VIRTUS
MUTUAL FUNDS

ANNUAL REPORT

Virtus Bond Fund*
Virtus CA Tax-Exempt Bond Fund
Virtus Essential Resources Fund*
Virtus High Yield Fund*
Virtus Low Duration Income Fund
Virtus Low Volatility Equity Fund*
Virtus Multi-Sector Intermediate Bond Fund
Virtus Senior Floating Rate Fund*
Virtus Tax-Exempt Bond Fund
Virtus Wealth Masters Fund

September 30, 2016
TRUST NAME: VIRTUS OPPORTUNITIES TRUST
** Prospectus and Statement of Additional Information supplements applicable to these Funds appear at the back of this annual report*

Not FDIC Insured
No Bank Guarantee
May Lose Value

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Proxy Voting Procedures and Voting Record (Form N-PX)

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

Form N-Q Information

The Trust files a complete schedule of portfolio holdings for each Fund with the SEC for the first and third quarters of each fiscal 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 Funds presented in this book unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, each Fund's record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:

I am pleased to present this annual report that reviews the performance of your fund for the 12 months ended September 30, 2016.

During the first half of the fiscal year, global equity markets were challenged by falling oil prices, China's slowdown, and concerns over the Federal Reserve's ("the Fed") first rate hike in nine years, which occurred in December 2015. Equities plummeted in early 2016, but stabilizing oil prices and the Fed's softened stance on further rate hikes for 2016 sparked a rally in mid-February that lasted until June. The U.K.'s June 23 "Brexit" decision to leave the European Union triggered a selloff that was largely short-lived. Calm was restored by better-than-expected corporate earnings, an improving global economic picture, and reassurance that the world's central banks would continue to provide monetary stimulus. By the end of September, U.S. equity markets had recovered much of their losses, and the 12-month period was positive for many asset classes.

For the 12 months ended September 30, 2016, U.S. small-cap stocks kept pace with U.S. large-cap stocks, as measured by the 15.47% and 15.43% returns of the Russell 2000® Index and S&P 500® Index, respectively. Within international equities, emerging markets significantly outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 16.78%, while the MSCI EAFE® Index (net) returned 6.52%.

Demand for U.S. Treasuries remained strong, driven by foreign investors seeking safe havens and yield in light of the negative interest rate environment in many international economies. On September 30, 2016, the benchmark 10-year U.S. Treasury yielded 1.60% compared with 2.06% one year earlier. For the 12 months ended September 30, 2016, the broader U.S. fixed income market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which tracks Treasuries and other investment-grade debt securities, gained 5.19%, while non-investment grade bonds rose 12.73%, as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

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

Market uncertainty is an ever-present reminder of the importance of portfolio diversification, including exposure to both traditional and alternative asset classes. While diversification cannot guarantee a profit or prevent a loss, owning a variety of asset classes may cushion your portfolio against inevitable market fluctuations. Your financial advisor can help you ensure that your portfolio is adequately diversified across asset classes and investment strategies.

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

Sincerely,

George R. Aylward
President, Virtus Mutual Funds
October 2016

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

VIRTUS OPPORTUNITIES TRUST
Disclosure of Fund Expenses (Unaudited)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2016 TO SEPTEMBER 30, 2016

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of a Virtus Opportunities Trust Fund (each, a "Fund") you may incur two types of costs: (1) transaction costs, including sales charges on purchases of Class A shares and contingent deferred sales charges on Class B and Class C shares; and (2) ongoing costs, including investment advisory fees, distribution and service fees, and other expenses. Class I shares and Class R6 shares are sold without sales charges and do not incur distribution and service fees. For further information regarding applicable sales charges, see Note 1 in the Notes to Financial Statements. These examples are intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds. These examples are based on an investment of $1,000 invested at the beginning of the period and held for the entire six-month period. The following Expense Table illustrates your Fund's costs in two ways.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

Expense Table

	Beginning Account Value April 1, 2016	Ending Account Value September 30, 2016	Annualized Expense Ratio	Expenses Paid During Period*
Bond Fund				
Actual				
Class A	$1,000.00	$1,048.70	0.87%	$4.46
Class B	1,000.00	1,043.30	1.63	8.33
Class C	1,000.00	1,044.00	1.62	8.28
Class I	1,000.00	1,050.20	0.62	3.18
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,020.65	0.87	4.39
Class B	1,000.00	1,016.85	1.63	8.22
Class C	1,000.00	1,016.90	1.62	8.17
Class I	1,000.00	1,021.90	0.62	3.13
CA Tax Exempt Bond Fund				
Actual				
Class A	$1,000.00	$1,024.00	0.87%	$4.41
Class I	1,000.00	1,026.20	0.62	3.15
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,020.71	0.87	4.41
Class I	1,000.00	1,021.96	0.62	3.14
Essential Resources Fund				
Actual				
Class A	$1,000.00	$1,052.40	1.68%	$8.64
Class C	1,000.00	1,049.10	2.42	12.43
Class I	1,000.00	1,054.80	1.42	7.31
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,016.60	1.68	8.47
Class C	1,000.00	1,012.90	2.42	12.18
Class I	1,000.00	1,017.90	1.42	7.16
High Yield Fund				
Actual				
Class A	$1,000.00	$1,093.70	1.15%	$6.02
Class B	1,000.00	1,089.70	1.89	9.87
Class C	1,000.00	1,091.30	1.90	9.93
Class I	1,000.00	1,095.10	0.90	4.71
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,019.25	1.15	5.81
Class B	1,000.00	1,015.55	1.89	9.52
Class C	1,000.00	1,015.50	1.90	9.57
Class I	1,000.00	1,020.50	0.90	4.55
Low Duration Income Fund				
Actual				
Class A	$1,000.00	$1,022.20	0.77%	$3.89
Class C	1,000.00	1,017.40	1.52	7.67
Class I	1,000.00	1,023.50	0.52	2.63
Hypothetical				
Class A	1,000.00	1,021.15	0.77	3.89
Class C	1,000.00	1,017.40	1.52	7.67
Class I	1,000.00	1,022.40	0.52	2.63

VIRTUS OPPORTUNITIES TRUST
Disclosure of Fund Expenses (Unaudited) (Continued)
FOR THE SIX-MONTH PERIOD OF APRIL 1, 2016 TO SEPTEMBER 30, 2016

Expense Table

	Beginning Account Value April 1, 2016	Ending Account Value September 30, 2016	Annualized Expense Ratio	Expenses Paid During Period*
Low Volatility Equity Fund				
Actual				
Class A	$1,000.00	$1,044.20	1.58%	$8.07
Class C	1,000.00	1,041.10	2.34	11.94
Class I	1,000.00	1,046.80	1.33	6.81
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.10	1.58	7.97
Class C	1,000.00	1,013.30	2.34	11.78
Class I	1,000.00	1,018.35	1.33	6.71
Multi-Sector Intermediate Bond Fund				
Actual				
Class A	$1,000.00	$1,085.90	1.15%	$6.00
Class B	1,000.00	1,082.10	1.89	9.84
Class C	1,000.00	1,082.00	1.89	9.84
Class I	1,000.00	1,087.20	0.89	4.64
Class R6	1,000.00	1,088.70	0.83	4.33
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,019.25	1.15	5.81
Class B	1,000.00	1,015.55	1.89	9.52
Class C	1,000.00	1,015.55	1.89	9.52
Class I	1,000.00	1,020.55	0.89	4.50
Class R6	1,000.00	1,020.85	0.83	4.19
Senior Floating Rate Fund				
Actual				
Class A	$1,000.00	$1,047.07	1.25%	$6.40
Class C	1,000.00	1,043.08	2.00	10.22
Class I	1,000.00	1,048.44	1.00	5.12
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.75	1.25	6.31
Class C	1,000.00	1,015.00	2.00	10.08
Class I	1,000.00	1,020.00	1.00	5.05
Tax-Exempt Bond Fund				
Actual				
Class A	$1,000.00	$1,015.50	0.87%	$4.38
Class C	1,000.00	1,011.60	1.62	8.15
Class I	1,000.00	1,016.80	0.63	3.18
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,020.65	0.87	4.39
Class C	1,000.00	1,016.90	1.62	8.17
Class I	1,000.00	1,021.85	0.63	3.18
Wealth Masters Fund				
Actual				
Class A	$1,000.00	$1,090.40	1.48%	$7.73
Class C	1,000.00	1,086.10	2.23	11.63
Class I	1,000.00	1,091.60	1.23	6.43
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.60	1.48	7.47
Class C	1,000.00	1,013.85	2.23	11.23
Class I	1,000.00	1,018.85	1.23	6.21

* Expenses are equal to the relevant Funds' annualized expense ratio, which is net of waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (183) expenses were accrued in the most recent fiscal half-year, then divided by 366 to reflect the one-half year period.

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

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

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.

Bank of Japan ("BOJ")
The Bank of Japan is the Japanese central bank.

Bloomberg Barclays California Municipal Bond Index
The Bloomberg Barclays California Municipal Bond Index measures long term investment grade, tax-exempt and fixed rate bonds issued in California. 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 Municipal Bond Index
The Bloomberg Barclays Municipal Bond Index is a market capitalization-weighted index that measures the long-term tax-exempt 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 is not available for direct investment.

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.

Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index
The Bloomberg Barclays High-Yield 2% Issuer Capped Bond Index is a market capitalization-weighted index that measures fixed rate non-investment grade debt securities of U.S. and non-U.S. corporations. No single issuer accounts for more than 2% of market cap. 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. Intermediate Government/Credit Bond Index
The Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index measures U.S. investment grade government and corporate debt securities with an average maturity of 4 to 5 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 is not available for direct investment.

BofA Merrill Lynch U.S. Municipal Securities Index
The BofA Merrill Lynch U.S. Municipal Securities Index tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic 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 is not available for direct investment.

BofA Merrill Lynch 1–22 Year U.S. Municipal Securities Index
The BofA Merrill Lynch 1–22 Year U.S. Municipal Securities Index is a a subset of the BofA Merrill Lynch U.S. Municipal Securities Index including all securities with a remaining term to final maturity less than 22 years, calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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

CBOE S&P 500 Buywrite Index
The CBOE S&P 500 Buywrite Index is a passive total return index based on buying an S&P 500® stock index portfolio and "writing" (or selling) the nearterm S&P 500® Index (SPXSM) "covered" call option. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Collateralized Loan Obligation ("CLO")
A collateralized loan obligation is a type of security backed by a pool of debt, typically low-rated corporate loans, structured so that there are several classes of bondholders with varying maturities, called tranches.

European Central Bank ("ECB")
The European Central Bank (ECB) is responsible for conducting monetary policy for the eurozone. The ECB was established as the core of the Eurosystem and the European System of Central Banks (ESCB). The ESCB comprises the ECB and the national central banks (NCBs) of all 17 European Union Member States whether they have adopted the Euro or not.

European Union ("EU")
The European Union ("EU") is a unique economic and political union of 28 European countries. The EU was created in the aftermath of the Second World War that has become a single market for goods and services and it created the single currency the euro.

Exchange-Traded Funds (ETF)
A Fund that is traded on a stock exchange. Most ETFs have a portfolio of stocks or bonds that track a specific market index.

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

Gross Domestic Product ("GDP")
The market value of all officially recognized final goods and services produced within a country in a given period.

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

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.

Mergers and Acquisitions (M&A) Bond
An M&A bond is a type of corporate bond that is used to raise money for financing activities such as mergers and acquisitions.

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

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

MSCI World Index (net)
The MSCI World Index (net) is a free float-adjusted market capitalization-weighted index that measures developed global market equity performance. 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.

Organization of the Petroleum Exporting Countries (OPEC)
The Organization of the Petroleum Exporting Countries was originally organized in September 1960 with 5 member countries and there are currently 12 member countries. The organization's objective is to co-ordinate and unify petroleum policies among member countries, in order to secure fair and stable prices for petroleum producers; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the industry.

Payment-in-Kind Security (PIK)
A bond which pays interest in the form of additional bonds, or preferred stock which pays dividends in the form of additional preferred stock.

Real Estate Investment Trust (REIT)
A publicly traded company that owns, develops and operates income-producing real estate such as apartments, office buildings, hotels, shopping centers and other commercial properties.

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

S&P 100® Index
The S&P 100® Index, a sub-set of the S&P 500®, measures the performance of large-cap U.S. companies, and comprises 100 major, blue chip companies across multiple industry groups.

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.

S&P Global Natural Resources Index (net)
The S&P Global Natural Resources Index (net) is a free-float market capitalization index calculated on a total return basis with net dividends reinvested. The index consists of 90 of the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across three primary commodity-related sectors: agribusiness, energy, and metals and mining. 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/LSTA Leveraged Loan Index
The S&P/LSTA Leveraged Loan Index is a daily total return index that uses LSTA/LPC Mark-to-Market Pricing (third-party research data on the price movements of senior secured floating rate loans in the secondary loan market) to calculate market value change. On a real-time basis, the Index tracks the current outstanding balance and spread over LIBOR for fully funded term loans. The facilities included in the Index represent a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges and it is not available for direct investment.

Tax-Exempt Bond Linked Benchmark
The Tax-Exempt Bond Linked Benchmark consists of the BofA Merrill Lynch 1-22 Year US Municipal Securities Index, a subset of the BofA Merrill Lynch US Municipal Securities Index including all securities with a remaining term to final maturity less than 22 years, calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. Performance of the Tax- Exempt Bond Linked Benchmark prior to 6/30/2012 is that of the Barclays Municipal Bond Index.

When-issued and Forward Commitments (Delayed Delivery)
Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a Fund to purchase or sell a security at a future date, ordinarily up to 90 days later. When-issued or forward commitments enable a Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates.

Bond Fund

Fund Summary

Ticker Symbols:
Class A: SAVAX
Class B: SAVBX
Class C: SAVCX
Class I: SAVYX

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective of high total return from both current income and capital appreciation.

- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 6.38%, Class B shares returned 5.47%, Class C shares returned 5.54%, and Class I shares returned 6.63%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, which serves as the broad-based and style-specific benchmark index appropriate for comparison, returned 5.19%.

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

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

- Most fixed income spread sectors outperformed U.S. Treasuries during the fiscal year. The U.S. Federal Reserve's ("the Fed") dovish stance in mid-February sparked a rally that turned around a volatile time period that began with fresh concerns over China, plummeting oil prices, and fears that the Fed had raised interest rates too soon.

- Late in June volatility returned briefly with fallout from the U.K.'s unexpected decision to leave the European Union ("Brexit"). Bond yields in the U.S., Japan, and across Europe fell to historic lows in early July as investors fled to the safety of bonds on global growth concerns fueled by the June 23 Brexit vote. Markets recovered rather quickly however from the initial shock. Easing by major central banks and a weaker U.S. dollar helped to improve global risk sentiment and stabilize markets.

- September brought heightened concerns over the ability and willingness of global central banks to fight chronic low inflation and weak growth as the decision by the European Central Bank ("ECB") to leave interest rates and its stimulus program unchanged was a precipitating factor in a widespread market sell-off, reinforced by fears that the Bank of Japan ("BOJ") had run out of quantitative easing tools. Hawkish signals from the Fed added to the volatility. The BOJ subsequently decided not to reduce interest rates further but to shift its focus to stabilizing rates for longer maturity government bonds. This bolstered market sentiment, as did the Fed's eventual decision to stand pat at its September monetary policy meeting.

- Over the last 12 months, U.S. Treasury yields increased for shorter maturity bonds while yields decreased for intermediate to longer term bonds.

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.

- The Fund's allocation to the corporate high yield sector and issue selection within corporate high quality bonds were the largest positive contributors to performance during the fiscal year.

- During the fiscal year, the Fund's allocation to asset-backed securities detracted from performance.

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

There is no guarantee that the Fund will meet its objective.

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.

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.

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.

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

Asset Allocation

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

Corporate Bonds and Notes		47%
Financials	17%	
Consumer Discretionary	6	
Real Estate	4	
All other Corporate Bonds and Notes	20	
Mortgage-Backed Securities		27
U.S. Government Securities		7
Asset-Backed Securities		5
Loan Agreements		4
Preferred Stocks		3
Other Investments		7
Total		100%

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

Bond Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years
Class A Shares at NAV[2]	**6.38%**	**4.29%**	**5.04%**
Class A Shares at POP[3]	**2.39**	**3.50**	**4.64**
Class B Shares at NAV[2]	**5.47**	**3.50**	**4.24**
Class B Shares with CDSC[4]	**1.47**	**3.50**	**4.24**
Class C Shares at NAV[2]	**5.54**	**3.52**	**4.25**
Class I Shares at NAV	**6.63**	**4.57**	**5.31**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**

Fund Expense Ratios[5]**: A Shares: Gross 1.13%, Net 0.86%; B Shares: Gross 1.88%, Net 1.61%; C Shares: Gross 1.88%, Net 1.61%; I Shares: Gross 0.88%, Net 0.61%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

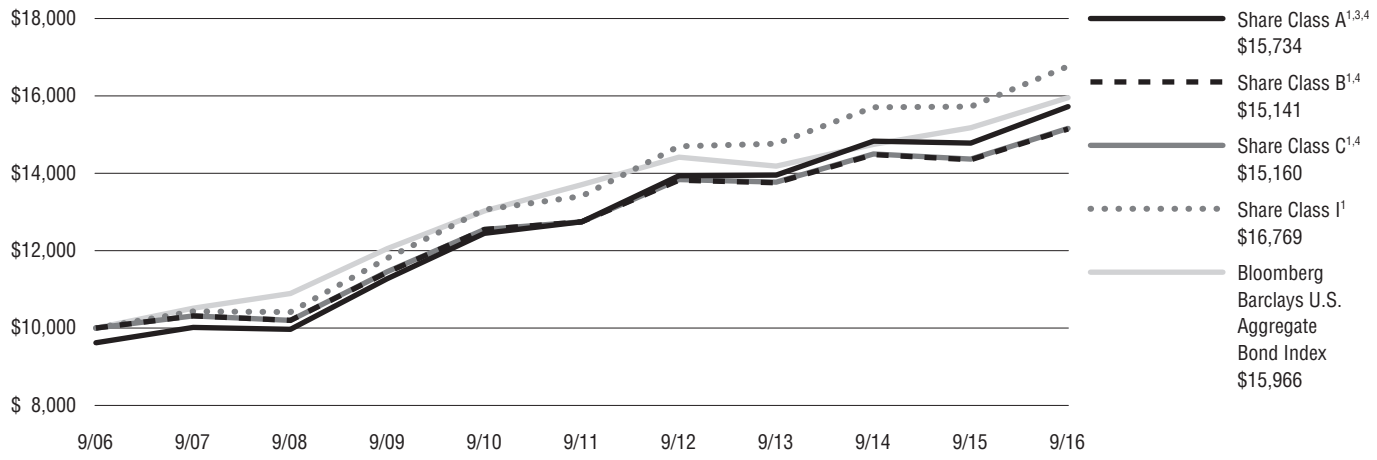
[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.*

[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for B shares decline from 5% to 0% over a five-year period. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with underlying funds.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006, for Class A, Class B, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

CA Tax-Exempt Bond Fund

Ticker Symbols:
Class A: CTESX
Class I: CTXEX

Fund Summary

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective of obtaining a high level of current income exempt from California state and local income taxes, as well as federal income tax, consistent with the preservation of capital.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 5.56% and Class I shares returned 5.83%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 5.19%, and the Bloomberg Barclays California Municipal Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 5.45%.

