)	—	—
10/1/14 to 9/30/15	4.89	0.14	(0.15)	(0.01)	(0.10)	—	(0.03)
10/1/13 to 9/30/14	4.90	0.15	(0.02)	0.13	(0.14)	— ⁽⁴⁾	— ⁽⁴⁾
10/1/12 to 9/30/13	4.99	0.17	(0.09)	0.08	(0.17)	—	— ⁽⁴⁾
Class C1							
10/1/16 to 9/30/17	\$4.83	0.11	—	0.11	(0.11)	—	—
10/1/15 to 9/30/16	4.73	0.12	0.08	0.20	(0.10)	—	—
10/1/14 to 9/30/15	4.88	0.12	(0.17)	(0.05)	(0.07)	—	(0.03)
10/1/13 to 9/30/14	4.89	0.12	(0.01)	0.11	(0.12)	— ⁽⁴⁾	— ⁽⁴⁾
10/1/12 to 9/30/13	4.98	0.14	(0.09)	0.05	(0.14)	—	— ⁽⁴⁾
Class R6							
11/3/16 ⁽¹⁰⁾ to 9/30/17	\$4.76	0.15	0.02	0.17	(0.15)	—	—

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

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets ⁽²⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
(0.14)	—	\$4.78	3.07% ⁽⁹⁾	\$ 925,677	1.00% ⁽⁹⁾	1.01%	3.04% ⁽⁹⁾	69%
(0.14)	0.09	4.78	4.90	1,307,484	1.00 ⁽⁶⁾	1.01	3.19	53
(0.14)	(0.15)	4.69	(0.23)	1,575,629	0.97	0.97	3.15	37
(0.16)	(0.01)	4.84	3.03	1,894,633	0.99	0.99	3.30	39
(0.18)	(0.09)	4.85	1.84	3,574,450	0.99	0.99	3.65	49
(0.13)	—	\$4.84	2.78% ⁽⁹⁾	\$1,266,378	1.25% ⁽⁹⁾	1.25%	2.80% ⁽⁹⁾	69%
(0.12)	0.09	4.84	4.58	1,321,202	1.25 ⁽⁶⁾	1.26	2.94	53
(0.13)	(0.14)	4.75	(0.27)	1,460,120	1.22	1.22	2.90	37
(0.14)	(0.01)	4.89	2.73	1,720,245	1.24	1.24	3.03	39
(0.17)	(0.09)	4.90	1.56	1,567,725	1.24	1.24	3.40	49
(0.11)	—	\$4.83	2.28% ⁽⁹⁾	\$ 377,835	1.75% ⁽⁹⁾	1.75%	2.30% ⁽⁹⁾	69%
(0.10)	0.10	4.83	4.29	489,924	1.75 ⁽⁶⁾	1.76	2.44	53
(0.10)	(0.15)	4.73	(0.98)	583,694	1.72	1.72	2.40	37
(0.12)	(0.01)	4.88	2.23	719,840	1.74	1.74	2.53	39
(0.14)	(0.09)	4.89	1.06	751,220	1.74	1.74	2.91	49
(0.15)	0.02	\$4.78	3.54% ⁽⁸⁾⁽⁹⁾	\$ 2,533	0.70% ⁽⁷⁾⁽⁹⁾	0.71% ⁽⁷⁾	3.05% ⁽⁷⁾⁽⁹⁾	69% ⁽⁵⁾⁽⁸⁾

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

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

Class I

	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	Return of Capital
10/1/16 to 9/30/17	\$4.78	0.16	0.01	0.17	(0.16)	—	—
10/1/15 to 9/30/16	4.69	0.16	0.08	0.24	(0.15)	—	—
10/1/14 to 9/30/15	4.84	0.16	(0.16)	—	(0.12)	—	(0.03)
10/1/13 to 9/30/14	4.85	0.17	(0.01)	0.16	(0.17)	— ⁽⁴⁾	— ⁽⁴⁾
10/1/12 to 9/30/13	4.94	0.19	(0.09)	0.10	(0.19)	—	— ⁽⁴⁾

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets ⁽²⁾	Ratio of Gross Expenses to Average Net Assets ⁽²⁾	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
(0.16)	0.01	\$4.79	3.54% ⁽⁹⁾	\$4,811,684	0.75% ⁽⁹⁾	0.76%	3.30% ⁽⁹⁾	69%
(0.15)	0.09	4.78	5.16	4,033,610	0.75 ⁽⁶⁾	0.76	3.44	53
(0.15)	(0.15)	4.69	0.02	4,095,547	0.72	0.72	3.40	37
(0.17)	(0.01)	4.84	3.28	4,766,491	0.74	0.74	3.51	39
(0.19)	(0.09)	4.85	2.09	2,418,863	0.74	0.74	3.90	49