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

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

The municipal bond market experienced solid performance over the 12 months ended September 30, 2016, as tax-free interest rates declined and credit risk spreads narrowed. The market's technical conditions (supply and demand) remained strong for much of the period, with investors continuing to pour money into open-end municipal bond mutual funds and new issuance of municipal bonds mostly manageable despite interest rates hovering near generational low levels. However, the technical support weakened somewhat as the end of September approached. U.S. Treasury yields began to rise and tax-free interest rates followed, as the market priced in a higher probability of a rate hike by the Federal Reserve ("the Fed"). At the same time, municipal bond supply increased as municipalities issued bonds to get ahead of potential Fed rate hikes and perhaps to catch up on issuance delayed as a result of disruptions related to the U.K.'s "Brexit" vote in late June. The markets also were receptive to lower-rated credits as investors reached for yield across all areas of the fixed income market. As a result of the rise in yields and surge in supply, municipal bond performance turned negative for the first time in over a year.

The municipal market was otherwise resilient in the face of a number of market events and conditions, including repercussions from the U.K.'s surprising Brexit vote outcome; Puerto Rico's default on its general obligation bonds and select public corporations; oil price volatility; the increasing and decreasing probabilities of a Fed rate hike; the U.S. presidential election; and the problems surrounding underfunded pension plans across the country. Aside from Puerto Rico, defaults have been very low in the municipal bond sector.

Demand for municipal bonds continued unabated, with 52 consecutive weeks of inflows into municipal bond mutual funds totaling over $50 billion. While long-term funds represented the bulk of the assets in terms of flows, the highest percentage increase of assets under management occurred among high yield funds. Though interrupted by the recent increase in supply, strong technicals have been the driving factor in the municipal market's strength.

The economy continued to expand during the period, but the slow pace of growth continued to have an adverse effect on state budgets. State and local sales tax growth remained positive, but showed signs of slowing. Personal tax collections in the second quarter of 2016 grew by only 1.8% year-over-year, according to the Rockefeller Institute. Local property taxes, however, continued to benefit from an improving housing market and home prices.

By far, the largest challenge to the municipal credit remained the extent of underfunded pension obligations. Pension funds across the country have been struggling to meet assumed rates of return in the current low interest rate/stagnant stock market environment. As an example of a particularly serious situation, the California Public Employees' Retirement System ("CALPERS") reported a 0.6% return in its last fiscal year, far short of an assumed rate of return of 7.5%. The impact of lower-than-expected returns on pension funding levels has increased the stress on municipal budgets to increase annual contributions and divert funds from other spending.

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

Over the past 12 months, the market's best performers were longer duration, lower coupon, and lower credit quality bonds as interest rates declined beyond five years and risk premiums narrowed. While they still produced positive performance, bonds with shorter maturities, lower duration, and higher credit quality displayed relatively weaker performance for most of the year.

The Fund's performance relative to the benchmark benefited from exposure to bonds with long maturities, lower-rated securities (including below-investment grade-rated bonds), and lower coupon securities. The Fund's relative performance was negatively impacted by exposure to short-term maturities, higher coupons, better quality, and pre-refunded bonds.

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There is no guarantee that the Fund will meet its objective.

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.

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

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

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.

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

CA Tax-Exempt Bond Fund (Continued)

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

Asset Allocation

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

Tax-Exempt Municipal Bonds		100%
Pre-Refunded	15%	
General Obligation	13	
Development Revenue	13	
Water & Sewer Revenue	11	
Lease Revenue	10	
General Revenue	9	
Medical Revenue	8	
Other	21	
Total		100%

CA Tax-Exempt Bond Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years
Class A Shares at NAV[2]	**5.56%**	**5.00%**	**4.48%**
Class A Shares at POP[3,4]	**2.66**	**4.42**	**4.19**
Class I Shares at NAV	**5.83**	**5.25**	**4.74**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**
Bloomberg Barclays California Municipal Bond Index	**5.45**	**5.17**	**4.98**

Fund Expense Ratios[5]**: A Shares: Gross 1.18%, Net 0.85%; I Shares: Gross 0.93%, Net 0.60%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

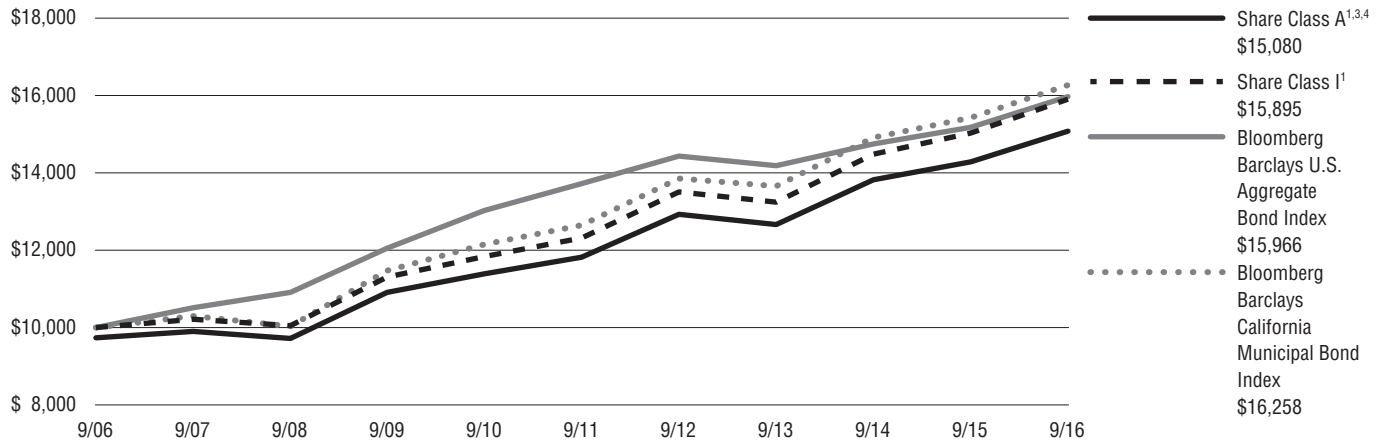
[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.*

[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid are 1% and 0% thereafter.*

[5] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006 for Class A and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

Essential Resources Fund

Ticker Symbols:
Class A: VERAX
Class C: VERCX
Class I: VERIX

Fund Summary

Portfolio Manager Commentary by KBI Global Investors (North America) Ltd.

- The Fund is diversified and has an investment objective of capital appreciation.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 12.93%, Class C shares returned 12.07%, and Class I shares returned 13.27%. For the same period, the S&P 500® Index, a broad-based fixed equity index, returned 15.43% and the S&P Global Natural Resources Index (net) the Fund's style-specific benchmark appropriate for comparison returned 23.89%.

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

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

During the Fund's fiscal year, global stock markets made strong gains, bond yields continued to trend lower, and commodity prices were generally higher. The S&P Global Natural Resources Index returned a stellar 23.89% (net), in U.S. dollars (USD), outperforming the MSCI World Index (net) (+11.4% net, in USD) by a significant margin.

The extraordinary easy monetary policy being pursued by central banks globally since 2008 continued throughout the period. More recently, this journey has resulted in increasingly negative interest rates and bond yields around the globe. Indeed, the decision of the U.S. Federal Reserve to raise interest rates last December, even if repeated in coming months, is looking more and more like an anomaly in this overall context. Low rates and yields have become the new normal. Emerging markets have proven to be particular beneficiaries. A generally better tone for commodity prices and better-than-feared data from China also helped emerging market equities to outperform during the period.

The announcement in late September from oil cartel OPEC that it would scale back production later this year helped oil prices rally towards $50 a barrel. Latin America benefited in particular from strong gains in Brazil. Growing expectations of improved earnings and economic growth continued to support the recovery there.

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

The Fund underperformed the S&P Global Natural Resources Index during the fiscal year ended September 30, 2016. Sector allocation was important as there is a high degree of difference between the composition of the Fund and the Index, both at the sector and stock levels. The Index had a high exposure to energy stocks (roughly 29%), which benefited from a very strong run due to rising oil prices, while the Fund had only 2% in energy stocks and zero exposure to oil stocks. The Index also had a large weighting in the materials sector (about 65%), which benefited from a rebound in mining and gold names. These stocks of extractive industries which the Fund did not hold. In terms of positive contributors, the Fund had positive stock selection in the consumer staples sector, and a larger exposure to this sector than the Index.

Water was the best performing sector for the Fund, both on a relative and absolute basis, followed by energy solutions. The agribusiness sector was the poorest performer. The Fund remained broadly equally weighted to the water, energy solutions, and agribusiness sectors, allowing for market movements.

Cyclical stocks came back into favor in 2016 as relatively cheap valuations saw value-oriented names outperform the growth stocks that had previously seen a lot of momentum. Company earnings over the period were also more in line with expectations and this provided support for many of our water-related stocks, particularly in instances where there was less certainty in the lead-up to results. The utility segment was a strong performer in the period due to its defensive nature as significant political and macro uncertainty provided momentum. The infrastructure segment also saw strong performance, particularly in the second half of the period, as our most cyclical segment benefited from the outperformance of stocks with more cyclical end markets.

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 market forecasts will be realized.

There is no guarantee that the Fund will meet its objectives.

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

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

Industry/Sector Concentration: A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

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

Asset Allocation

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

Industrials	27%
Consumer Staples	16
Utilities	16
Materials	14
Information Technology	8
Consumer Discretionary	7
Financials	4
Other	8
Total	100%

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

Essential Resources Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	Since Inception	Inception Date
Class A Shares at NAV[2]	**12.93%**	**-6.14%**	**3/24/15**
Class A Shares at POP[3,4]	**6.44**	**-9.72**	**3/24/15**
Class C Shares at NAV[2] **and with CDSC**[4]	**12.07**	**-6.84**	**3/24/15**
Class I Shares at NAV[2]	**13.27**	**-5.88**	**3/24/15**
S&P 500® Index	**15.43**	**4.62**[5]	**—**
S&P Global Natural Resources Index (net)	**23.89**	**-4.13**[5]	**—**

Fund Expense Ratios[6]**: A Shares: Gross 6.27%, Net 1.66%; C Shares: Gross 7.02%, Net 2.41%; I Shares: Gross 6.02%, Net 1.41%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

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

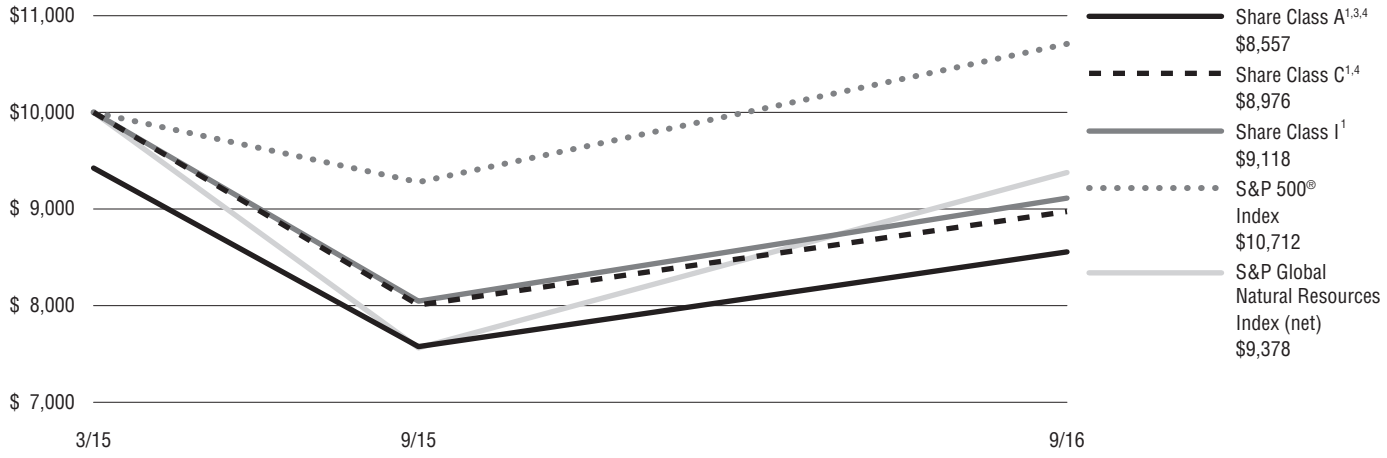
[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The since inception index returns are from the Fund's inception date.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with underlying funds.*

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

This chart assumes an initial investment of $10,000 made on March 24, 2015 (inception date of the Fund) for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

High Yield Fund

Fund Summary

Ticker Symbols:
Class A: PHCHX
Class B: PHCCX
Class C: PGHCX
Class I: PHCIX

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has a primary investment objective of high current income and a secondary objective of capital growth.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 10.59%, Class B shares returned 9.52%, and Class C shares returned 9.68%. Class I shares returned 10.86%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 5.19%, and the Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index, the Fund's style-specific index appropriate for comparison, returned 12.74%.

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

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

The U.S. high yield market, as measured by the Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index, posted a 12.74% return for the fiscal year ended September 30, 2016. There was a sharp contrast in performance between the first quarter and the rest of the fiscal year. Heightened concerns over China's slowdown and its adverse impact on commodity prices and currencies weighed heavily on the high yield sector from October to December 2015, producing a negative result. The energy and metals & mining industries led the sector down with double-digit negative returns, but other favorably-viewed industries followed them into negative territory. The turbulence continued into January and early February. The Federal Reserve's dovish tone in mid-February, however, sparked a rally and a demand for risk assets that continued almost unabated for the rest of the year. As of September 30, the high yield sector had posted eight consecutive months of positive returns.

The steep recovery of the energy and metals & mining industry groups within the high yield benchmark index best accounts for the strength in the high yield market over the fiscal year. For the first nine months of 2016, metals & mining gained 41.1%; for the last 12 months, which includes the negative performance from October to December 2015, the gain was 27.7%. The nine- and 12-month returns for energy were 29.81% and 13.09%, respectively, but the strong performance of the high yield sector really began February 11 with the Index returning 21.37%, while the underlying metals & mining and energy industries returned 48.51%, and 60.40%, respectively, from that point until the end of the fiscal year.

The returns across the rating spectrum demonstrated the effect of easy global monetary policy and the lack of viable income alternatives. As investors reached for yield, the lower credit tiers outperformed, as measured by the high yield benchmark index, with CCCs, Bs, and BBs returning 25.55%, 13.52%, and 12.29% over the last nine months, and 16.12%, 11.29%, and 12.13% for the full fiscal year, respectively.

Fundamentals have weakened, particularly in the energy and metals & mining industries. As is consistent with the later stages of the credit cycle, leverage has crept up, cash as a percentage of debt has decreased, and the default rate has continued to climb. The default rate rose to 5.4% as of the end of the Fund's fiscal year.

From a technical perspective, the high yield sector experienced considerable outflows during October to December 2015. A dramatic reversal occurred in mid-February and flows were mostly positive after that watershed event. Similarly, initially anemic issuance turned robust over the last three quarters of the fiscal year.

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

The positive performance of the U.S. high yield market contributed to the Fund's positive return during the year.

The top contributors to the Fund's performance during the year were issue selection, as well as some of our conscious overweights and underweights within certain industries. In particular, the portfolio benefited from issue selection within the cable-satellite, wireline, and supermarket industries, and our allocations to gaming and banking. Our allocation and issue selection to electric utilities was also additive to performance.

A primary detractor from performance was higher quality bias. Our underweight to the energy and metals & mining industries helped performance early in the year. However, our relatively lower risk positioning held the Fund back after the mid-February rally. We added some risk to the portfolio and brought up our energy and metals & mining weightings, but we did not chase yields in the most downtrodden areas of the high yield sector where the bulk of performance occurred.

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There is no guarantee that the Fund will meet its objectives.

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.

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.

Foreign Investing: Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk.