Footnote Legend

- ⁽¹⁾ Sales charges, where applicable, are not reflected in the total return calculation.
- ⁽²⁾ Computed using average shares outstanding.
- ⁽³⁾ The Fund will also indirectly bear its prorated share of expenses of any underlying funds in which it invests. Such expenses are not included in the calculation of this ratio.
- ⁽⁴⁾ Amount is less than \$0.005 per share.
- ⁽⁵⁾ Portfolio Turnover is representative of the Fund for the entire period.
- ⁽⁶⁾ Net expense ratio includes extraordinary proxy expenses.
- ⁽⁷⁾ Annualized.
- ⁽⁸⁾ Not annualized.
- ⁽⁹⁾ Custody fees reimbursed were excluded from the Ratio of Expenses to Average Net Assets and Ratio of Net Investment Income to Average Net Assets. If included the impact would have been to lower the Ratio of Expenses and increase the Ratio of Net Investment Income by less than 0.01%. Custody fees reimbursed were included in Total Return. If excluded the impact would have been to lower the Total Return by less than 0.01%. Please refer to Note 11 in the Notes to Financial Statements for a further explanation on the custody fees reimbursed.
- ⁽¹⁰⁾ Inception date.

See Notes to Financial Statements

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 1. Organization

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

As of the date of this report, 28 funds of the Trust are offered for sale, of which the Multi-Sector Short Term Bond 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 the Fund will achieve its objective.*

The Fund offers Class A shares, Class C shares, Class R6 shares, Class C1 shares and Class I shares. Effective March 6, 2017, Class B shares were converted to Class A shares. Prior to conversion, Class B shares were only available to existing shareholders through qualifying transactions. Effective April 10, 2017, Class T shares of the Fund were renamed Class C1 shares.

Class A shares are sold with a front-end sales charge of up to 2.25% with some exceptions. Generally, Class A shares are not subject to any charges by the Fund when redeemed; however, a 0.50% 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 12 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 sold without a sales charge. Class C1 shares are sold with a 1% CDSC, applicable if redeemed within one year of purchase. Class I shares and Class R6 shares are sold without a front-end sales charge or CDSC.

Class R6 shares are available only to the following investors without a minimum initial investment or minimum additional purchases: certain employer-sponsored retirement plans, including Section 401(k), 403(b) and 457, profit-sharing, money purchase pension and defined benefit plans and nonqualified deferred compensation plans, in each case provided that plan level or omnibus accounts are held on the books of the fund. Other institutional investors may be permitted to purchase Class R6 shares subject to the fund's determination of eligibility and may be subject to a minimum initial investment requirement. Class R6 shares do not carry sales commissions or pay Rule 12b-1 fees. No compensation, administrative payments, sub-transfer agency payments or service payments are paid to brokers or other entities from Fund assets or the Fund's distributor's or an affiliate's resources on sales of or investments in Class R6 shares.

Virtus Mutual Funds may impose an annual fee on accounts having balances of less than \$2,500. The small account fee may be waived in certain circumstances, as disclosed in the prospectuses and/or statements of additional information. The fees collected will be used to offset certain expenses of the Fund. These fees are reflected as "Low Balance Account Fees" in the Fund's Statement of Operations for the period, as applicable.

Each class of shares has identical voting, dividend, liquidation and other rights and the same terms and conditions, except that each class bears different distribution and/or service fees under a Rule 12b-1 and/or shareholder service plan ("12b-1 Plan") approved by the Board and has exclusive voting rights with respect to such plans. Class I shares and Class R6 shares are not subject to a 12b-1 Plan. Income and other expenses as well as realized and unrealized gains and losses of the Fund are borne pro rata by the holders of each class of shares.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and those differences could be significant.

A. Security Valuation

Security valuation procedures for the Fund, which include nightly price variance, as well as back-testing items such as bi-weekly unchanged price, monthly secondary source and transaction analysis, have been approved by the Board. All internally fair valued securities are approved by a valuation committee appointed by the Board (the “Valuation Committee”). The Valuation Committee is comprised of certain members of management as identified to the Board and convenes independently from portfolio management. All internally fair valued securities are updated daily and reviewed in detail by the Valuation Committee monthly unless changes occur within the period. The Valuation Committee reviews the validity of the model inputs and any changes to the model. Fair valuations are reviewed by the Board at least quarterly.