Industry/Sector Concentration: A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

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

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

High Yield Fund (Continued)

Asset Allocation

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

Corporate Bonds and Notes		82%
Consumer Discretionary	22%	
Energy	13	
Health Care	11	
Materials	9	
Telecommunication Services	7	
Financials	6	
Industrials	6	
All other Corporate Bonds and Notes	8	
Loan Agreements		10
Other (includes short-term investments)		8
Total		100%

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

High Yield Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years	Since Inception	Inception Date
Class A Shares at NAV[2]	**10.59%**	**7.73%**	**5.33%**	**—**	**—**
Class A Shares at POP[3,4]	**6.44**	**6.91**	**4.93**	**—**	**—**
Class B Shares at NAV[2]	**9.52**	**6.91**	**4.54**	**—**	**—**
Class B Shares with CDSC[4]	**5.52**	**6.91**	**4.54**	**—**	**—**
Class C Shares at NAV[2] **and with CDSC**[4]	**9.68**	**6.94**	**4.57**	**—**	**—**
Class I Shares at NAV[2]	**10.86**	**—**	**—**	**5.71%**	**8/8/12**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**	**2.64**[5]	**—**
Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index	**12.74**	**8.34**	**7.80**	**6.02**[5]	**—**

Fund Expense Ratios[6]**: A Shares: Gross 1.33%, Net 1.16% B Shares: Gross 2.08%, Net 1.91% C Shares: Gross 2.08%, Net 1.91% Class I: Gross 1.08% Net 0.91%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.*

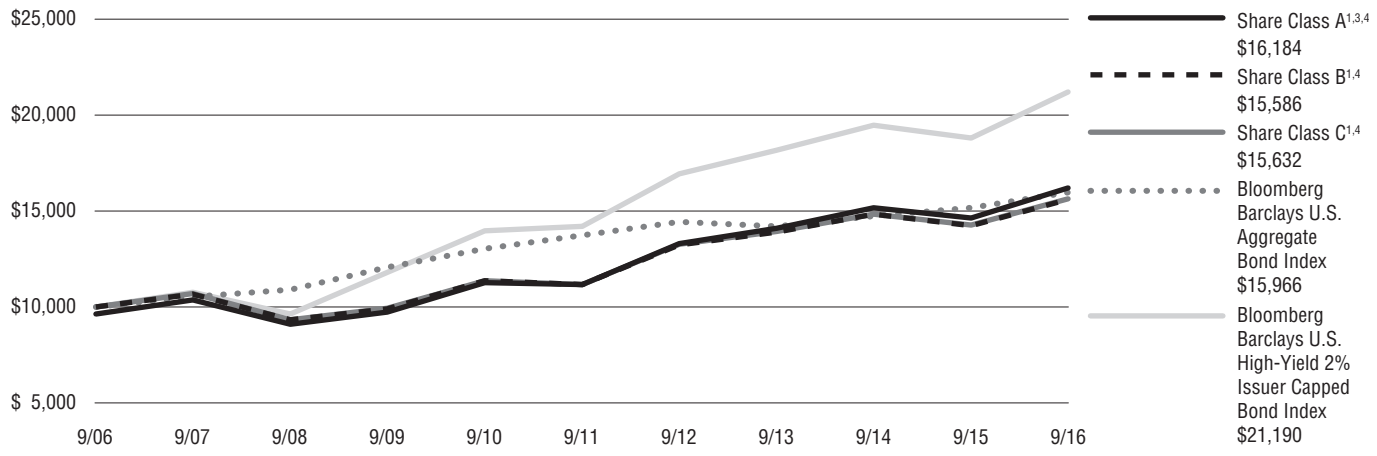
[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for B shares decline from 5% to 0% over a five-year period. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The since inception index returns are from the inception date of Class I.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with underlying funds.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006, for Class A, Class B, and Class C shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

Low Duration Income Fund

Ticker Symbols:
A Share: HIMZX
C Share: PCMZX
I Share: HIBIX

Fund Summary

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective to provide a high level of total return, including a competitive level of current income, while limiting fluctuations in net asset value due to changes in interest rates.

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

- For the fiscal period January 1, 2016, through September 30, 2016, the Fund's Class A shares at NAV returned 3.25%*, Class C shares at NAV returned 2.67%* and Class I shares at NAV returned 3.44%*. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 5.80%* and the Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index, which is the Fund's style-specific benchmark appropriate for comparison, returned 4.23%*.

* *Returns less than 1 year are not annualized.*

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

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

- Most fixed income spread sectors outperformed U.S. Treasuries during the nine months ended September 30, 2016. The U.S. Federal Reserve's ("the Fed") dovish stance in mid-February sparked a rally that turned around a volatile time period that began with fresh concerns over China, plummeting oil prices, and fears that the Fed had raised interest rates too soon.

- Late in June volatility returned briefly with fallout from the U.K.'s unexpected decision to leave the European Union ("Brexit"). Bond yields in the U.S., Japan, and across Europe fell to historic lows in early July as investors fled to the safety of bonds on global growth concerns fueled by the June 23 Brexit vote. Markets recovered rather quickly, however, from the initial shock. Easing by major central banks and a weaker U.S. dollar helped to improve global risk sentiment and stabilize markets.

- September brought heightened concerns over the ability and willingness of global central banks to fight chronic low inflation and weak growth as the decision by the European Central Bank ("ECB") to leave interest rates and its stimulus program unchanged was a precipitating factor in a widespread market sell-off, reinforced by fears that the Bank of Japan ("BOJ") had run out of quantitative easing tools. Hawkish signals from the Fed added to the volatility. The BOJ subsequently decided not to reduce interest rates further but to shift its focus to stabilizing rates for longer maturity government bonds. This bolstered market sentiment, as did the Fed's eventual decision to stand pat at its September monetary policy meeting.

- Over the last nine months, yields largely decreased for both shorter maturity and longer term U.S. Treasury bonds.

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

- The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the Fund's positive performance for the nine months ended September 30, 2016.

- The Fund's allocation to corporate high yield securities was the largest positive contributor to performance during the nine month period.

- During the nine month period, the Fund's allocation to asset-backed securities detracted from performance.

The preceding information is the opinion of portfolio management only through the end of the period of the report as stated on the cover. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice.

There is no guarantee that the Fund will meet its objective.

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.*

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.*

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

Asset Allocation

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

Mortgage-Backed Securities		41%
Asset-Backed Securities		24
Corporate Bonds and Notes		18
Financials	7%	
Industrials	2	
Health Care	2	
Total of all others	7	
U.S. Government Securities		10
Loan Agreements		4
Other		3
Total		100%

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

Low Duration Income Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years
Class A Shares at NAV[2]	**2.78%**	**2.71%**	**3.82%**
Class A Shares at POP[3,4]	**0.47**	**2.24**	**3.58**
Class C Shares at NAV[2] **and CDSC**[4]	**2.01**	**1.94**	**3.05**
Class I Shares at NAV[2]	**3.14**	**2.97**	**4.08**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**
Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	**3.52**	**2.45**	**4.17**

Fund Expense Ratios[5]**: A Shares: Gross 1.12%, Net 0.75%; C Shares: Gross 1.87[2]%, Net 1.50%; I Shares: Gross 0.87[2]%, Net 0.50%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

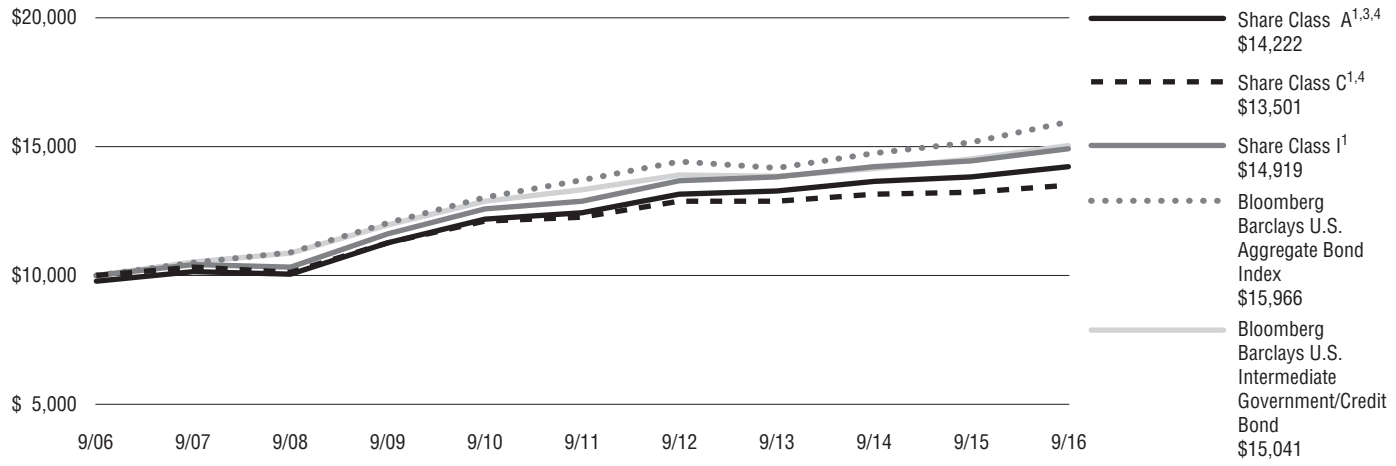
[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.25% sales charge.*

[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 C shares are 1% in the first year and 0% thereafter. CDSC charges for certain redemptions of Class A shares are 1% within the first year and 0% thereafter.*

[5] *The expense ratios of the Fund, both net and gross, are set forth according to the prospectus for the Fund effective September 23, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expenses: Expenses reduced by a contractual fee waiver in effect through September 30, 2017. Gross Expenses: Do not reflect the effect of contractual fee waiver.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006, for Class A, Class C and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

Low Volatility Equity Fund

Ticker Symbols:
Class A: VLVAX
Class C: VLVCX
Class I: VLVIX

Fund Summary

Portfolio Manager Commentary by Rampart Investment Management Company, LLC

- The Fund is diversified and has an investment objective of capital appreciation with lower volatility than U.S. markets over a full market cycle.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 2.82%, Class C shares returned 2.05%, and Class I shares returned 3.08%. For the same period, the CBOE S&P 500 Buywrite Index, a broad-based fixed equity index returned 8.48%, and S&P 500® Index the Fund's style-specific benchmark appropriate for comparison returned 15.43%.

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

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

During the Fund's fiscal year, the U.S. equity markets (as reflected by the S&P 500® Index) grinded higher to end the year more than 15% greater than where it began. During this time frame, there were only three months with negative returns: December (-1.58%), January (-4.96%), and February (-0.13%). The market's large drawdown of approximately 9% that took place during the first 20 days of January was completely erased during a quick bounce back that occurred over the next 56 days. The S&P 500® Index has not had a negative monthly return since February 2016. This relatively calm environment also affected the overall volatility levels of the market and the level of the CBOE Volatility Index ("VIX®") decreased more than 45% in the period, closing at 13.29 on September 30, 2016.

Since the Fund compares its performance to the S&P 500® Index, U.S. and global macro risks will affect how both the Fund and its benchmark perform. In mid-December 2015, the Fed raised the federal funds rate by 0.25% with no major market reaction. As we began to witness the January decline, most people pointed to the price slide in oil and suggested that investors were leaving riskier assets for the relative safety of U.S. Treasuries. If this slide persisted over a long period of time, the Fund would have done well on a relative basis, but instead this flight from riskier assets did not last long, and both the markets and oil prices rebounded over the next two months. The next big piece of market news came about in late June when the U.K. voted to leave the European Union ("Brexit"). The bigger shock for many was that it only took two weeks and a day for the S&P 500® Index to close higher than where the markets were before the announcement. Finally, one of the Federal Reserve members suggested that the Fed planned to exercise "prudence" in raising interest rates, which served to remove some of the nervousness about how quickly rates would rise for the remainder of the year.

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

The Fund's performance was positively impacted from its allocation to the larger-capitalization stocks in the S&P 500® Index. The equity portion was invested in the S&P 100® Index, which incurred a gain of 15.58% over the fiscal year ended September 30, 2016. This resulted in 0.15% outperformance over the S&P 500® Index which incurred a gain of 15.43%.

One of the tactics the Fund utilizes is selling calls on the S&P 500® Index to generate income. Some or all of this income is then used to purchase a negatively correlated investment, which can rise in value when the S&P 500® Index falls. Over the past 12 months, this strategy cost the Fund over 8.5% due to the market's resilience. Call writing is difficult to successfully implement in upward moving markets. The Fund's largest individual hit from this strategy occurred after calls were written at market lows for the period. To help maintain objectivity, the process used to implement this strategy is systematic and clearly defined.

The primary defensive investment for the Fund is done by purchasing call options on the futures contract of the VIX®. The VIX® options that the Fund purchases are meant to protect the Fund if the market experiences a sudden and violent move down. The Fund bought VIX® options for each month of the year, and of the 12 purchases, only one expiration period realized gains (January 2016). This result is to be expected based on the type of year the S&P 500® Index had and the way the market quickly erased losses.

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There is no guarantee that the Fund will meet its objectives.

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

Exchange Traded Funds: The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

Call Options: Selling call options may limit a fund's opportunity to profit from the increase in price of its underlying portfolio. Buying call options risks the loss of the premium paid for those options.

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

Asset Allocation

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

Exchange Traded Funds	100%
Total	100%

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

Low Volatility Equity Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	Since Inception	Inception Date
Class A Shares at NAV[2]	**2.82%**	**5.41%**	**6/11/13**
Class A Shares at POP[3,4]	**-3.09**	**3.54**	**6/11/13**
Class C Shares at NAV[2] **and with CDSC**[4]	**2.05**	**4.63**	**6/11/13**
Class I Shares at NAV[2]	**3.08**	**5.69**	**6/11/13**
CBOE S&P 500 Buywrite Index	**8.48**	**6.68**[5]	**—**
S&P 500® Index	**15.43**	**11.41**[5]	**—**

Fund Expense Ratios[6]**: A Shares: Gross 2.90%, Net 1.75%; C Shares: Gross 3.65%, Net 2.50%; I Shares: Gross 2.65%, Net 1.50%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

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

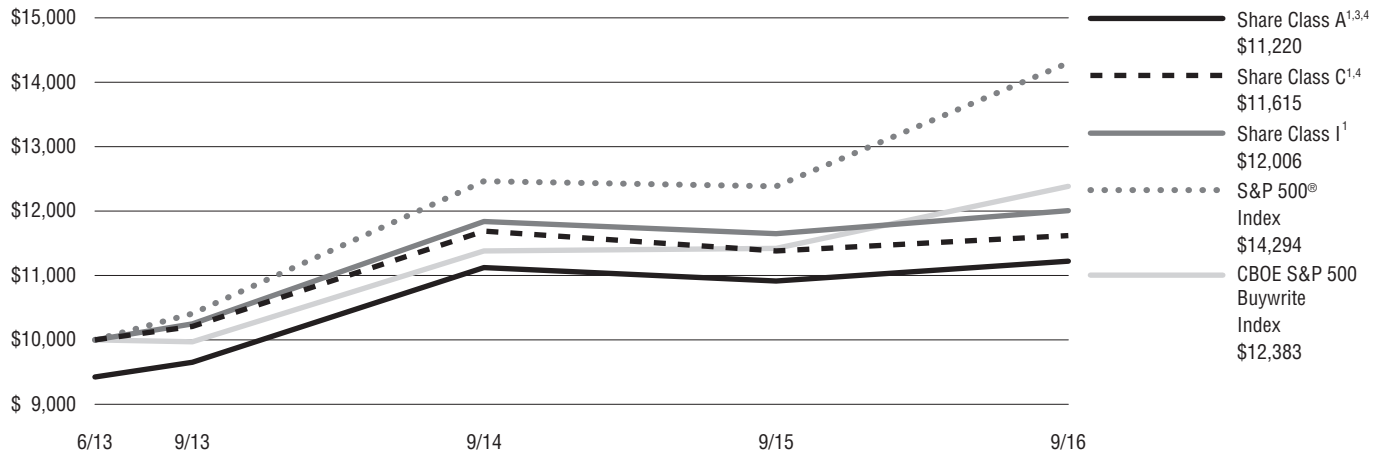
[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The since inception index returns are from the Fund's inception date.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by a contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios reflect fees and expenses associated with the underlying funds.*

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

This chart assumes an initial investment of $10,000 made on June 11, 2013 (inception date of the Fund), for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

Multi-Sector Intermediate Bond Fund

Fund Summary

Ticker Symbols:
Class A: NAMFX
Class B: NBMFX
Class C: NCMFX
Class I: VMFIX
Class R6: VMFRX

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective of maximizing current income while preserving capital.

- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 10.15%, Class B shares returned 9.36%, Class C shares returned 9.34%, and Class I shares returned 10.42%. Class R6 shares returned 10.50%. For the fiscal year, the Bloomberg Barclays U.S. Aggregate Bond Index, which is both the Fund's broad-based and style-specific fixed income index, returned 5.19%.

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

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

- Most fixed income spread sectors outperformed U.S. Treasuries during the fiscal year. The U.S. Federal Reserve's ("the Fed") dovish stance in mid-February sparked a rally that turned around a volatile time period that began with fresh concerns over China, plummeting oil prices, and fears that the Fed had raised rates too soon.

- Late in June volatility returned briefly with fallout from the U.K.'s unexpected decision to leave the European Union ("Brexit"). Bond yields in the U.S., Japan, and across Europe fell to historic lows in early July as investors fled to the safety of bonds on global growth concerns fueled by the June 23 Brexit vote. Markets recovered rather quickly, however, from the initial shock. Easing by major central banks and a weaker U.S. dollar helped to improve global risk sentiment and stabilize markets.

- September brought heightened concerns over the ability and willingness of global central banks to fight chronic low inflation and weak growth as the decision by the European Central Bank ("ECB") to leave interest rates and its stimulus program unchanged was a precipitating factor in a widespread market sell-off, reinforced by fears that the Bank of Japan ("BOJ") had run out of quantitative easing tools. Hawkish signals from the Fed added to the volatility. The BOJ subsequently decided not to reduce interest rates further but to shift its focus to stabilizing rates for longer maturity government bonds. This bolstered market sentiment, as did the Fed's eventual decision to stand pat at its September monetary policy meeting.

- Over the last 12 months, U.S. Treasury yields increased for shorter maturity bonds while yields decreased for intermediate to longer term bonds.

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.

- The Fund's allocation to the corporate high yield sector, and issue selection within emerging markets high yield and corporate high quality securities were the largest positive contributors to performance during the fiscal year.

- During the fiscal year, the Fund's allocation to asset-backed securities and commercial mortgage-backed securities detracted from performance.

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

There is no guarantee that the Fund will meet its objective.