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 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

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

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 markets in such securities. For most bond types, the pricing service utilizes matrix pricing that considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type, and current day trade information, as well as dealer-supplied prices. These valuations are generally categorized as Level 2 in the hierarchy. Structured debt instruments such as mortgage-backed and asset-backed securities may also incorporate collateral analysis and utilize cash flow models for valuation and are generally categorized as Level 2 in the hierarchy. Pricing services do not provide pricing for all securities and therefore indicative bids from dealers are utilized which are based on pricing models used by market makers in the security and are generally categorized as Level 2 in the hierarchy. Debt securities that are not widely traded or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

Listed derivatives 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 disbursements as designated by the underlying funds.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

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, 2017, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2014 forward (with limited exceptions).

D. Distributions to Shareholders

Distributions are recorded by the Fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations that may differ from U.S. GAAP.

E. Expenses

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

In addition to the net 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. When-issued Purchases and Forward Commitments (Delayed Delivery)

The Fund may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by the Fund to purchase or sell a security at a future date, ordinarily up to 90 days later. When-issued or forward commitments enable the Fund to lock in what is believed to be an

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. The Fund records when-issued and delayed delivery securities on the trade date. The Fund maintains collateral for the securities purchased. Securities purchased on a when-issued or delayed delivery basis begin earning interest on the settlement date.

H. Loan Agreements

The Fund may invest in direct debt instruments which are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates. Loan agreements are generally non-investment grade and often involve borrowers that are highly leveraged. The Fund may invest in obligations of borrowers who are in bankruptcy proceedings. Loan agreements are typically senior in the corporate capital structure of the borrower. A loan is often administered by a bank or other financial institution (the "lender") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. The Fund's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When investing in loan participations, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan participation and only upon receipt by the lender of payments from the borrower. The Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, the Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. When the Fund purchases assignments from lenders it acquires direct rights against the borrower on the loan.

The Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. Loan agreements may involve foreign borrowers, and investments may be denominated in foreign currencies. Direct indebtedness of emerging countries involves a risk that the government entities responsible for the repayment of the debt may be unable, or unwilling, to pay the principal and interest when due.

The loan agreements have floating rate loan interests which generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally London Interbank Offered Rate ("LIBOR"), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. When a loan agreement is purchased the Fund may pay an assignment fee. On an ongoing basis, the Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan agreement. Prepayment penalty fees are received upon the prepayment of a loan agreement by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

I. Earnings Credit and Interest

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

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

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

A. Adviser

Virtus Investment Advisers, Inc. (the “Adviser”), an indirect, wholly owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”), is the investment adviser to the Trust. The Adviser manages the Fund’s investment program and general operations of the Fund, including oversight of the Fund’s subadviser.

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

<u>First \$1 Billion</u>	<u>\$1+ Billion – \$2 Billion</u>	<u>\$2+ Billion – 10 Billion</u>	<u>\$10+ Billion</u>
0.55%	0.50%	0.45%	0.425%

During the period covered by these financial statements, the Fund invested a portion of its assets in Virtus Newfleet Credit Opportunities Fund, an affiliated mutual fund. In order to avoid any duplication of advisory fees, the Adviser has voluntarily waived its advisory fees in an amount equal to that which would otherwise be paid by the Fund on the assets invested in the Virtus Newfleet Credit Opportunities Fund. For the period covered by these financial statements, the waiver amounted to \$314. This waiver is in addition to the expense limitation and/or fee waiver covered elsewhere in these financial statements and is included in the Statement of Operations in “Less expenses reimbursed and/or waived by investment adviser.”

B. Subadviser

Newfleet Asset Management, LLC (the “Subadviser”), an indirect, wholly owned subsidiary of Virtus, is the subadviser to the Fund. The subadviser manages the investments of the Fund for which the Subadviser is paid a fee by the Adviser.

C. Expense Limitations

The Adviser has contractually agreed to limit the Fund’s total operating expenses (excluding front-end or contingent deferred loads, taxes, leverage expenses, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, unusual or infrequently occurring expenses (such as litigation), acquired fund fees and expenses, and dividend expenses, if any) so that such expenses do not exceed, on an annualized basis, the following percentages of the Fund’s average net asset values: 1.10% for Class A shares, 1.35% for Class C shares, 0.78% for Class R6 shares, 1.85% for Class C1 shares, and 0.85% for Class I shares, through April 30, 2018. Each share class is currently below its expense cap.

D. Distributor

VP Distributors, LLC (“VP Distributors”), an indirect wholly owned subsidiary of Virtus, serves as the distributor of the Fund’s shares. VP Distributors has advised the Fund that for the year (the “period”) ended September 30, 2017, it retained net commissions of \$28 for Class A shares and CDSC of \$37, \$—⁽¹⁾ and \$27 for Class A shares, Class C shares and Class C1 shares, respectively.

⁽¹⁾ Amount is less than \$500.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

In addition, the Fund pays VP Distributors 12b-1 fees under a 12b-1 Plan as a percentage of the average daily net assets of each respective class, at the annual rates as follows: 0.25% for Class A shares, 0.50% for Class C shares, and 1.00% for Class C1 shares. Class I shares and Class R6 shares are not subject to a 12b-1 Plan.

Under certain circumstances, shares of certain Virtus Mutual Funds may be exchanged for shares of the same class of certain other Virtus Mutual Funds on the basis of the relative NAV per share at the time of the exchange. On exchanges with share classes that carry a CDSC, the CDSC schedule of the original shares purchased continues to apply.

E. 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, 2017, the Fund incurred administration fees totaling \$7,004 which are included in the Statement of Operations within the line item "Administration fees."

For the period ended September 30, 2017, the Fund incurred transfer agent fees totaling \$8,212 which are included in the Statement of Operations within the line item "Transfer agent fees and expenses." A portion of these fees is paid to outside entities that also provide services to the Trust.

F. Affiliated Shareholders

At September 30, 2017, Virtus and its affiliates, and the retirement plans of Virtus and its affiliates, held shares of the Fund which may be redeemed at any time that aggregated to the following:

	<u>Shares</u>	<u>Aggregate Net Asset Value</u>
Class R6 Shares	21,661	\$104

G. Investments in Affiliates

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

	<u>Value, beginning of period</u>	<u>Sales Purchases</u>	<u>Proceeds</u>	<u>Net realized gain (loss) on affiliated fund</u>	<u>Net change in unrealized appreciation (depreciation) on affiliated fund</u>	<u>Value, end of period</u>	<u>Dividend Income</u>	<u>Distributions of Realized Gains</u>
Virtus Newfleet Credit Opportunities Fund	\$68,703	\$—	\$—	\$—	\$(279)	\$68,424	\$3,900	\$—

The Fund does not invest in the underlying fund for the purpose of exercising management or control; however, the investments made by the Fund within each of its principal investment strategies may represent a significant portion of the underlying fund's net assets. At September 30, 2017, the Fund was the owner of record of approximately 75% of the Virtus Newfleet Credit Opportunities Fund.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

H. Trustee Compensation

The Trust provides a deferred compensation plan for its Trustees who receive compensation from the Trust. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Trust, and then, to the extent permitted by the 1940 Act, in turn, may be invested in the shares of affiliated or unaffiliated mutual funds selected by the participating Trustees. Investments in such instruments are included in "Other Assets" in the Statement of Assets and Liabilities at September 30, 2017.

Note 4. Purchases and Sales of Securities

(\$ reported in thousands)

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

<u>Purchases</u>	<u>Sales</u>
\$4,343,609	\$4,154,895

Purchases and sales of long-term U.S. Government and agency securities during the period ended September 30, 2017, were as follows:

<u>Purchases</u>	<u>Sales</u>
\$777,530	\$761,620

Note 5. Borrowings

(\$ reported in thousands)

On September 18, 2017, the Fund and other affiliated funds of the Trust entered into a \$150,000 unsecured line of credit. This Credit Agreement is with a commercial bank that allows the Fund to borrow cash from the bank to manage large unexpected redemptions and trade fails, up to a limit of one-third of the Fund's total net assets in accordance with the terms of the agreement. This Credit Agreement has a term of 364 days. Interest is charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Fund and other affiliated funds that are parties are individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank has the ability to require repayment of outstanding borrowings under this Credit Agreement upon certain circumstances such as an event of default.

On June 29, 2016, the Fund and other affiliated funds of the Trust renewed a \$50,000 secured line of credit. This Credit Agreement was with a commercial bank that allowed the Fund to borrow cash from the bank 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 terms of the agreement. This Credit Agreement had a term of 364 days and was renewable by the Fund with the bank's consent and approval of the Board. Interest was charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees were charged on the undrawn balance. The Fund and other affiliated funds that were parties were individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank had the ability to require repayment of outstanding borrowings under this Credit Agreement upon certain circumstances such as an event of default. On June 14, 2017, the term of this Credit

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

Agreement was extended for an additional 90 days. Effective September 18, 2017, this Credit Agreement was terminated and replaced by a new credit facility.

The Fund had no outstanding borrowings at any time during the period ended September 30, 2017.

Note 6. 10% Shareholders

As of September 30, 2017, the Fund had individual shareholder account(s) and/or omnibus shareholder account(s) (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of the Fund as detailed below.

<u>% of Shares Outstanding</u>	<u>Number of Accounts</u>
31%	2

Note 7. Credit Risk and Asset Concentrations

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.