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 Allocation

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

Corporate Bonds and Notes		54%
Energy	13%	
Financials	12	
Consumer Discretionary	8	
Materials	5	
All other Corporate Bonds and Notes	16	
Mortgage-Backed Securities		15
Foreign Government Securities		11
Loan Agreements		10
Asset-Backed Securities		4
Other		6
Total		100%

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

Multi-Sector Intermediate Bond Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years	Since Inception	Inception Date
Class A Shares at NAV[2]	**10.15%**	**6.01%**	**5.85%**	**—**	**—**
Class A Shares at POP[3,4]	**6.02**	**5.20**	**5.45**	**—**	**—**
Class B Shares at NAV[2]	**9.36**	**5.21**	**5.07**	**—**	**—**
Class B Shares with CDSC[4]	**5.36**	**5.21**	**5.07**	**—**	**—**
Class C Shares at NAV[2] **and with CDSC**[4]	**9.34**	**5.23**	**5.08**	**—**	**—**
Class I Shares at NAV	**10.42**	**6.29**	**—**	**6.90%**	**10/1/09**
Class R6 Shares at NAV	**10.50**	**—**	**—**	**3.58**	**11/12/14**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**	**—**[5]	**—**

Fund Expense Ratios[6]**: A Shares: 1.11%, B Shares: 1.86%, C Shares: 1.86%, I Shares: 0.86%, R6 Shares: 0.79%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.*

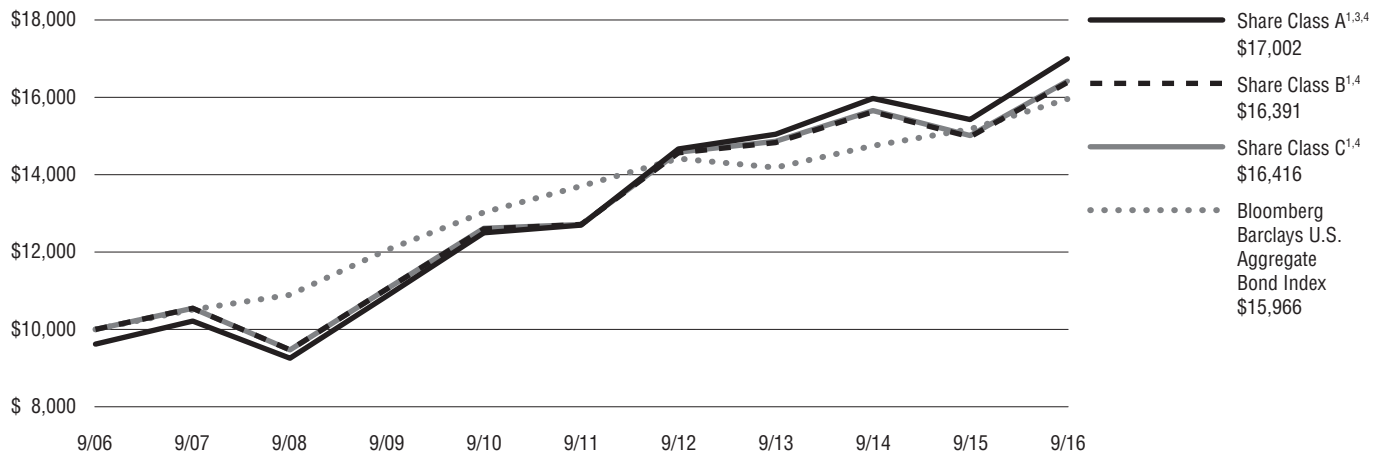
[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for B shares decline from 5% to 0% over a five-year period. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The index returned 4.05 for Class I shares and 3.82% for Class R6 shares since the inception date of the respective share class.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Expense ratios include fees and expenses associated with underlying funds.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006, for Class A, Class B, and Class C shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with active management of an actual portfolio.

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

Senior Floating Rate Fund

Fund Summary

Ticker Symbols:
Class A: PSFRX
Class C: PFSRX
Class I: PSFIX

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective of high total return from both current income and capital appreciation.

- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 4.42%, Class C shares returned 3.63%, and Class I shares returned 4.69%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a fixed income index, returned 5.19%, and the S&P/LSTA Leveraged Loan Index, the Fund's style-specific benchmark, returned 5.46%.

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

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

Bank loans generated solid returns over the past year with a total return of 5.46% according to the S&P/LSTA Leveraged Loan Index. However, return performance was bifurcated during the past year, beginning with five straight months of losses before a very strong rally over the second half. Commodity-related credits and lower-quality credits significantly underperformed at the start of the year, but strongly rallied from late February through September, with the short-lived exception of June due to Brexit. Bank loans underperformed most other higher beta and longer duration fixed income sectors (high yield, emerging markets, and investment grade corporates) given the outperformance of commodity-related credits and a sharp decline in interest rates. However, bank loans produced solid risk-adjusted total returns with about half the return volatility of high yield over the last 12 months.

- Lower-quality loans generally outperformed over the past year given the strong rally in the second half of the year with CCC, second liens, and single-B credits leading the way. The distressed sector remained an outlier to the downside with negative returns over the past year largely driven by TXU Energy and some commodity-related credits.

- From an industry perspective, within the S&P/LSTA Leveraged Loan Index the large outliers to the upside over the past year were the metals & minerals (+10.35%), gaming & lodging (8.53%) and conglomerate (8.12%) industry groups, while underperformers were the forest product (-18.3%), utility (-1.1%), and oil & gas (+3.1%) industry groups. However, since the rally started in February 2016, commodity-related credits significantly outperformed on a calendar year-to-date basis, with returns in the 26% range versus 7.7% for the index through September 30, 2016.

- Bank loan technicals started out the year on a weak note due to elevated net supply, slowing issuance of collateralized loan obligations (CLOs), and elevated retail fund outflows. However, technicals turned positive in March 2016 and steadily strengthened on increased CLO issuance, rising retail demand, and modest net new supply as a result of fairly muted M&A issuance and a continued high level of repayments. CLO issuance fell in the first quarter of 2016 to the lowest quarterly volume since 2012, however, issuance rebounded in the second and third quarters and is on a $60 billion annualized pace based on the last two quarters. CLO issuance totaled roughly $66 billion over the last four quarters and provided a solid bid for higher quality loans. Retail mutual fund outflows steadily improved from the large outflows of the fourth quarter of 2015 to three straight monthly inflows over the last quarter as LIBOR jumped to 0.85% on recent changes in money market fund rules.

- Outside of weakness in certain industry groups within the S&P/LSTA Leveraged Loan Index, including energy and metals & mining, fundamentals in the bank loan market remained acceptable. Defaults, within the S&P/LSTA Leveraged Loan Index by number of issuers, increased to 2.23% as of September 2016, up from 0.77% as of September 2015. The majority of the increase in defaults over the past year has been clustered in commodity-related sectors. Defaults remained below the long-term average of approximately 2.8%.

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

- The positive return of the U.S. leveraged loan market contributed to the Fund's positive return during the year.

- Overall, positive issue selection and industry allocation relative to the benchmark benefited the portfolio's performance. Performance was strong in the energy, gaming, and utility industries while it lagged in the metals & minerals, service, and information technology industries.

- We maintained a higher-quality bias in the portfolio over the entire year, which led to outperformance during the first five months, followed by modest underperformance as the market turned positive. There was a modest risk pivot in the portfolio in the second half of the year, as we added some lower-quality names at more attractive valuations to partially close our underweight to the lower-quality credit tiers. Remaining fully invested with modest leverage on a higher-quality portfolio added to performance. In keeping with the Fund's liquidity strategy, the Fund's out-of-index sector allocation to high yield made a positive contribution to performance as high yield outperformed loans over the past year.

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There is no guarantee that the Fund will meet its objective.

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.

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.

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

Senior Floating Rate Fund (Continued)

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.

Leverage: When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

Liquidity: Certain securities may be difficult to sell at a time and price beneficial to the fund.

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

Asset Allocation

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

Loan Agreements		94%
Consumer Discretionary	23%	
Health Care	14	
Industrials	13	
Materials	10	
Information Technology	10	
Consumer Staples	7	
All Other Loan Agreements	17	
Corporate Bonds and Notes		5
Other		1
Total		100%

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

Senior Floating Rate Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	Since Inception	Inception Date
Class A Shares at NAV[2]	**4.42%**	**4.67%**	**4.86%**	**1/31/08**
Class A Shares at POP[3,4]	**1.55**	**4.09**	**4.52**	**1/31/08**
Class C Shares at NAV[2] **and with CDSC**[4]	**3.63**	**3.89**	**4.09**	**1/31/08**
Class I Shares at NAV	**4.69**	**4.94**	**5.12**	**1/31/08**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.38**[5]	**—**
S&P/LSTA Leveraged Loan Index	**5.46**	**5.25**	**5.25**[5]	**—**

Fund Expense Ratios[6]**: A Shares: 1.20%, C Shares: 1.95%, I Shares: 0.95%.**

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

[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.*

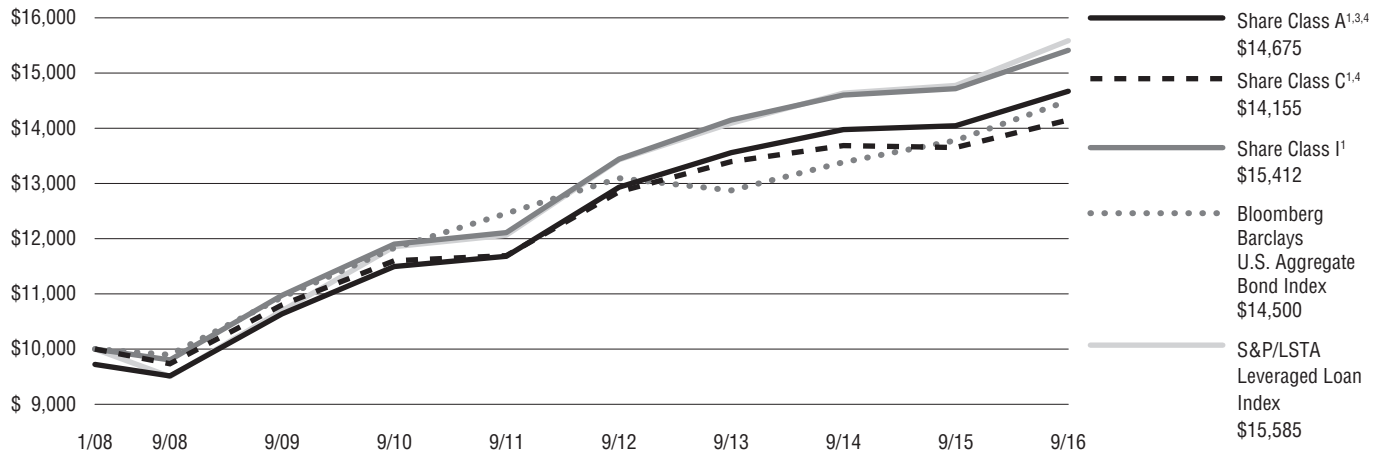
[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions of Class C shares within the first year are 1% and 0% thereafter.*

[5] *The since inception index returns are from the Fund's inception date.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios.*

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

This chart assumes an initial investment of $10,000 made on January 31, 2008 (inception date of the Fund), for Class A, Class C and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

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

Tax-Exempt Bond Fund

Ticker Symbols:
A Share: HXBZX
C Share: PXCZX
I Share: HXBIX

Fund Summary

Portfolio Manager Commentary by Newfleet Asset Management, LLC

- The Fund is diversified and has an investment objective of providing a high level of current income that is exempt from federal income tax.

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

- For the fiscal period January 1, 2016 through September 30, 2016, the Fund's Class A shares at NAV returned 3.00%*, Class C shares at NAV returned 2.42%* and Class I shares at NAV returned 3.19%*. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 5.80%*, the Tax-Exempt Bond Linked Benchmark, which is the Fund's style-specific benchmark appropriate for comparison, returned 3.41%*.

* Returns less than 1 year are not annualized.

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

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

The municipal bond market experienced solid performance over the nine months ended September 30, 2016, as tax-free interest rates declined and credit risk spreads narrowed. The market's technical conditions (supply and demand) remained strong for much of the period, with investors continuing to pour money into open-end municipal bond mutual funds and new issuance of municipal bonds mostly manageable despite interest rates hovering near generational low levels. However, the technical support weakened somewhat as the end of September approached. U.S. Treasury yields began to rise and tax-free interest rates followed, as the market priced in a higher probability of a rate hike by the Federal Reserve ("the Fed"). At the same time, municipal bond supply increased as municipalities issued bonds to get ahead of potential Fed rate hikes and perhaps to catch up on issuance delayed as a result of disruptions related to the U.K.'s "Brexit" vote in late June. The markets also were receptive to lower-rated credits as investors reached for yield across all areas of the fixed income market. As a result of the rise in yields and surge in supply, municipal bond performance turned negative for the first time in over a year.

The municipal market was otherwise resilient in the face of a number of market events and conditions, including repercussions from the U.K.'s surprising Brexit vote outcome; Puerto Rico's default on its general obligation bonds and select public corporations; oil price volatility; the increasing and decreasing probabilities of a Fed rate hike; the U.S. presidential election; and the problems surrounding underfunded pension plans across the country. Aside from Puerto Rico, defaults have been very low in the municipal bond sector.

Demand for municipal bonds continued unabated, with 52 consecutive weeks of inflows into municipal bond mutual funds totaling over $50 billion. While long-term funds represented the bulk of the assets in terms of flows, the highest percentage increase of assets under management occurred among high yield funds. Though interrupted by the recent increase in supply, strong technicals have been the driving factor in the municipal market's strength.

The economy continued to expand during the period, but the slow pace of growth continued to have an adverse effect on state budgets. State and local sales tax growth remained positive, but showed signs of slowing. Personal tax collections in the second quarter of 2016 grew by only 1.8% year-over-year, according to the Rockfeller Institute. Local property taxes, however, continued to benefit from an improving housing market and home prices.

By far, the largest challenge to the municipal credit remained the extent of underfunded pension obligations. Pension funds across the country have been struggling to meet assumed rates of return in the current low interest rate/stagnant stock market environment. As an example of a particularly serious situation, the California Public Employees' Retirement System ("CALPERS") reported a 0.6% return in its last fiscal year, far short of an assumed rate of return of 7.5%. The impact of lower-than-expected returns on pension funding levels has increased the stress on municipal budgets to increase annual contributions and divert funds from other spending.

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

Over the past nine months ended September 30, 2016, the market's best performers were longer duration, lower coupon, and lower credit quality bonds as interest rates declined beyond five years and risk premiums narrowed. While they still produced positive performance, bonds with shorter maturities, lower duration, and higher credit quality displayed relatively weaker performance for most of the year.

The Fund's performance relative to the benchmark during the fiscal period benefited from the Fund's higher allocation to hospital/healthcare issuers, exposure to below-investment grade-rated bonds, and its higher allocation to revenue bonds compared to general obligation issues.

The Fund's relative performance during the fiscal period was hurt by the portfolio's higher exposure to shorter-dated maturities, lower allocation to bonds with maturities beyond 22 years, and larger allocation to pre-refunded bonds.

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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.*

Municipal Market: *Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.*

State & AMT Tax: *A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.*

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

Tax-Exempt Bond Fund (Continued)

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.*

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

Asset Allocation

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

Texas	12%
New York	12
Illinois	8
California	6
Florida	6
Colorado	5
Maryland	5
Other (includes short-term investments)	46
Total	100%

Tax-Exempt Bond Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	5 years	10 years
Class A Shares at NAV[2]	**4.13%**	**3.82%**	**4.47%**
Class A Shares at POP[3,4]	**1.27**	**3.24**	**4.17**
Class C Shares at NAV[2] **and CDSC**[4]	**3.35**	**3.05**	**3.68**
Class I Shares at NAV[2]	**4.39**	**4.08**	**4.74**
Bloomberg Barclays U.S. Aggregate Bond Index	**5.19**	**3.08**	**4.79**
Tax-Exempt Bond Linked Benchmark	**4.85**	**4.12**	**4.57**

Fund Expense Ratios[5]**: A Shares: Gross 1.00%, Net 0.85%; C Shares: Gross 1.75%, Net 1.60%; I Shares: Gross 0.75%, Net 0.60%.**

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[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

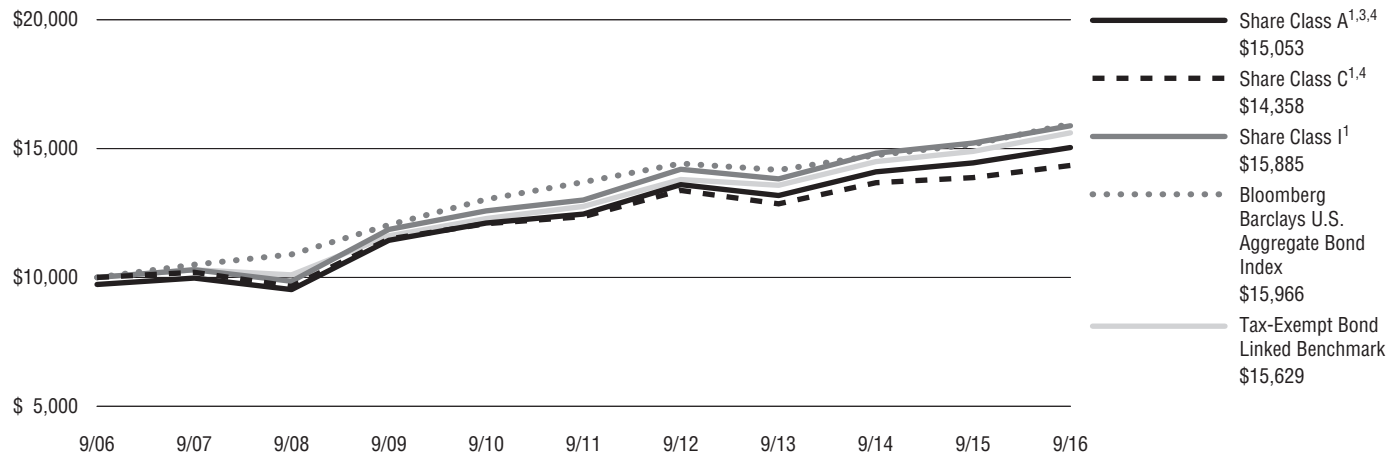
[3] *"POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.*

[4] *"CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares and all redemptions of Class C shares are 1% within the first year and 0% thereafter.*

[5] *The expense ratios of the Fund, both net and gross, are set forth according to the prospectus for the Fund effective September 23, 2016, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expenses: Expenses reduced by a contractual fee waiver in effect through September 30, 2017. Gross Expenses: Do not reflect the effect of contractual fee waiver. Expense ratios include fees and expenses associated with underlying funds.*

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

This chart assumes an initial investment of $10,000 made on September 30, 2006 for Class A, Class C and Class I shares. Performance assumes reinvestment of dividends and capital gain distributions.



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

Wealth Masters Fund

Ticker Symbols:
Class A: VWMAX
Class C: VWMCX
Class I: VWMIX

Fund Summary

Portfolio Manager Commentary by Horizon Asset Management, LLC

- The Fund is diversified and has an investment objective of capital appreciation.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 12.44%, Class C shares returned 11.56%, and Class I shares returned 12.75%. For the same period, the S&P 500® Index, a broad-based equity index, and the Fund's style-specific benchmark, returned 15.43%.