High-yield/high-risk securities typically entail greater price volatility and/or principal and interest rate risk. There is a greater chance that an issuer will not be able to make principal and interest payments on time. Analysis of the creditworthiness of issuers of high-yield/high-risk securities may be complex, and as a result, it may be more difficult for the Adviser and/or Subadviser to accurately predict risk.

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

Note 8. Illiquid and Restricted Securities

Investments generally are considered illiquid if they cannot be disposed of in 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 illiquidity: the frequency of trades and quotes for the investment, whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price, the extent of market making activity in the investment and the nature of the market for investment.

Restricted securities are illiquid securities, as defined above, not registered under the Securities Act of 1933, as amended (the "1933 Act"). Generally, 144A securities are excluded from this category, except where defined as illiquid.

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

At September 30, 2017, the Fund's aggregate value of illiquid securities was \$114 or 0.0% of the Fund's net assets.

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

At September 30, 2017, the Fund did not hold any securities that are both illiquid and restricted.

Note 9. Indemnifications

Under the Trust's organizational documents and in separate agreements between each Trustee and the Trust, its Trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Trust and its funds. In addition, in the normal course of business, the Fund enters into contracts that provide a variety of indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund and that have not occurred. However, the Fund has not had prior claims or losses pursuant to these arrangements and expects the risk of loss to be remote.

Note 10. Federal Income Tax Information

(\$ reported in thousands)

At September 30, 2017, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$7,300,020	\$120,561	\$(57,262)	\$63,299

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

<u>No Expiration</u>		
<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>
\$37,683	\$66,146	\$103,829

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.

The Fund utilized \$11,612 in losses deferred in prior years against current year capital gains.

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 year ended September 30, 2017, 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>
\$—	\$—	\$11,969	\$31,026

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

<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-term Capital Gains</u>
\$—	\$—

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

The differences between the book and tax basis components of distributable earnings relate principally to the timing of recognition of income and gains for federal income tax purposes. Short-term gain distributions reported in the Statements of Changes in Net Assets, if any, are reported as ordinary income for federal tax purposes. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes.

The tax character of dividends and distributions paid during the fiscal years ended September 30, 2017 and 2016 was as follows:

	Year Ended	
	2017	2016
Ordinary Income	\$221,988	\$209,695
Total	\$221,988	\$209,695

For financial reporting purposes, book basis capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Permanent reclassifications can arise from differing treatment of certain income and gain transactions, nondeductible current year net operating losses, expiring capital loss carryovers and investments in passive foreign investment companies. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest. The reclassifications have no impact on the net assets or net asset value of the Fund. As of September 30, 2017, the Fund recorded reclassifications to increase (decrease) the accounts as listed below:

Capital Paid in on Shares of Beneficial Interest	Undistributed Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)
\$(3,750)	\$(18,165)	\$21,915

Note 11. Custody Fees Reimbursed

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

Note 12. Regulatory Matters and Litigation

From time to time, the Trust, the Adviser and/or Subadviser and/or their affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the SEC, involving compliance with, among other things, securities laws, client investment guidelines, laws governing the activities of broker-dealers and other laws and regulations affecting their products and other activities. At this time, the Adviser believes that the outcomes of such matters are not likely, either individually or in the aggregate, to be material to these financial statements.

On February 20, 2015, a putative class action complaint (In re Virtus Investment Partners, Inc. Securities Litigation; formerly styled as Tom Cummins v. Virtus Investment Partners Inc., et al.) alleging violations of certain provisions of the federal securities laws was filed by an individual shareholder against Virtus and certain of its officers (the “defendants”) in the

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

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

On May 8, 2015, a putative class action complaint (Mark Youngers v. Virtus Investment Partners, Inc., et al.) alleging violations of certain provisions of the federal securities laws was filed in the United States District Court for the Central District of California. The complaint, which was purportedly filed on behalf of purchasers of certain Virtus Funds previously subadvised by F-Squared between May 8, 2010 and December 22, 2014, inclusive (the "Class Period"), alleged claims against Virtus, certain Virtus officers and affiliates (including the Adviser, Euclid Advisors LLC ("Euclid") and VP Distributors, LLC), the trustees and certain officers of the Trust, and certain other parties (the "defendants"). The complaint alleges that during the Class Period the defendants disseminated materially false and misleading statements and concealed or omitted material facts necessary to make the statements made not misleading. On October 1, 2015, the plaintiffs filed a First Amended Class Action Complaint which, among other things, added a derivative claim for breach of fiduciary duty on behalf of the Trust. On October 19, 2015, the United States District Court for the Central District of California entered an order transferring the action to the Southern District of New York. On January 4, 2016, the plaintiffs filed a Second Amended Complaint. Motions to dismiss were filed on behalf of Virtus, its officers and affiliates and the independent trustees on February 1, 2016. An Opinion & Order ("Order") granting in part and denying in part the defendants' motions to dismiss was issued on July 1, 2016. The Order dismissed all claims against the Adviser, Euclid, the independent trustees and certain of the other individual defendants, and narrowed the claims asserted against the remaining defendants. The remaining defendants filed an Answer to the Second Amended Complaint on August 5, 2016. A Stipulation of Voluntary Dismissal of the claim under Section 12 of the Securities Act of 1933, as amended, was filed on September 15, 2016.

The remaining defendants filed a motion to certify an interlocutory appeal of the July 1, 2016 order to the Court of Appeals for the Second Circuit on August 26, 2016. The motion was denied on January 6, 2017. Pursuant to an Opinion & Order filed on May 15, 2017, the plaintiffs' motion for class certification was denied by the court. Plaintiffs have filed a motion

VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2017

seeking leave to amend their complaint, and a decision on the motion is pending. 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. Recent Accounting Pronouncement

In October 2016, the Securities and Exchange Commission released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. The financial statements presented are in compliance with the most recent Regulation S-X amendments.

Note 14. 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 these financial statements.



Report of Independent Registered Public Accounting Firm

To the Board of Trustees of
Virtus Opportunities Trust and Shareholders of
Virtus Newfleet Multi-Sector Short Term Bond Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Virtus Newfleet Multi-Sector Short Term Bond Fund (one of the funds constituting Virtus Opportunities Trust, hereafter referred to as the "Fund") as of September 30, 2017, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for 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 as of September 30, 2017 by correspondence with the custodians, brokers, transfer agent of the investee funds and the application of alternative procedures where securities purchased had not been received, provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
November 22, 2017

VIRTUS MULTI-SECTOR SHORT TERM BOND FUND
TAX INFORMATION NOTICE
SEPTEMBER 30, 2017 (Unaudited)

For the fiscal year ended September 30, 2017, 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 ("QDI") to qualify for the lower tax rates 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 amount 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 amount, if subsequently different, will be designated in the next annual report.

<u>QDI</u>	<u>DRD</u>	<u>LTCG</u>
—%	—%	\$—

FUND MANAGEMENT TABLES

Information pertaining to the Trustees and officers of the Trust as of September 30, 2017, is set forth below. The statement of additional information (SAI) includes additional information about the Trustees and is available without charge, upon request, by calling (800) 243-4361.

The address of each individual, unless otherwise noted, is c/o Virtus Opportunities Trust, 100 Pearl Street, Hartford, CT 06103. There is no stated term of office for Trustees or officers of the Trust.

Independent Trustees

Name, Year of Birth, Length of Time Served and Number of Portfolios in Complex	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Brown, Thomas J. YOB: 1945 Served Since: 2016 87 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Variable Insurance Trust (9 portfolios); Director (since 2010), D'Youville Senior Care Center; and Director (since 2005), VALIC Company Funds (49 portfolios).
Burke, Donald C. YOB: 1960 Served Since: 2016 91 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 portfolios), Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2014) closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director, Avista Corp. (energy company) (since 2011); Trustee, Goldman Sachs Fund Complex (2010 to 2014); and Director, BlackRock Luxembourg and Cayman Funds (2006 to 2010).
Gelfenbien, Roger A. YOB: 1943 Served Since: 2016 87 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (75 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (since 1999), USAllianz Variable Insurance Product Trust (42 portfolios).
Harris, Sidney E. YOB: 1949 Served Since: 2017 87 Portfolios	Professor and Dean Emeritus (since April 2015), Professor (1997 to 2014), Dean (1997 to 2004), J. Mack Robinson College of Business, Georgia State University; Trustee (since 2017), Virtus Mutual Fund Family (75 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2013), KIPP Metro Atlanta; Trustee (since 1999) Total System Services, Inc.; Trustee (2004 to 2017), RidgeWorth Funds; Trustee (2012 to 2017), International University of the Grand Bassam; and Trustee (2011 to 2015), Genspring Family Offices, LLC.
Mallin, John R. YOB: 1950 Served Since: 2016 87 Portfolios	Partner/Attorney (since 2003), McCarter & English LLP (law firm), Real Property Practice Group; and Member (since 2014), Counselors of Real Estate. Trustee (since 2016), Virtus Mutual Fund Family (75 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Horizons, Inc. (non-profit); and Trustee (since 1999), Virtus Variable Insurance Trust (9 portfolios).
McClellan, Hassell H. YOB: 1945 Served Since: 2015 87 Portfolios	Retired (since 2013); and Professor (1984 to 2013), Wallace E. Carroll School of Management, Boston College. Chairperson of the Board (since 2017) and Trustee (since 2000), John Hancock Fund Complex (collectively, 227 portfolios); Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Mutual Fund Family (75 portfolios); Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); Trustee, Virtus Variable Insurance Trust (9 portfolios) (since 2008).
McDaniel, Connie D. YOB: 1958 Served Since: 2017 87 Portfolios	Retired. Trustee (since 2017), Virtus Mutual Fund Family (75 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2014), Total System Services, Inc.; and Trustee (2005 to 2017), RidgeWorth Funds.