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

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

For the 12-month period ended September 30, 2016, broader equity markets ended up substantially, with the S&P 500® Index returning 15.43%. Markets tumbled in early 2016, as many stocks that had appreciated dramatically in 2015 fell significantly after they reported financial results and provided their outlooks for 2016. Markets rebounded, only to fall again in late June following the unexpected result of the "Brexit" referendum, whereby voters in the United Kingdom voted to exit the European Union. Once again, U.S. markets recovered swiftly, though it remained to be seen exactly when and how the exit would be implemented.

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

The Fund invests in companies owned and operated by the wealthiest, most successful investors, business executives, and entrepreneurs in the United States ("owner-operators"), and allows investors to readily leverage the business acumen of these highly-skilled individuals.

Though the Fund generated substantial returns during the 12 months ended September 30, 2016, its performance lagged relative to the benchmark S&P 500® Index. Underperformance was attributable, in part, to the continued flow of funds from active to passive management. Also, the Fund's selection criteria are indifferent to factors such as sector classification, for example, which resulted in an overweight to the consumer discretionary sector relative to the S&P 500® Index.

At the sector level, industrials and materials were the largest contributors to the Fund's relative returns, while consumer discretionary and utilities were the largest detractors.

At the stock level, the five largest contributors to relative performance (and their owner-operators) were Clayton Williams Energy, Inc. (Clayton Williams, Jr.); DreamWorks Animation SKG, Inc. (Jeffrey Katzenberg); (the company was acquired by Comcast Corp. in August 2016); Navistar International Corporation (Carl Icahn); Amkor Technology, Inc. (James Kim); and Freeport-McMoRan, Inc. (Carl Icahn). The five largest detractors from relative performance were CVR Energy, Inc. (Carl Icahn); Sears Holdings Corp. (Edward Lampert); Lions Gate Entertainment Corp. (John Malone); SolarCity Corp. (Elon Musk); and Lands' End, Inc. (Edward Lampert).

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There is no guarantee the Fund will meet its objective.

Asset Allocation

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

Consumer Discretionary	32%
Financials	14
Industrials	11
Information Technology	11
Energy	7
Real Estate	7
Materials	5
Other (includes securities-lending collateral)	13
Total	100%

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

Industry/Sector Concentration: A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

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

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

Wealth Masters Fund (Continued)

Average Annual Total Returns[1] for periods ended 9/30/16

	1 year	Since Inception	Inception Date
Class A Shares at NAV[2]	**12.44%**	**11.24%**	**9/5/12**
Class A Shares at POP[3,4]	**5.98**	**9.63**	**9/5/12**
Class C Shares at NAV[2] **and with CDSC**[4]	**11.56**	**10.41**	**9/5/12**
Class I Shares at NAV	**12.75**	**11.51**	**9/5/12**
S&P 500® Index	**15.43**	**13.67**[5]	**—**

Fund Expense Ratios[6]**: A Shares: Gross 1.46%, Net 1.45%; C Shares: Gross 2.21%, Net 2.20%; I Shares: Gross 1.21%, Net 1.20%.**

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[1] *Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.*

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

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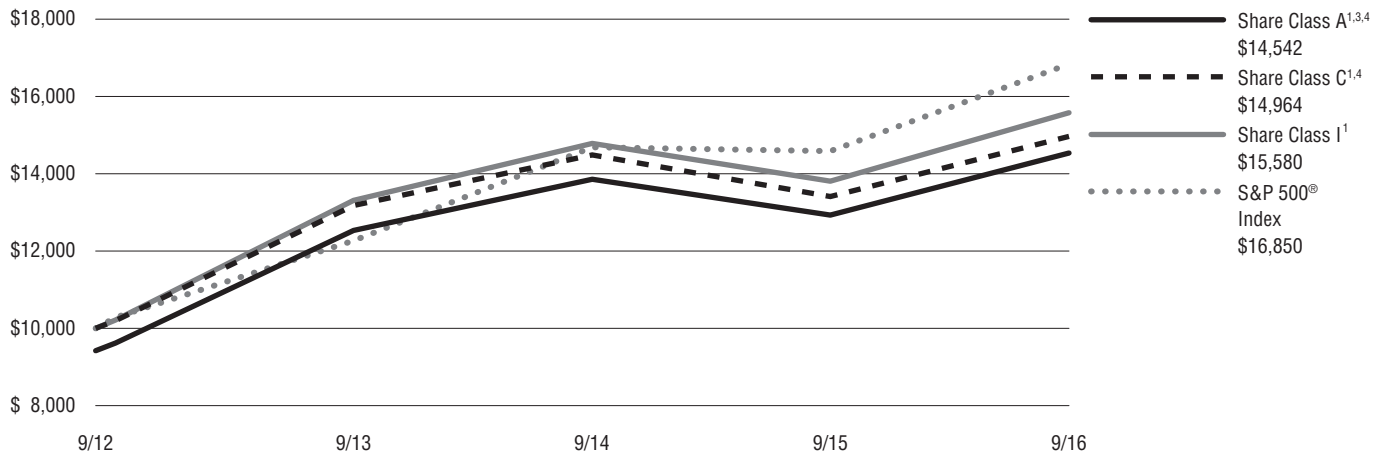
[5] *The since inception index returns are from the Fund's inception date.*

[6] *The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 28, 2016, as supplemented and revised and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current expense ratios. Net Expense: Expenses reduced by contractual fee waiver in effect through January 31, 2017. Gross Expense: Does not reflect the effect of the fee waiver.*

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

This chart assumes an initial investment of $10,000 made on September 5, 2012 (inception date of the Fund), for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



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VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
U.S. GOVERNMENT SECURITIES—7.4%		
U.S. Treasury Bond		
2.500%, 2/15/46	$ 3,505	$ 3,635
U.S. Treasury Note		
2.000%, 2/15/25	2,060	2,134
TOTAL U.S. GOVERNMENT SECURITIES (Identified Cost $5,672)		**5,769**
MUNICIPAL BONDS—1.5%		
California—1.1%		
California, State of, Build America Bonds Taxable		
7.600%, 11/1/40	520	843
Georgia—0.4%		
Rockdale County Water & Sewerage Authority Revenue Taxable		
3.060%, 7/1/24	255	270
Michigan—0.0%		
City of Flat Rock Finance Authority, Series A, Taxable		
6.750%, 10/1/16	20	20
TOTAL MUNICIPAL BONDS (Identified Cost $1,118)		**1,133**
FOREIGN GOVERNMENT SECURITIES—1.5%		
Argentine Republic		
144A 7.500%, 4/22/26[3]	155	175
144A 7.625%, 4/22/46[3]	150	169
Republic of Costa Rica 144A		
7.000%, 4/4/44[3]	200	214
Republic of Panama		
3.875%, 3/17/28	200	216
Republic of Turkey		
4.875%, 10/9/26	200	204
Sultanate of Oman 144A		
4.750%, 6/15/26[3]	200	201
TOTAL FOREIGN GOVERNMENT SECURITIES (Identified Cost $1,091)		**1,179**
MORTGAGE-BACKED SECURITIES—26.8%		
Agency—12.0%		
FHLMC		
5.000%, 12/1/35	30	34
4.000%, 2/1/45	455	488
3.500%, 3/1/45	344	366
3.000%, 5/1/45	135	140
3.500%, 4/1/46	396	418
FNMA		
6.000%, 7/1/17	2	2
5.500%, 9/1/17	3	3
5.000%, 4/1/20	51	52
5.000%, 8/1/21	9	9
6.000%, 5/1/29	29	33
6.500%, 5/1/30	1	1
7.000%, 7/1/31	8	8
5.500%, 4/1/36	43	49
5.500%, 9/1/36	159	181
6.000%, 9/1/37	21	25
6.000%, 8/1/38	200	231
Agency—continued		
6.000%, 8/1/38	$ 13	$ 15
5.000%, 6/1/39	581	656
5.000%, 9/1/39	154	174
5.500%, 9/1/39	310	351
4.500%, 9/1/40	246	275
3.500%, 12/1/42	286	303
3.000%, 3/1/43	490	511
3.000%, 5/1/43	143	149
3.000%, 5/1/43	326	339
4.000%, 9/1/44	121	130
3.000%, 5/1/45	795	827
3.000%, 8/1/45	576	601
3.500%, 8/1/45	617	650
3.500%, 8/1/45	659	696
3.500%, 1/1/46	147	155
3.000%, 2/1/46	684	712
3.000%, 4/1/46	723	752
GNMA		
6.500%, 9/15/28	28	33
		9,369
Non-Agency—14.8%		
Access Point Financial, Inc. 15-A, A 144A		
2.610%, 4/15/20[3]	86	86
Agate Bay Mortgage Trust 13-1, 144A		
3.500%, 7/25/43[2][3]	80	82
American Homes 4 Rent 14-SFR2, C 144A		
4.705%, 10/17/36[3]	195	215
15-SFR2, C 144A		
4.691%, 10/17/45[3]	125	138
15-SFR1, A 144A		
3.467%, 4/17/52[3]	219	233
Ameriquest Mortgage Securities, Inc. 03-AR3, M4		
4.311%, 6/25/33[2]	130	125
Aventura Mall Trust 13-AVM, C 144A		
3.743%, 12/5/32[2][3]	325	341
Banc of America Funding Trust 04-B, 2A1		
2.886%, 11/20/34[2]	76	75
05-1, 1A1		
5.500%, 2/25/35	84	85
Banc of America Mortgage Trust 05-3, 1A15		
5.500%, 4/25/35	81	82
Bank of America (Countrywide) Asset-Backed Certificates 05-1, AF5A		
5.148%, 7/25/35[2]	257	255
Bank of America (Merrill Lynch – Countrywide) Home Loan Mortgage Pass-Through-Trust 04-6, 1A2		
3.018%, 5/25/34[2]	255	252
Citigroup Commercial Mortgage Trust 07-C6, A4		
5.900%, 12/10/49[2]	350	356
Credit Suisse Mortgage-Backed Trust 06-08, 3A1		
6.000%, 10/25/21	94	90
Non-Agency—continued		
Deutsche Bank-UBS Mortgage Trust 11-LC3A, D 144A		
5.510%, 8/10/44[2][3]	$ 180	$ 189
Freddie Mac Structured Agency Credit Risk Debt Notes 16-DNA2, M2		
2.725%, 10/25/28[2]	250	254
GSAA Home Equity Trust 05-12, AF3W		
4.999%, 9/25/35[2]	66	67
GSR Mortgage Loan Trust 06-1F, 2A4		
6.000%, 2/25/36	174	153
Jefferies Resecuritization Trust 14-R1, 1A1 144A		
4.000%, 12/27/37[3]	54	54
JPMorgan Chase (WaMu) Mortgage Pass-Through Certificates 03-S11, 3A5		
5.950%, 11/25/33	169	176
JPMorgan Chase Commercial Mortgage Securities Trust 06-LDP9, A3		
5.336%, 5/15/47	37	37
14- C22, A4		
3.801%, 9/15/47	195	213
JPMorgan Chase Mortgage Trust 04-A4, 2A1		
3.032%, 9/25/34[2]	194	197
14-1, 1A1 144A		
4.000%, 1/25/44[2][3]	112	118
16-1, M2 144A		
3.750%, 4/25/45[2][3]	146	151
16-2, M2 144A		
3.750%, 12/25/45[2][3]	186	193
15-4, 1A4 144A		
3.500%, 5/25/46[2][3]	120	124
16-1, A3 144A		
3.500%, 5/25/46[3]	555	573
11-C4, A4, 144A		
4.388%, 7/15/46[3]	325	354
MASTR Adjustable Rate Mortgages Trust 05-1, 3A1		
3.326%, 2/25/35[2]	144	131
MASTR Specialized Loan Trust 05-3, A2 144A		
5.704%, 11/25/35[2][3]	126	127
Morgan Stanley – Bank of America (Merrill Lynch) Trust 13-C13, AS		
4.266%, 11/15/46	360	400
15-C22, AS		
3.561%, 4/15/48	310	327
15-C26,C		
4.558%, 10/15/48[2]	195	204
Morgan Stanley Capital Barclays Bank Trust 16-Mart, A 144A		
2.200%, 9/13/31[3]	140	140
Morgan Stanley Capital I Trust 07-T27, A4		
5.818%, 6/11/42[2]	539	551

See Notes to Financial Statements

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Non-Agency—continued		
08-T29, A4		
6.477%, 1/11/43[2]	$ 526	$ 551
07-IQ14, A4		
5.692%, 4/15/49[2]	300	303
07-IQ14, AM		
5.865%, 4/15/49[2]	190	184
Motel 6 Trust 15-MTL6, D 144A		
4.532%, 2/5/30[3]	210	211
New Residential Mortgage Loan Trust		
14-1A, A 144A		
3.750%, 1/25/54[2][3]	178	185
15-2A, A1 144A		
3.750%, 8/25/55[2][3]	200	208
16-1A, A1 144A		
3.750%, 3/25/56[2][3]	169	175
Novastar Mortgage Funding Trust Series 04-4, M5		
2.250%, 3/25/35[2]	185	181
Residential Asset Securitization Trust		
05-A1, A3		
5.500%, 4/25/35	144	144
Sequoia Mortgage Trust		
14-2, A1 144A		
4.000%, 7/25/44[2][3]	106	110
14-4, A6 144A		
3.500%, 11/25/44[2][3]	179	185
Towd Point Mortgage Trust		
15-1, A2 144A		
3.250%, 10/25/53[2][3]	150	152
16-1, A1B, 144A		
2.750%, 2/25/55[2][3]	199	202
15-5, A2 144A		
3.500%, 5/25/55[2][3]	220	222
16-4, A1 144A		
2.250%, 7/25/56[2][3]	140	141
15-2, 1M1 144A		
3.250%, 11/25/60[2][3]	225	219
Vericrest Opportunity Loan Transfer		
15-NP11, A1 144A		
3.625%, 7/25/45[2][3]	111	111
16-NPL9, A1 144A		
3.500%, 9/25/46[2][3]	100	100
Vericrest Opportunity Loan Trust		
16-NPL8, A1 144A		
3.500%, 7/25/46[2][3]	116	116
15-NPL4, A1 144A		
3.500%, 2/25/55[2][3]	111	111
Wells Fargo (Wachovia Bank) Commercial Mortgage Trust		
15-LC20, B		
3.719%, 4/15/50	300	317
Wells Fargo – Royal Bank of Scotland plc Commercial Mortgage Trust		
11-C5, C 144A		
5.866%, 11/15/44[2][3]	205	227
		11,503
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost $20,332)		**20,872**

	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—5.1%		
AmeriCredit Automobile Receivables Trust 14-1, D		
2.540%, 6/8/20	$ 235	$ 238
Avis Budget Rental Car Funding LLC		
(AESOP) 12-3A, A 144A		
2.100%, 3/20/19[3]	375	376
(AESOP) 16-1A, A 144A		
2.990%, 6/20/22[3]	200	205
CarFinance Capital Auto Trust		
14-1A, D 144A		
4.900%, 4/15/20[3]	215	216
CarMax Auto Owner Trust		
15-2, C		
2.390%, 3/15/21	235	238
Centre Point Funding LLC		
12-2A, 1 144A		
2.610%, 8/20/21[3]	220	218
Drive Auto Receivables Trust		
15-DA, C 144A		
3.380%, 11/15/21[3]	260	265
Drug Royalty II LP 1		
14-1, A2 144A		
3.484%, 7/15/23[3]	161	159
DT Auto Owner Trust		
16-4A C, 144A		
2.740%, 10/17/22[3]	235	235
Exeter Automobile Receivables Trust 13-1A, C 144A		
3.520%, 2/15/19[3]	207	209
Fairway Outdoor Funding LLC		
12-1A, A2 144A		
4.212%, 10/15/42[3]	142	144
Navistar Financial Dealer Note Master Owner Trust II		
16-1, B 144A		
2.546%, 9/27/21[2][3]	310	312
Orange Lake Timeshare Trust		
12-AA, A 144A		
3.450%, 3/10/27[3]	42	43
Santander Drive Auto Receivables Trust 13-1, D		
2.270%, 1/15/19	215	217
Sierra Timeshare Receivables Funding LLC 12-3A, A 144A		
1.870%, 8/20/29[3]	84	83
Silverleaf Finance XV LLC		
12-D, A 144A		
3.000%, 3/17/25[3]	34	34
SoFi Professional Loan Program LLC 15-A, A2 144A		
2.420%, 3/25/30[3]	105	106
Taco Bell Funding LLC		
16-1A, A21 144A		
3.832%, 5/25/46[3]	240	243
Trip Rail Master Funding LLC		
14-1A, A1 144A		
2.863%, 4/15/44[3]	233	232
U-Haul S Fleet LLC		
10-BT1A, 1 144A		
4.899%, 10/25/23[3]	231	234
TOTAL ASSET-BACKED SECURITIES (Identified Cost $3,986)		**4,007**

	PAR VALUE	VALUE
CORPORATE BONDS AND NOTES—46.9%		
Consumer Discretionary—6.3%		
Boyd Gaming Corp.		
6.875%, 5/15/23	$ 75	$ 82
Caesars Entertainment Operating Co., Inc.		
9.000%, 2/15/20[14]	100	104
Caesars Growth Properties Holdings LLC		
9.375%, 5/1/22	75	81
CCO Holdings LLC 144A		
5.500%, 5/1/26[3]	125	131
Cequel Communications Holdings I LLC (Cequel Capital Corp.)		
144A 5.125%, 12/15/21[3]	45	45
144A 5.125%, 12/15/21[3]	110	110
Clear Channel Worldwide Holdings, Inc. Series B		
7.625%, 3/15/20	175	174
Columbus Cable Barbados Ltd. Series B, 144A		
7.375%, 3/30/21[3]	200	213
Delphi Automotive plc		
3.150%, 11/19/20	145	150
Diamond Resorts International, Inc. 144A		
7.750%, 9/1/23[3]	15	15
Grupo Televisa SAB		
4.625%, 1/30/26	200	214
Hanesbrands, Inc. 144A		
4.625%, 5/15/24[3]	20	21
Landry's, Inc.		
144A 9.375%, 5/1/20[3]	165	173
144A 6.750%, 10/15/24[3]	45	46
M/I Homes, Inc.		
6.750%, 1/15/21	95	100
MDC Holdings, Inc.		
5.500%, 1/15/24	180	189
MGM Resorts International		
6.000%, 3/15/23	85	92
MPG Holdco I, Inc.		
7.375%, 10/15/22	145	149
New York University		
4.142%, 7/1/48	70	72
Newell Brands, Inc.		
144A 5.000%, 11/15/23[3]	25	27
4.200%, 4/1/26	25	27
PetSmart, Inc. 144A		
7.125%, 3/15/23[3]	135	142
Priceline Group, Inc. (The)		
3.650%, 3/15/25	195	205
QVC, Inc.		
4.375%, 3/15/23	265	266
Scientific Games International, Inc.		
6.625%, 5/15/21	95	73
SFR (Numericable) Group S.A. 144A		
6.000%, 5/15/22[3]	200	205
Signet UK Finance plc		
4.700%, 6/15/24	210	202
Sirius XM Radio, Inc. 144A		
5.375%, 7/15/26[3]	165	170