FUND MANAGEMENT TABLES (Continued)

Independent Trustees (Continued)

Name, Year of Birth, Length of Time Served and Number of Portfolios in Complex	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
McLoughlin, Philip YOB: 1946 Served Since: 1999 95 Portfolios	Retired. Director and Chairman (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Director and Chairman (since 2014) Duff & Phelps Select Energy MLP Fund Inc.; Trustee and Chairman (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee and Chairman (since 2011), Virtus Global Multi-Sector Income Fund; Chairman and Trustee (since 2003), Virtus Variable Insurance Trust (9 portfolios); Director (since 1995), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director (since 1991) and Chairman (since 2010), Lazard World Trust Fund (closed-end investment firm in Luxembourg); and Trustee (since 1989) and Chairman (since 2002), Virtus Mutual Fund Family (75 portfolios).
McNamara, Geraldine M. YOB: 1951 Served Since: 2001 91 Portfolios	Retired. Trustee (since 2016) Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Variable Insurance Trust (9 portfolios); Director (since 2003), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); and Trustee (since 2001), Virtus Mutual Fund Family (75 portfolios).
Oates, James M. YOB: 1946 Served Since: 2000 91 Portfolios	Managing Director (since 1994), Wydown Group (consulting firm). Director (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios); Director (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Global Multi-Sector Income Fund; Chairman (2005 to 2017) and Trustee (since 2005), John Hancock Fund Complex (227 portfolios); Director (2002 to 2014), New Hampshire Trust Company; Chairman (2000 to 2016), Emerson Investment Management, Inc.; Non-Executive Chairman (2000 to 2014), Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services); Chairman and Director (1999 to 2014), Connecticut River Bank; Director (since 1996), Stifel Financial; and Trustee (since 1987), Virtus Mutual Fund Family (75 portfolios).
Segerson, Richard E. YOB: 1948 Served Since: 1996 87 Portfolios	Retired; and Managing Director (1998 to 2013), Northway Management Company. Trustee (since 2016) Virtus Alternative Solutions Trust (3 portfolios) and Virtus Variable Insurance Trust (9 portfolios); and Trustee (since 1983), Virtus Mutual Fund Family (75 portfolios).
Verdonck, Ferdinand L.J. YOB: 1942 Served Since: 2005 87 Portfolios	Director (1998 to 2015), The J.P. Morgan Continental European Investment Trust; Director (2005 to 2013), Galapagos N.V. (biotechnology); Director (1998 to 2015) Groupe SNEF; Vice Chairman (since 2014), Affirmed Therapeutics (biotechnology); and Mr. Verdonck is also a director of several non-U.S. companies. Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); and Trustee (since 2002), Virtus Mutual Fund Family (75 portfolios).

FUND MANAGEMENT TABLES (Continued)

Interested Trustee

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Aylward, George R.* Trustee and President YOB: 1964 Elected: 2006 93 Portfolios	Director, President and Chief Executive Officer (since 2008), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions with Virtus affiliates (since 2005). Chairman and Trustee (since 2015), Virtus ETF Trust II (2 funds); Trustee and President (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Virtus Global Funds, PLC (2 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Director, President and Chief Executive Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee, President and Chief Executive Officer (since 2011), Virtus Global Multi-Sector Income Fund; Trustee and President (since 2006) and Executive Vice President (2004 to 2006), Virtus Mutual Fund Family (75 portfolios); and Director, President and Chief Executive Officer (since 2006), Virtus Global Dividend & Income Fund Inc. and Virtus Total Return Fund Inc.

* Mr. Aylward is an “interested person,” as defined in the 1940 Act, by reason of his position as President and Chief Executive Officer of Virtus Investment Partners, Inc. (“Virtus”), the ultimate parent company of the Adviser, and various positions with its affiliates, including the Adviser.