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
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($ reported in thousands)

	PAR VALUE	VALUE
Consumer Discretionary—continued		
Six Flags Entertainment Corp. 144A 4.875%, 7/31/24[3]	$ 130	$ 132
Station Casinos LLC 7.500%, 3/1/21	230	243
TI Group Automotive Systems LLC 144A 8.750%, 7/15/23[3]	80	87
Toll Brothers Finance Corp. 5.625%, 1/15/24	10	11
4.875%, 11/15/25	305	313
TRI Pointe Group, Inc. 5.875%, 6/15/24	155	162
Wyndham Worldwide Corp. 5.100%, 10/1/25	245	268
Ziggo Secured Finance BV 144A 5.500%, 1/15/27[3]	200	200
		4,894
Consumer Staples—1.7%		
Anheuser-Busch InBev Finance, Inc. 3.300%, 2/1/23	90	95
3.650%, 2/1/26	185	198
CVS Health Corp. 2.875%, 6/1/26	255	259
Flowers Foods, Inc. 4.375%, 4/1/22	275	297
Rite Aid Corp. 144A 6.125%, 4/1/23[3]	40	43
Safeway, Inc. 7.250%, 2/1/31	115	115
Tops Holding LLC (Tops Markets II Corp.) 144A 8.000%, 6/15/22[3]	155	140
Whole Foods Market, Inc. 144A 5.200%, 12/3/25[3]	143	156
		1,303
Energy—2.8%		
Antero Midstream Partners LP 144A 5.375%, 9/15/24[3]	60	61
Antero Resources Corp. 5.625%, 6/1/23	80	82
Blue Racer Midstream LLC 144A 6.125%, 11/15/22[3]	45	44
Callon Petroleum Co. 144A 6.125%, 10/1/24[3]	35	36
Cimarex Energy Co. 4.375%, 6/1/24	120	125
Continental Resources, Inc. 5.000%, 9/15/22	110	110
4.500%, 4/15/23	70	68
Enbridge Energy Partners LP 4.375%, 10/15/20	30	32
EnLink Midstream Partners LP 4.850%, 7/15/26	15	15
Energy—continued		
FTS International, Inc. 6.250%, 5/1/22	$ 60	$ 23
Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	115	121
Holly Energy Partners LP 144A 6.000%, 8/1/24[3]	15	16
Kinder Morgan Energy Partners LP 7.500%, 11/15/40	245	293
MPLX LP 4.875%, 12/1/24	255	264
NGL Energy Partners LP 5.125%, 7/15/19	155	147
Parsley Energy LLC 144A 6.250%, 6/1/24[3]	215	223
Range Resources Corp. 144A 5.000%, 3/15/23[3]	130	128
Sabine Pass Liquefaction LLC 6.250%, 3/15/22	140	153
Sunoco LP 144A 6.375%, 4/1/23[3]	215	222
		2,163
Financials—16.6%		
AerCap Ireland Capital Ltd. (Aercap Global Aviation Trust) 3.950%, 2/1/22	200	205
Air Lease Corp. 2.625%, 9/4/18	70	71
Allstate Corp. (The) 5.750%, 8/15/53[2][6]	180	193
Ally Financial, Inc. 5.750%, 11/20/25	120	126
Apollo Management Holdings LP 144A 4.000%, 5/30/24[3]	190	196
Ares Capital Corp. 4.875%, 11/30/18	26	27
3.875%, 1/15/20	71	73
Ares Finance Co., LLC 144A 4.000%, 10/8/24[3]	270	262
Banco de Credito del Peru 144A 6.125%, 4/24/27[2][3]	175	195
Banco de Credito e Inversiones 144A 4.000%, 2/11/23[3]	275	291
Banco Inbursa S.A. Institucion de Banca Multiple 144A 4.125%, 6/6/24[3]	160	162
Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29[2][3]	185	205
Banco Nacional de Comercio Exterior SVC 144A 4.375%, 10/14/25[3]	200	207
Banco Santander Chile 144A 3.875%, 9/20/22[3]	215	228
Bancolombia S.A. 5.125%, 9/11/22	260	271
Financials—continued		
Bank of America Corp. 2.000%, 1/11/18	$ 150	$ 151
5.625%, 7/1/20	235	264
4.450%, 3/3/26	340	365
Bank of India 144A 3.250%, 4/18/18[3]	265	270
Bank of New York Mellon Corp. (The) 2.800%, 5/4/26	210	216
Barclays Bank plc 144A 6.050%, 12/4/17[3]	250	261
Berkshire Hathaway, Inc. 2.750%, 3/15/23	20	21
3.125%, 3/15/26	45	47
Capital One Financial Corp. 4.200%, 10/29/25	180	188
3.750%, 7/28/26	200	201
Citigroup, Inc. 4.600%, 3/9/26	230	246
Compass Bank 3.875%, 4/10/25	250	245
Development Bank of Kazakhstan OJSC 144A 4.125%, 12/10/22[3]	290	284
Discover Financial Services 3.950%, 11/6/24	190	195
Ford Motor Credit Co., LLC 5.750%, 2/1/21	235	265
FS Investment Corp. 4.250%, 1/15/20	165	169
4.750%, 5/15/22	40	41
General Motors Financial Co., Inc. 4.750%, 8/15/17	55	56
4.200%, 3/1/21	90	95
3.450%, 4/10/22	30	30
Goldman Sachs Group, Inc. (The) 5.750%, 1/24/22	500	580
Hutchison Whampoa International Ltd. Series 12 144A 6.000%[2][3][5][6]	310	316
ICAHN Enterprises LP 5.875%, 2/1/22	65	63
ING Groep NV 6.000%[2][5][6]	200	195
iStar Financial, Inc. 5.000%, 7/1/19	90	90
Jefferies Group LLC 6.875%, 4/15/21	85	99
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42[3]	215	235
Leucadia National Corp. 5.500%, 10/18/23	150	158
Liberty Mutual Group, Inc. 144A 4.250%, 6/15/23[3]	245	265
Lincoln National Corp. 4.200%, 3/15/22	250	271
Macquarie Group Ltd. 144A 6.250%, 1/14/21[3]	210	240
Manulife Financial Corp. 4.150%, 3/4/26	215	235

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
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	PAR VALUE	VALUE
Financials—continued		
Morgan Stanley		
4.100%, 5/22/23	$ 155	$ 164
4.350%, 9/8/26	340	363
6.375%, 7/24/42	435	594
Navient Corp.		
7.250%, 9/25/23	40	40
OM Asset Management plc		
4.800%, 7/27/26	200	200
PKO Finance AB 144A		
4.630%, 9/26/22[3][7]	255	275
Prudential Financial, Inc.		
5.875%, 9/15/42[2]	190	210
5.625%, 6/15/43[2][6]	160	173
S&P Global, Inc.		
4.000%, 6/15/25	195	211
Santander Holdings USA, Inc.		
2.700%, 5/24/19	195	197
SBA Tower Trust 144A		
2.877%, 7/15/21[3]	320	325
Societe Generale S.A. 144A		
4.750%, 11/24/25[3]	200	207
Teachers Insurance & Annuity Association of America 144A		
4.375%, 9/15/54[2][3]	160	162
Trinity Acquisition plc		
3.500%, 9/15/21	15	16
4.400%, 3/15/26	80	84
UBS AG		
7.625%, 8/17/22	500	582
Woodside Finance Ltd. 144A		
3.700%, 9/15/26[3]	50	50
		12,922
Health Care—3.5%		
AbbVie, Inc.		
2.850%, 5/14/23	135	137
3.600%, 5/14/25	65	68
3.200%, 5/14/26	110	111
Capsugel S.A. PIK Interest Capitalization, 144A		
7.000%, 5/15/19[3][8]	27	27
Cardinal Health, Inc.		
3.200%, 3/15/23	130	137
3.750%, 9/15/25	165	179
Community Health Systems, Inc.		
5.125%, 8/1/21	45	45
Concordia Healthcare Corp. 144A		
7.000%, 4/15/23[3]	10	6
Endo Finance LLC 144A		
6.000%, 7/15/23[3]	110	101
Forest Laboratories LLC 144A		
4.875%, 2/15/21[3]	160	178
Fresenius U.S. Finance II, Inc. 144A		
4.500%, 1/15/23[3]	35	37
HCA, Inc.		
5.375%, 2/1/25	80	83
5.250%, 6/15/26	20	21
4.500%, 2/15/27	180	181
IASIS Healthcare LLC		
8.375%, 5/15/19	80	73
Health Care—continued		
MEDNAX, Inc. 144A		
5.250%, 12/1/23[3]	$ 90	$ 95
Mylan NV		
144A 3.000%, 12/15/18[3]	55	56
144A 3.150%, 6/15/21[3]	55	56
Ortho-Clinical Diagnostics, Inc. (Ortho-Clinical Diagnostics S.A.) 144A		
6.625%, 5/15/22[3]	120	106
Owens & Minor, Inc.		
3.875%, 9/15/21	35	36
Shire Acquisitions Investments Ireland Dac		
2.400%, 9/23/21	80	80
Surgery Center Holdings, Inc. 144A		
8.875%, 4/15/21[3]	120	128
Surgical Care Affiliates, Inc. 144A		
6.000%, 4/1/23[3]	160	169
Team Health, Inc. 144A		
7.250%, 12/15/23[3]	5	5
Teleflex, Inc.		
4.875%, 6/1/26	80	83
Tenet Healthcare Corp.		
4.350%, 6/15/20[2]	75	76
4.500%, 4/1/21	85	86
Teva Pharmaceutical Finance Netherlands III BV		
3.150%, 10/1/26	120	121
Universal Health Services, Inc.		
144A 4.750%, 8/1/22[3]	40	41
144A 5.000%, 6/1/26[3]	95	99
Valeant Pharmaceuticals International, Inc.		
144A 7.500%, 7/15/21[3]	25	24
144A 5.500%, 3/1/23[3]	50	43
Zoetis, Inc.		
3.450%, 11/13/20	45	47
		2,735
Industrials—2.6%		
Air Canada Pass-Through-Trust 13-1, B 144A		
5.375%, 5/15/21[3]	81	84
AMN Healthcare, Inc. 144A		
5.125%, 10/1/24[3]	20	20
Bombardier, Inc. 144A		
4.750%, 4/15/19[3]	110	108
Carpenter Technology Corp.		
4.450%, 3/1/23	250	247
Continental Airlines Pass-Through-Trust		
99-1, A 6.545%, 2/2/19	297	315
00-1, A1 8.048%, 11/1/20	249	279
GATX Corp.		
3.250%, 9/15/26	35	35
Masco Corp.		
5.950%, 3/15/22	110	125
4.450%, 4/1/25	55	58
Owens Corning		
3.400%, 8/15/26	200	201
Industrials—continued		
Penske Truck Leasing Co., LP 144A		
3.375%, 2/1/22[3]	$ 75	$ 78
Prime Security Services Borrower LLC (Prime Finance, Inc.) 144A		
9.250%, 5/15/23[3]	75	82
TransDigm, Inc.		
6.000%, 7/15/22	115	122
6.500%, 5/15/25	45	47
Wheels Up Finance I LLC		
16-01, A 0.500%, 6/1/24[2][9][15]	43	42
16-01, A 7.500%, 6/30/24[9]	199	198
		2,041
Information Technology—2.7%		
Apple, Inc.		
2.850%, 2/23/23	55	58
3.250%, 2/23/26	155	165
Diamond 1 Finance Corp. (Diamond 2 Finance Corp.)		
144A 5.450%, 6/15/23[3]	40	43
144A 7.125%, 6/15/24[3]	35	39
144A 6.020%, 6/15/26[3]	40	44
144A 8.100%, 7/15/36[3]	40	47
144A 8.350%, 7/15/46[3]	45	54
Dun & Bradstreet Corp. (The)		
4.375%, 12/1/22	270	281
Electronic Arts, Inc.		
3.700%, 3/1/21	30	32
First Data Corp. 144A		
5.000%, 1/15/24[3]	230	234
Flex Ltd.		
4.750%, 6/15/25	200	213
Hewlett Packard Enterprise Co. 144A		
4.900%, 10/15/25[3]	120	128
Microsoft Corp.		
2.400%, 8/8/26	120	120
NXP BV (NXP Funding LLC) 144A		
4.125%, 6/1/21[3]	200	214
Oracle Corp.		
2.400%, 9/15/23	25	25
2.650%, 7/15/26	170	170
Verisk Analytics, Inc.		
4.000%, 6/15/25	190	202
		2,069
Materials—2.7%		
Alpek SA de C.V. 144A		
5.375%, 8/8/23[3]	310	332
Berry Plastics Corp.		
5.125%, 7/15/23	145	148
Eldorado Gold Corp. 144A		
6.125%, 12/15/20[3]	95	96
INEOS Group Holdings S.A. 144A		
5.625%, 8/1/24[3]	200	197
Inversiones CMPC S.A. 144A		
4.375%, 5/15/23[3]	375	391

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
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	PAR VALUE	VALUE
Materials—continued		
NewMarket Corp. 4.100%, 12/15/22	$ 288	$ 299
Novelis Corp. 144A 6.250%, 8/15/24[3]	10	10
144A 5.875%, 9/30/26[3]	150	154
Office Cherifien des Phosphates S.A. (OCP) 144A 5.625%, 4/25/24[3]	200	217
Reynolds Group Issuer, Inc. 144A 5.125%, 7/15/23[3]	50	52
Standard Industries, Inc. 144A 6.000%, 10/15/25[3]	145	155
Valvoline, Inc. 144A 5.500%, 7/15/24[3]	20	21
		2,072
Real Estate—4.1%		
Alexandria Real Estate Equities, Inc. 3.950%, 1/15/27	120	126
American Campus Communities Operating Partnership LP 3.350%, 10/1/20	25	26
Brixmor Operating Partnership LP 3.875%, 8/15/22	55	58
Corporate Office Properties LP 3.600%, 5/15/23	265	265
Corrections Corp. of America 5.000%, 10/15/22	165	150
Developers Diversified Realty Corp. 7.875%, 9/1/20	155	186
3.500%, 1/15/21	130	135
Digital Realty Trust LP 5.250%, 3/15/21	165	185
Education Realty Operating Partnership LP 4.600%, 12/1/24	205	213
Healthcare Realty Trust, Inc. 3.875%, 5/1/25	125	129
Kilroy Realty LP 4.375%, 10/1/25	190	205
Kimco Realty Corp. 3.400%, 11/1/22	185	195
MPT Operating Partnership LP 6.375%, 3/1/24	20	22
5.500%, 5/1/24	90	95
5.250%, 8/1/26	10	10
National Retail Properties, Inc. 4.000%, 11/15/25	60	64
Retail Opportunity Investments Partnership LP 4.000%, 12/15/24	155	156
Select Income REIT 4.500%, 2/1/25	190	192
Sovran Acquisition LP 3.500%, 7/1/26	125	128
Ventas Realty LP (Ventas Capital Corp.) 3.250%, 8/15/22	250	261
Real Estate—continued		
Welltower, Inc. 4.000%, 6/1/25	$ 200	$ 212
WP Carey, Inc. 4.600%, 4/1/24	160	167
		3,180
Telecommunication Services—2.5%		
Altice Financing S.A. 144A 6.625%, 2/15/23[3]	200	206
AT&T, Inc. 3.875%, 8/15/21	425	459
CenturyLink, Inc. Series Y 7.500%, 4/1/24	140	150
Crown Castle International Corp. 3.700%, 6/15/26	20	21
CSC Holdings LLC 144A 5.500%, 4/15/27[3]	110	113
Empresa Nacional de Telecomunicaciones S.A. 144A 4.875%, 10/30/24[3]	215	221
Qwest Corp. 7.250%, 9/15/25	150	164
T-Mobile USA, Inc. 6.500%, 1/15/26	135	150
Telefonica Emisiones SAU 4.570%, 4/27/23	225	251
Windstream Corp. 7.750%, 10/15/20	200	205
		1,940
Utilities—1.4%		
Dominion Resources, Inc. 2.962%, 7/1/19[2]	20	21
Duke Energy Corp. 2.650%, 9/1/26	205	201
FirstEnergy Transmission LLC 144A 4.350%, 1/15/25[3]	210	225
NRG Yield Operating LLC 5.375%, 8/15/24	60	62
Southern Power Co. 4.150%, 12/1/25	230	248
State Grid Overseas Investment Ltd. 144A 4.125%, 5/7/24[3]	200	221
TerraForm Power Operating LLC 144A 9.375%, 2/1/23[2][3]	145	150
		1,128
TOTAL CORPORATE BONDS AND NOTES (Identified Cost $35,002)		**36,447**
LOAN AGREEMENTS[2]—4.1%		
Consumer Discretionary—0.9%		
Boyd Gaming Corp. Tranche B-2 3.524%, 9/15/23	46	46
Consumer Discretionary—continued		
Caesars Entertainment Resort Properties LLC 7.000%, 10/11/20	$ 155	$ 155
Caesars Growth Properties Holdings LLC Tranche B, First Lien, 6.250%, 5/8/21	60	59
CDS U.S. Intermediate Holdings, Inc. First Lien, 5.000%, 7/8/22	40	40
Floor & Decor Outlets of America, Inc. 0.000%, 9/29/23[10]	77	77
Laureare Education, Inc. 2021 Extended, 8.157%, 3/17/21	63	63
Station Casinos LLC Tranche B, 3.750%, 6/8/23	72	72
U.S. Farathane LLC Tranche B-2, 5.750%, 12/23/21	112	113
UFC Holdings LLC First Lien 5.000%, 8/18/23	93	94
		719
Consumer Staples—0.3%		
Albertson's LLC Trance B-4, 4.500%, 8/25/21	112	113
Hostess Brands LLC Tranche B, Second Lien, 8.500%, 8/3/23	150	151
		264
Energy—0.1%		
Jonah Energy LLC Second Lien, 7.500%, 5/12/21	94	84
Health Care—1.0%		
Ardent Legacy Acquisitions, Inc. 6.500%, 8/4/21	79	79
CHG Healthcare Services, Inc. First Lien, 4.750%, 6/7/23	104	106
Concordia Pharmaceuticals, Inc. 5.250%, 10/21/21	66	59
InVentiv Health, Inc. Tranche B-4, 7.750%, 5/15/18	110	110
Tranche B 0.000%, 9/29/23[10]	58	58
MMM Holdings, Inc. 9.750%, 12/12/17[4][9]	50	49
MPH Acquisition Holdings LLC 5.000%, 6/7/23	46	46
MSO of Puerto Rico, Inc. 9.750%, 12/12/17[4][9]	36	35