Officers of the Trust Who Are Not Trustees

Name, Address and Year of Birth	Position(s) Held with Trust and Length of Time Served	Principal Occupation(s) During Past 5 Years
Bradley, W. Patrick YOB: 1972	Executive Vice President (since 2016); Senior Vice President (2013 to 2016); Vice President (2011 to 2013); Chief Financial Officer and Treasurer (since 2006).	Executive Vice President, Fund Services (since 2016), Senior Vice President, Fund Services (2010 to 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2004), Virtus Variable Insurance Trust; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006), Virtus Mutual Fund Family; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer and Chief Financial Officer (since 2010), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2011), Virtus Global Multi-Sector Income Fund; Vice President and Assistant Treasurer (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Director (since 2013), Virtus Global Funds, PLC; and Executive Vice President (since 2016), Senior Vice President, Chief Financial Officer and Treasurer (2013 to 2016), Virtus Alternative Solutions Trust.

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
Carr, Kevin J. YOB: 1954	Senior Vice President (since 2013); Vice President (2005 to 2013); Chief Legal Officer, Counsel and Secretary (since 2005).	Senior Vice President (since 2009), Vice President, Counsel and Secretary (2008 to 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2005) with Virtus affiliates; Senior Vice President (since 2013), Vice President (2005 to 2013), Chief Legal Officer, Counsel and Secretary (since 2005), Virtus Mutual Fund Family; Senior Vice President (2013 to 2014), Vice President (2012 to 2013) and Assistant Secretary (since 2012), Secretary and Chief Legal Officer (2005 to 2012), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Senior Vice President (since 2017), Assistant Secretary (since 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2010 to 2013), Virtus Variable Insurance Trust; Vice President and Assistant Secretary (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Senior Vice President and Assistant Secretary (2013 to 2014), Vice President and Assistant Secretary (2012 to 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2011 to 2012), Virtus Closed-End Funds; Senior Vice President (since 2017) and Assistant Secretary (since 2013), Virtus Alternative Solutions Trust; Secretary (since 2015), ETFis Series Trust I; and Secretary (since 2015), Virtus ETF Trust II.
Engberg, Nancy J. YOB: 1956	Senior Vice President and Chief Compliance Officer (since 2017); Vice President and Chief Compliance Officer (2011 to 2017).	Senior Vice President (since 2017), Vice President (2008 to 2017) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Senior Vice President (since 2017), Vice President (2011 to 2017) and Chief Compliance Officer (since 2011), Virtus Mutual Fund Family; Senior Vice President (since 2017), Vice President (2010 to 2016) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Senior Vice President (since 2017), Vice President (2011 to 2016) and Chief Compliance Officer (since 2011), Virtus Global Multi-Sector Income Fund; Senior Vice President (since 2017), Vice President (2012 to 2016) and Chief Compliance Officer (since 2012), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Senior Vice President (since 2017), Vice President (2013 to 2016) and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Vice President & Chief Compliance Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Chief Compliance Officer (since 2015), ETFis Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II.

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
Short, Julia R. YOB: 1972	Senior Vice President (since 2017)	Senior Vice President, Product Development (since 2017), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; Senior Vice President (since 2017), Virtus Mutual Fund Family; President and Chief Executive Officer, RidgeWorth Funds (2007 to 2017); and Managing Director, Product Manager, RidgeWorth Investments (2004 to 2017).
Waltman, Francis G. YOB: 1962	Executive Vice President (since 2013); Senior Vice President (2008 to 2013).	Executive Vice President, Product Development (since 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2013), Senior Vice President (2008 to 2013), Virtus Mutual Fund Family; Executive Vice President (since 2013), Senior Vice President (2010 to 2013), Virtus Variable Insurance Trust; Executive Vice President (since 2013), Senior Vice President (2011 to 2013), Virtus Global Multi-Sector Income Fund; Executive Vice President (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust.

VIRTUS OPPORTUNITIES TRUST

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Trustees

George R. Aylward
Thomas J. Brown
Donald C. Burke
Roger A. Gelfenbien
Sidney E. Harris
John R. Mallin
Hassell H. McClellan
Connie D. McDaniel
Philip R. McLoughlin, Chairman
Geraldine M. McNamara
James M. Oates
Richard E. Segerson
Ferdinand L.J. Verdonck

Officers

George R. Aylward, President
Francis G. Waltman, Executive
Vice President
W. Patrick Bradley, Executive
Vice President, Chief Financial Officer
and Treasurer
Kevin J. Carr, Senior Vice President,
Chief Legal Officer, Counsel and
Secretary
Nancy J. Engberg, Senior Vice President and
Chief Compliance Officer
Julia R. Short, Senior Vice President

Investment Adviser

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Hartford, CT 06103-4506

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Administrator and Transfer Agent

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