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Health Care—continued		
NVA Holdings, Inc. Second Lien, 8.000%, 8/14/22	$ 64	$ 64
Quorum Health Corp. 6.750%, 4/29/22	92	89
Surgery Center Holdings, Inc. First Lien, 4.750%, 11/3/20	99	100
		795
Industrials—0.5%		
Brickman Group Ltd. LLC (The) Second Lien, 7.500%, 12/17/21	78	78
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien, 5.000%, 5/4/22	98	99
Navistar, Inc. Tranche B 6.500%, 8/7/20	120	120
Sedgwick Claims Management Services, Inc. Second Lien, 6.750%, 2/28/22	120	119
		416
Information Technology—0.5%		
Donnelley Financial Solutions 0.000%, 9/23/23[10]	41	41
First Data Corp. Tranche 2022 4.275%, 7/8/22	145	146
NXP BV Tranche F 3.405%, 12/7/20	74	75
On Semiconductor 5.250%, 3/31/23	50	50
SS&C European Holdings S.a.r.l. Tranche B-2, 4.000%, 7/8/22	5	5
Tranche B-1, 4.000%, 7/8/22	41	42
Western Digital Corp. Tranche B-1, 4.500%, 4/29/23	14	14
		373
Materials—0.1%		
Huntsman International LLC Tranche 16-B, 4.250%, 4/1/23	44	44
INEOS U.S. Finance LLC Tranche 2022, 4.250%, 3/31/22	9	9
		53
Real Estate—0.1%		
Capital Automotive LP Second Lien, 6.000%, 4/30/20	71	72

	PAR VALUE	VALUE
Telecommunication Services—0.2%		
T-Mobile USA, Inc. Senior Lien 3.500%, 11/9/22	$ 85	$ 86
UPC Financing Partnership 4.080%, 8/31/24	63	63
		149
Utilities—0.4%		
Energy Future Holdings Corp. 5.000%, 7/27/23[4]	70	71
Tranche C 5.000%, 7/27/23[4]	17	17
NRG Energy, Inc. 3.500%, 6/30/23	236	236
		324
TOTAL LOAN AGREEMENTS (Identified Cost $3,243)		**3,249**

	SHARES	
PREFERRED STOCKS—3.2%		
Energy—0.3%		
PTT Exploration & Production PCL 144A, 4.875%[2][3]	200[11]	204
Financials—2.0%		
Bank of New York Mellon Corp. (The) Series E, 4.950%[2]	150[11]	153
Citigroup, Inc. Series J 7.125%[2]	8,000	232
Series N 6.250%[2]	155[11]	167
JPMorgan Chase & Co. Series Z, 5.300%[2]	45[11]	46
KeyCorp. 5.000%[2]	190[11]	187
PNC Financial Services Group, Inc. (The) Series R, 4.850%[2]	215[11]	214
SunTrust Bank, Inc. 5.625%[2]	45[11]	47
Wells Fargo & Co. Series K, 7.980%[2]	230[11]	240
Zions Bancorp 6.950%[2]	8,800	261
		1,547
Industrials—0.9%		
General Electric Co. Series D, 5.000%[2]	686[11]	729
TOTAL PREFERRED STOCKS (Identified Cost $2,328)		**2,481**
EXCHANGE-TRADED FUND—1.1%		
iShares iBoxx $ Investment Grade Corporate Bond Fund[13]	6,725	828
TOTAL EXCHANGE-TRADED FUND (Identified Cost $803)		**828**

	SHARES	VALUE
AFFILIATED MUTUAL FUND—1.5%		
Virtus Credit Opportunities Fund Class R6[13]	117,904	$ 1,159
TOTAL AFFILIATED MUTUAL FUND (Identified Cost $1,179)		**1,159**
TOTAL LONG TERM INVESTMENTS—99.1% (Identified Cost $74,754)		**77,124**[12]
TOTAL INVESTMENTS—99.1% (Identified Cost $74,754)		**77,124**[1]
Other assets and liabilities, net—0.9%		731
NET ASSETS—100.0%		**$77,855**

Abbreviations:

FHLMC	Federal Home Loan Mortgage Corporation ("Freddie Mac").
FNMA	Federal National Mortgage Association ("Fannie Mae").
GNMA	Government National Mortgage Association ("Ginnie Mae")
PIK	Payment-in-Kind Security
REIT	Real Estate Investment Trust

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.
(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, 2016, these securities amounted to a value of $22,599 or 29.0% of net assets.
(4) Security in default, interest payments are being received during the bankruptcy proceedings.
(5) No contractual maturity date.
(6) Interest payments may be deferred.
(7) This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
(8) 100% of the income received was in cash.
(9) Illiquid security.
(10) This loan will settle after September 30, 2016, at which time the interest rate, based on the London Interbank Offered Rate ("LIBOR") and the agreed upon spread on trade date, will be reflected.
(11) Value shown as par value.
(12) All or a portion of the Fund's assets have been segregated for delayed delivery securities.
(13) Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available.
(14) Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.
(15) Represents unfunded portion of security and commitment fee earned on this portion.

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

VIRTUS BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

Country Weightings[†] (Unaudited)	
United States	86%
Canada	1
Chile	1
Mexico	1
Netherlands	1
Switzerland	1
United Kingdom	1
Other	8
Total	100%

[†] % of total investments as of September 30, 2016

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	$ 4,007	$ —	$ 4,007	$ —
Corporate Bonds And Notes	36,447	—	36,207	240
Foreign Government Securities	1,179	—	1,179	—
Loan Agreements	3,249	—	3,249	—
Mortgage-Backed Securities	20,872	—	20,872	—
Municipal Bonds	1,133	—	1,133	—
U.S. Government Securities	5,769	—	5,769	—
Equity Securities:				
Affiliated Mutual Fund	1,159	1,159	—	—
Exchange-Traded Funds	828	828	—	—
Preferred Stocks	2,481	493	1,988	—
Total Investments	$77,124	$2,480	$74,404	$240

There were no transfers from Level 1 to Level 2 related to securities held as of September 30, 2016.

Securities held by the Fund with an end of period value of $261 were transferred from Level 2 into Level 1 since starting to use an exchange price.

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.

	Corporate Bonds and Notes
Investments in Securities	
Balance as of September 30, 2015:	$ —
Accrued discount/(premium)	—[(c)]
Realized gain (loss)	—[(c)]
Change in unrealized appreciation (depreciation)	—[(c)]
Purchases	443
Sales[(b)]	(203)
Transfers into Level 3[(a)]	—
Transfers from Level 3[(a)]	—
Balance as of September 30, 2016	$ 240[(d)]

[(a)] *"Transfers into and/or from" represent the ending value as of September 30, 2016, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.*
[(b)] *Includes paydown on securities.*
[(c)] *Amount is less than $500.*
[(d)] *The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.*

None of the securities in this table are internally fair valued.

VIRTUS CA TAX-EXEMPT BOND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
MUNICIPAL TAX-EXEMPT BONDS[2]—97.1%		
Development Revenue—12.9%		
Garden Grove Agency for Community Development Successor Agency, Garden Grove Community Project, (BAM Insured) 5.000%, 10/1/29	$ 350	$ 431
Lafayette Redevelopment Agency Successor Agency, Lafayette Redevelopment Project, (AGM Insured) 5.000%, 8/1/38	250	294
Los Angeles County Redevelopment Refunding Authority, Long Beach Project, 5.000%, 8/1/34	215	259
Menlo Park Community Development Agency Successor Agency, Las Pulgas Community Development Project ,(AGM Insured) 5.000%, 10/1/29	100	123
Milpitas Redevelopment Agency Successor Agency Redevelopment Project Area No.1, 5.000%, 9/1/30	250	306
Palmdale Community Redevelopment Agency Successor Agency, Subordinate Lien, (NATL Insured) 5.000%, 9/1/34	300	364
Sacramento Redevelopment Agency Successor Agency (BAM Insured) 5.000%, 12/1/33	75	90
(BAM Insured) 5.000%, 12/1/34	75	90
San Diego Redevelopment Agency, Center City Redevelopment Project, (AMBAC Insured) 4.750%, 9/1/30	500	501
San Marcos Redevelopment Agency Successor Agency, 5.000%, 10/1/33	250	303
San Mateo Redevelopment Agency Successor Agency, 5.000%, 8/1/30	250	306
Santa Clara Redevelopment Agency, Bayshore North Project, (NATL Insured) 5.000%, 6/1/22	500	503
Union City Redevelopment Agency Successor Agency, Union City Redevelopment Project, 5.000%, 10/1/36	200	239
Westminster Redevelopment Agency Successor Agency (BAM Insured) 4.000%, 11/1/36	200	221
		4,030
General Obligation—13.0%		
Cajon Valley Union School District, 5.000%, 8/1/31	$ 250	$ 305
California State of, 5.500%, 3/1/26	250	267
(AMBAC Insured) 5.000%, 2/1/27	290	377
5.000%, 9/1/32	300	354
5.000%, 12/1/37	75	78
6.000%, 4/1/38	250	281
Grossmont Healthcare District 5.000%, 7/15/25	350	451
Los Alamitos Unified School District, School Facilities Improvement District No.1, 2008 Election 5.250%, 8/1/39	250	304
Midpeninsula Regional Open Space District 4.000%, 9/1/36	100	113
Oakland Unified School District (AGM Insured) 5.000%, 8/1/24	200	253
5.000%, 8/1/33	300	365
Ross Valley School District, 5.000%, 8/1/37	350	411
San Diego Community College District, 5.000%, 8/1/43	150	180
San Diego Unified School District, (AGM Insured) 5.500%, 7/1/25	225	301
		4,040
General Revenue—8.3%		
California Infrastructure & Economic Development Bank 0.780%, 9/1/38[3]	250	250
5.000%, 10/1/23	200	250
California State Municipal Finance Authority, Bowles Hall Foundation 4.000%, 6/1/22	100	110
Golden State Tobacco Securitization Corp., 5.000%, 6/1/29	350	421
5.125%, 6/1/47	950	948
Midpeninsula Regional Open Space District, Promissory Notes 5.000%, 9/1/23	120	151
South Bay Regional Public Communications Authority, Hawthorne Projects, (ACA Insured) 4.750%, 1/1/31	435	439
		2,569
Higher Education Revenue—4.1%		
California Educational Facilities Authority, Pomona College, 5.000%, 7/1/45	500	501
California State University 5.000%, 11/1/41	300	367
University of California, General Revenue 5.000%, 5/15/23	100	125
Higher Education Revenue—continued		
Limited Projects Revenue 5.000%, 5/15/23	$ 225	$ 280
		1,273
Lease Revenue—9.7%		
California State Public Works Board, Department of General Services, Buildings 8&9 6.125%, 4/1/29	500	563
Capital Projects, 5.750%, 10/1/30	550	626
Department of Forestry & Fire Protection, 5.000%, 11/1/32	500	520
Municipal Improvement Corp. of Los Angeles Real Property 5.000%, 11/1/36	250	305
San Diego Regional Building Authority, County Operations Center 5.000%, 10/15/35	335	407
Ventura County Public Financing Authority, 5.000%, 11/1/25	250	305
West Hollywood Public Financing Authority, West Hollywood Park Phase II 5.000%, 4/1/34	250	306
		3,032
Medical Revenue—7.8%		
California Municipal Finance Authority, Community Medical Centers, 5.000%, 2/1/27	100	120
California State Health Facilities Financing Authority, El Camino Hospital, 5.000%, 2/1/26	100	124
Cedars-Sinai Medical Center, 5.000%, 11/15/31	250	309
Sutter Health, 5.000%, 11/15/35	125	153
Providence St. Joseph Health 4.000%, 10/1/36	50	55
Lucille Salter Packard Children's Hospital at Stanford, 5.000%, 8/15/43	100	118
Sutter Health, 5.000%, 8/15/43	135	162
California Statewide Communities Development Authority, Kaiser Permanente 0.820%, 8/15/25[3]	300	300
Loma Linda University Medical Center, 5.000%, 12/1/30[4]	100	118
John Muir Health Center 5.000%, 8/15/41	100	121
Cottage Health System, 5.000%, 11/1/43	250	295

VIRTUS CA TAX-EXEMPT BOND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Medical Revenue—continued		
Loma Linda University Medical Center, 5.250%, 12/1/56[4]	$ 100	$ 114
Regents of The University of California Medical Center Pooled Revenue 4.500%, 5/15/36	250	291
San Benito Health Care District, (CHFCLIF Insured) 4.000%, 3/1/18	140	146
		2,426
Natural Gas Revenue—2.5%		
Roseville Natural Gas Financing Authority, 5.000%, 2/15/24	450	530
5.000%, 2/15/27	195	236
		766
Power Revenue—2.3%		
Northern California Power Agency, Hydroelectric Project No.1, 5.000%, 7/1/32	200	235
Sacramento Municipal Utility District, 5.000%, 8/15/29	150	185
Southern California Public Power Authority, Windy Point Project, 5.000%, 7/1/28	250	285
		705
Pre-Refunded—14.6%		
Bay Area Toll Authority, (Pre-refunded 4/1/19 @100) 5.125%, 4/1/39	425	469
California State Health Facilities Financing Authority, Providence Health & Services, (Pre-refunded 10/1/18 @100) 6.500%, 10/1/38	195	217
Providence Health & Services, (Pre-refunded 10/1/18 @100) 6.500%, 11/1/38	5	6
California State Infrastructure & Economic Development Bank, Bay Area Toll Bridges (Pre-refunded 7/1/26 @100) (AMBAC Insured) 5.125%, 7/1/37	530	698
California State of, (Pre-refunded 12/1/2017 @ 100) 5.000%, 12/1/37	200	210
California State University, (Pre-refunded 5/1/19 @ 100) 5.250%, 11/1/38	500	556
California Statewide Communities Development Authority, Sutter Health, (AMBAC Insured) (Pre-refunded 5/15/17 @100) 5.000%, 11/15/38	205	210
Pre-Refunded—continued		
St. Joseph Health System, (FGIC Insured) (Pre-refunded 7/1/18 @100) 5.750%, 7/1/47	$ 350	$ 380
City of Stockton CA, (GNMA Collateralized) (Pre-refunded 9/20/17 @ 100) 5.600%, 3/20/28	150	157
County of Riverside CA, (Escrowed to Maturity) (GNMA Collateralized) 7.800%, 5/1/21	1,085	1,391
Northern California Power Agency, (AMBAC Insured) (Pre-refunded 7/1/21 @ 100) 7.500%, 7/1/23	195	236
		4,530
Special Tax Revenue—4.9%		
Chula Vista Municipal Financing Authority, 5.000%, 9/1/27	200	244
North City West School Facilities Financing Authority, (AMBAC Insured) 5.250%, 9/1/19	635	709
Sacramento Area Flood Control Agency, Consololidated Capital Assessment District (BHAC Insured) 5.500%, 10/1/28	250	273
Tustin Unified School District, Community Facilities District No. 97-1, (BAM Insured) 5.000%, 9/1/33	250	298
		1,524
Transportation Revenue—5.9%		
Los Angeles Department of Airports 5.000%, 5/15/32	200	246
Los Angeles Harbor Department, 5.000%, 8/1/35	235	282
San Diego County Regional Airport Authority, 5.000%, 7/1/40	400	449
San Diego County Regional Transportation Commission 5.000%, 4/1/36	100	123
San Diego Unified Port District, 5.000%, 9/1/28	200	238
San Francisco City & County Airport Commission, San Francisco International Airport, 5.000%, 5/1/43	150	174
San Francisco Municipal Transportation Agency, 5.000%, 3/1/31	125	150
5.000%, 3/1/33	150	183
		1,845
Water & Sewer Revenue—11.1%		
East Bay Municipal Utility District Water System Revenue 5.000%, 6/1/35	$ 270	$ 332
Los Angeles Department of Water & Power, 5.000%, 7/1/35	295	360
Manteca, City of, Water Revenue, 5.000%, 7/1/27	300	362
Metropolitan Water District of Southern California 0.800%, 7/1/32[3]	300	300
Oakland, City of, Sewer Revenue, 5.000%, 6/15/29	200	245
Ross Valley Public Financing Authority, Sanitary District No.1 (AGM Insured) 5.000%, 10/1/33	225	269
San Diego County Water Authority, 5.000%, 5/1/31	250	304
San Diego Public Facilities Financing Authority Sewer Revenue 5.000%, 5/15/39	500	614
Santa Margarita-Dana Point Authority, Water Improvement Districts Nos. 2,3,4, 5.125%, 8/1/38	630	674
		3,460
TOTAL MUNICIPAL TAX-EXEMPT BONDS (Identified Cost $28,050)		**30,200**
TOTAL LONG TERM INVESTMENTS—97.1% (Identified Cost $28,050)		**30,200**
TOTAL INVESTMENTS—97.1% (Identified Cost $28,050)		**30,200**[1]
Other assets and liabilities, net—2.9%		913
NET ASSETS—100.0%		**$31,113**

Abbreviations:

ACA	American Capital Access Financial Guarantee Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
BAM	Build America Municipal Insured.
BHAC	Berkshire Hathaway Assurance Corp.
CHFCLIF	California Health Facility Construction Loan Insurance Fund.
FGIC	Financial Guaranty Insurance Company
GNMA	Government National Mortgage Association (“Ginnie Mae”)
NATL	National Public Finance Guarantee Corp.

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

See Notes to Financial Statements

($ reported in thousands)

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) At September 30, 2016, the concentration of the Fund's investments by state or territory determined as a percentage of net assets is as follows: California 100%. At September 30, 2016, 30.40% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the insurers' concentration exceeds 10% of the Fund's net assets.

(3) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.

(4) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2016, these securities amounted to a value of $232 or 0.7% of net assets.

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

	Total Value at September 30, 2016	Level 2 Significant Observable Inputs
Debt Securities:		
Municipal Tax-Exempt Bonds	$30,200	$30,200
Total Investments	$30,200	$30,200

There are no Level 1 (quoted prices) or Level 3 (significant unobservable inputs) priced securities.

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2016.

VIRTUS ESSENTIAL RESOURCES FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
COMMON STOCKS—97.9%		
Consumer Discretionary—6.9%		
BorgWarner, Inc. (United States)	978	$ 34
Coway Co., Ltd. (South Korea)	529	46
Delphi Automotive plc (United Kingdom)	707	51
EnerCare, Inc. (Canada)	5,722	82
Johnson Controls International plc (Ireland)	2,108	98
LKQ Corp. (United States)[2]	573	20
		331
Consumer Staples—15.8%		
Adecoagro SA (Brazil)[2]	4,811	55
AG Growth International, Inc. (Canada)	476	16
Andersons, Inc. (The) (United States)	425	15
Archer-Daniels-Midland Co. (United States)	2,127	90
BRF SA (Brazil)	1,900	33
Bunge Ltd. (United States)	1,290	76
Dean Foods Co. (United States)	1,587	26
Glanbia plc (Ireland)	1,039	20
Golden Agri-Resources Ltd. (Singapore)	152,500	40
Greencore Group plc (Ireland)	6,917	30
Ingredion, Inc. (United States)	122	16
JBS SA (Brazil)	11,800	43
KWS SAAT AG (Germany)	65	22
Minerva SA (Brazil)[2]	10,900	33
Origin Enterprises plc (Ireland)[2]	5,210	33
PureCircle Ltd. (United Kingdom)[2]	6,672	24
SLC Agricola SA (Brazil)	13,700	59
SunOpta, Inc. (Canada)[2]	5,108	36
Tyson Foods, Inc. Class A (United States)	429	32
United Natural Foods, Inc. (United States)[2]	676	27
Wilmar International Ltd. (Singapore)	13,200	31
		757
Energy—4.3%		
CHORUS Clean Energy AG (Germany)[2]	1,356	16
Cosan Ltd. (Brazil)	11,400	81
Energiekontor AG (Germany)	3,103	51
Energy Development Corp. (Philippines)	146,000	18
Pattern Energy Group, Inc. (United States)	957	22
TransAlta Renewables, Inc. (Canada)	1,658	19
		207
Financials—3.6%		
Capital Stage AG (Germany)	510	4
Hannon Armstrong Sustainable Infrastructure Capital, Inc. (United States)	1,529	36
Financials—continued		
PICO Holdings, Inc. (United States)[2]	5,805	$ 68
Renewables Infrastructure Group Ltd. (The) (United Kingdom)	34,076	47
Saeta Yield SA (Spain)	1,912	19
		174
Health Care—2.9%		
Agilent Technologies, Inc. (United States)	664	31
Danaher Corp. (United States)	934	73
Genus plc (United Kingdom)	511	13
Novozymes A/S Class B (Denmark)	452	20
		137
Industrials—26.5%		
Aalberts Industries NV (Netherlands)	527	18
Aegion Corp. (United States)[2]	843	16
Ameresco, Inc. Class A (United States)[2]	5,848	31
Amiad Water Systems Ltd. (Israel)	7,152	13
Arcadis NV (Netherlands)	1,973	28
BayWa AG (Germany)	1,462	48
Broadwind Energy, Inc. (United States)[2]	1,170	5
China Everbright International Ltd. (Hong Kong)	17,000	20
Costain Group plc (United Kingdom)	6,827	32
Covanta Holding Corp. (United States)	5,786	89
Deere & Co. (United States)	304	26
DIRTT Environmental Solutions (Canada)[2]	2,406	9
Eaton Corp. plc (United States)	533	35
FuelCell Energy, Inc. (United States)[2]	582	3
GEA Group AG (Germany)	745	41
H2O Innovation, Inc. (Canada)[2]	9,874	13
HD Supply Holdings, Inc. (United States)[2]	1,633	52
Honeywell International, Inc. (United States)	402	47
IDEX Corp. (United States)	170	16
Kingspan Group plc (Ireland)[2]	1,287	35
Kubota Corp. (Japan)	5,400	82
Kurita Water Industries Ltd. (Japan)	1,400	33
Lumenpulse, Inc. (Canada)[2]	1,891	24
METAWATER Co., Ltd. (Japan)	700	19
Nordex SE (Germany)[2]	1,498	46
Pentair plc (United States)	961	62
PNE Wind AG (Germany)	10,370	25
Rexnord Corp. (United States)[2]	2,207	47
Roper Technologies, Inc. (United States)	268	49
RPS Group plc (United Kingdom)	7,076	16
Senvion SA (Luxembourg)[2]	1,200	22
SPX Corp. (United States)[2]	2,608	53
Stantec, Inc. (Canada)	1,367	32
Tetra Tech, Inc. (United States)	1,050	37
Industrials—continued		
Vestas Wind Systems A/S (Denmark)	779	$ 64
Xylem, Inc. (United States)	728	38
Zumtobel Group AG (Austria)	2,224	43
		1,269
Information Technology—7.5%		
Canadian Solar, Inc. (Canada)[2]	1,037	14
First Solar, Inc. (United States)[2]	887	35
Infineon Technologies AG (Germany)	2,033	36
NXP Semiconductors NV (Netherlands)[2]	592	60
Power Integrations, Inc. (United States)	537	34
PSI AG Gesellschaft Fuer Produkte Und Systeme Der Informationstechnologie (Germany)	838	12
Pure Technologies Ltd. (Canada)	13,648	61
SolarEdge Technologies, Inc. (United States)[2]	1,196	21
SunPower Corp. (United States)[2]	4,450	40
Trimble Navigation Ltd. (United States)[2]	1,313	38
Universal Display Corp. (United States)[2]	165	9
		360
Materials—13.9%		
Agrium, Inc. (Canada)	712	65
Calgon Carbon Corp. (United States)	3,778	57
CF Industries Holdings, Inc. (United States)	1,654	40
Ecolab, Inc. (United States)	325	40
FMC Corp. (United States)	505	24
Israel Chemicals Ltd. (Israel)	5,839	23
Kemira Oyj (Finland)	1,231	17
Koninklijke Dsm NV (Netherlands)	273	18
Monsanto Co. (United States)	1,121	115
Mosaic Co. (The) (United States)	1,403	34
PhosAgro OAO GDR Registered Shares (Russia)	2,987	38
Potash Corp. of Saskatchewan, Inc. (Canada)	2,557	42
Syngenta AG Registered Shares (Switzerland)	278	122
Yara International ASA (Norway)	989	33
		668
Real Estate—0.4%		
Gladstone Land Corp. (United States)	1,612	17
Utilities—16.1%		
American Water Works Co., Inc. (United States)	207	16
Aqua America, Inc. (United States)	781	24
Atlantica Yield plc (United Kingdom)	1,670	32

VIRTUS ESSENTIAL RESOURCES FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
Utilities—continued		
Beijing Enterprises Water Group Ltd. Class H (Hong Kong)	52,000	$ 35
California Water Service Group (United States)	536	17
China Water Affairs Group Ltd. (Bermuda)	28,000	18
CT Environmental Group Ltd. (Cayman Islands)	28,000	8
EDP Renovaveis SA (Spain)	9,093	73
Global Water Resources, Inc. (United States)	879	7
Guangdong Investments Ltd. (China)	16,000	26
Huaneng Renewables Corp., Ltd. Class H (China)	146,000	51
Iberdrola SA (Spain)	9,664	66
Manila Water Co., Inc. (Philippines)	30,100	18
NextEra Energy, Inc. (United States)	156	19
Northland Power, Inc. (Canada)	607	11
NRG Yield, Inc. Class C (United States)	2,712	46
Pennon Group plc (United Kingdom)	2,114	24
SevernTrent plc (United Kingdom)	925	30
Silver Spring Networks, Inc. (United States)[2]	3,072	44
Utilities—continued		
Suez Environnement SA (France)	5,031	$ 83
United Utilities Group plc (United Kingdom)	3,696	48
Veolia Environnement SA (France)	3,327	77
		773
TOTAL COMMON STOCKS (Identified Cost $4,619)		**4,693**
CLOSED END FUND—0.7%		
Financials—0.7%		
Greencoat UK Wind plc Fund (United Kingdom)[3]	23,384	35
TOTAL CLOSED END FUND (Identified Cost $35)		**35**
TOTAL LONG TERM INVESTMENTS—98.6% (Identified Cost $4,654)		**4,728**
TOTAL INVESTMENTS—98.6% (Identified Cost $4,654)		**4,728**[1]
Other assets and liabilities, net—1.4%		67
NET ASSETS—100.0%		**$4,795**

Abbreviation:

GDR Global Depositary Receipt

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) Non-income producing.

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

Country Weightings† (Unaudited)

United States	39%
Canada	9
United Kingdom	8
Brazil	6
Germany	6
Ireland	5
France	3
Other	24
Total	100%

† % of total investments as of September 30, 2016

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Equity Securities:			
Closed End Fund	$ 35	$ 35	$ —
Common Stocks	4,693	4,248	445
Total Investments	$4,728	$4,283	$445

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

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2016.

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

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
FOREIGN GOVERNMENT SECURITIES—1.3%		
Argentine Republic		
144A 7.500%, 4/22/26[3]	$ 340	$ 384
144A 7.125%, 7/6/36[3]	360	383
Provincia de Buenos Aires 144A		
9.125%, 3/16/24[3]	210	235
TOTAL FOREIGN GOVERNMENT SECURITIES (Identified Cost $916)		**1,002**
MORTGAGE-BACKED SECURITIES—1.3%		
Non-Agency—1.3%		
Citigroup Mortgage Loan Trust, Inc. 05-5, 2A3		
5.000%, 8/25/35	88	88
Home Equity Loan Trust 07-HSA3, AI4		
6.110%, 6/25/37[2]	415	418
JPMorgan Chase Commercial Mortgage Securities Trust 07-LDPX, AM		
5.464%, 1/15/49[2]	180	176
MASTR Reperforming Loan Trust 05-1, 1A5 144A		
8.000%, 8/25/34[3]	216	225
Residential Accredit Loans, Inc. 05-QS1, A5		
5.500%, 1/25/35	91	91
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost $986)		**998**
ASSET-BACKED SECURITIES—1.3%		
CarFinance Capital Auto Trust 14-1A, D 144A		
4.900%, 4/15/20[3]	205	206
Citi Held For Asset Issuance 15-PM3, B 144A		
4.310%, 5/16/22[3]	360	360
Greater Capital Association of Realtors 15-1A, C		
9.790%, 10/15/25	250	255
Leaf Receivables Funding 9 LLC 10 LLC 15-1, E2 144A		
6.000%, 6/15/23[3]	160	157
TOTAL ASSET-BACKED SECURITIES (Identified Cost $971)		**978**
CORPORATE BONDS AND NOTES—80.5%		
Consumer Discretionary—21.6%		
Allison Transmission, Inc. 144A		
5.000%, 10/1/24[3]	65	67
Altice SA 144A		
7.750%, 5/15/22[3]	300	321
Beazer Homes USA, Inc.		
5.750%, 6/15/19	115	120
144A 8.750%, 3/15/22[3]	75	79
Boyd Gaming Corp.		
6.875%, 5/15/23	265	289
Caesars Entertainment Operating Co., Inc.		
9.000%, 2/15/20[14]	450	466
Consumer Discretionary—continued		
Caesars Entertainment Resort Properties LLC		
8.000%, 10/1/20	$ 220	$ 229
Caesars Growth Properties Holdings LLC		
9.375%, 5/1/22	445	478
CCO Holdings LLC 144A		
5.500%, 5/1/26[3]	435	457
Cequel Communications Holdings I LLC 144A		
6.375%, 9/15/20[3]	400	413
Clear Channel Worldwide Holdings, Inc.		
Series A 7.625%, 3/15/20	150	145
Series B 7.625%, 3/15/20	1,060	1,056
Columbus Cable Barbados Ltd. Series B, 144A		
7.375%, 3/30/21[3]	245	261
CSC Holdings LLC		
5.250%, 6/1/24	290	276
Dakota Merger Sub, Inc. 144A		
10.750%, 9/1/24[3]	250	246
Dana Financing Luxembourg S.a.r.l. 144A		
6.500%, 6/1/26[3]	55	58
Diamond Resorts International, Inc. 144A		
7.750%, 9/1/23[3]	20	20
DISH DBS Corp.		
5.000%, 3/15/23	475	463
144A 7.750%, 7/1/26[3]	215	229
Hanesbrands, Inc.		
144A 4.625%, 5/15/24[3]	65	67
144A 4.875%, 5/15/26[3]	135	139
i Heart Communications, Inc.		
9.000%, 12/15/19	115	91
IHO Verwaltungs GmbH PIK Interest Capitalization 144A		
4.125%, 9/15/21[3][7]	380	385
Intelsat Jackson Holdings SA		
5.500%, 8/1/23	425	296
International Game Technology plc 144A		
6.250%, 2/15/22[3]	200	214
Landry's Holdings II, Inc. 144A		
10.250%, 1/1/18[3]	175	179
Landry's, Inc.		
144A 9.375%, 5/1/20[3]	425	446
144A 6.750%, 10/15/24[3]	135	138
Lennar Corp.		
4.500%, 11/15/19	215	228
4.875%, 12/15/23	70	72
M/I Homes, Inc.		
6.750%, 1/15/21	140	147
MDC Holdings, Inc.		
5.500%, 1/15/24	325	341
Meritor, Inc.		
6.750%, 6/15/21	225	229
MGM Growth Properties Operating Partnership LP (MGP Finance Co-Issuer, Inc.) 144A		
5.625%, 5/1/24[3]	65	71
Consumer Discretionary—continued		
MGM Resorts International		
4.625%, 9/1/26	$ 380	$ 372
Mohegan Tribal Gaming Authority		
9.750%, 9/1/21	170	184
MPG Holdco I, Inc.		
7.375%, 10/15/22	225	232
Newell Brands, Inc.		
144A 5.000%, 11/15/23[3]	115	122
4.200%, 4/1/26	15	16
Penn National Gaming, Inc.		
5.875%, 11/1/21	180	187
PetSmart, Inc. 144A		
7.125%, 3/15/23[3]	700	737
PulteGroup, Inc.		
5.500%, 3/1/26	200	211
RCN Telecom Services LLC (RCN Capital Corp.) 144A		
8.500%, 8/15/20[3]	670	715
Sally Holdings LLC / Sally Capital, Inc.		
5.625%, 12/1/25	145	157
Scientific Games International, Inc.		
6.625%, 5/15/21	150	115
144A 7.000%, 1/1/22[3]	245	260
SFR (Numericable) Group S.A.		
144A 6.000%, 5/15/22[3]	465	476
144A 7.375%, 5/1/26[3]	340	348
Sinclair Television Group, Inc. 144A		
5.125%, 2/15/27[3]	200	196
Sirius XM Radio, Inc. 144A		
5.375%, 7/15/26[3]	290	299
Six Flags Entertainment Corp. 144A		
4.875%, 7/31/24[3]	170	172
Station Casinos LLC		
7.500%, 3/1/21	200	212
Tenneco, Inc.		
5.000%, 7/15/26	175	178
TI Group Automotive Systems LLC 144A		
8.750%, 7/15/23[3]	290	317
Toll Brothers Finance Corp.		
4.875%, 11/15/25	450	462
TRI Pointe Group, Inc.		
5.875%, 6/15/24	400	419
Univision Communications, Inc. 144A		
5.125%, 5/15/23[3]	195	198
UPCB Finance IV Ltd. 144A		
5.375%, 1/15/25[3]	200	202
VTR Finance BV 144A		
6.875%, 1/15/24[3]	450	467
Wolverine World Wide, Inc. 144A		
5.000%, 9/1/26[3]	250	253
Ziggo Secured Finance BV 144A		
5.500%, 1/15/27[3]	265	265
		16,488

See Notes to Financial Statements

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Consumer Staples—2.7%		
Albertson's, Inc. (Albertson's LLC) 144A		
5.750%, 3/15/25[3]	$ 195	$ 195
Dole Food Co., Inc. 144A		
7.250%, 5/1/19[3]	250	254
Pinnacle Foods Corp. Finance LLC 144A		
5.875%, 1/15/24[3]	35	38
Post Holdings, Inc. 144A		
5.000%, 8/15/26[3]	305	304
Prestige Brands, Inc. 144A		
6.375%, 3/1/24[3]	200	214
Rite Aid Corp.		
6.750%, 6/15/21	475	501
144A 6.125%, 4/1/23[3]	65	70
Safeway, Inc.		
7.250%, 2/1/31	215	214
Tops Holding LLC (Tops Markets II Corp.) 144A		
8.000%, 6/15/22[3]	275	249
US Foods, Inc. 144A		
5.875%, 6/15/24[3]	40	42
		2,081
Energy—12.6%		
Alberta Energy Co., Ltd.		
8.125%, 9/15/30	115	136
Antero Midstream Partners LP 144A		
5.375%, 9/15/24[3]	85	86
Antero Resources Corp.		
5.625%, 6/1/23	275	282
Archrock Partners LP		
6.000%, 10/1/22	300	280
Blue Racer Midstream LLC 144A		
6.125%, 11/15/22[3]	340	334
BreitBurn Energy Partners		
7.875%, 4/15/22[4]	150	77
California Resources Corp.		
144A 8.000%, 12/15/22[3]	239	160
6.000%, 11/15/24	16	8
Callon Petroleum Co. 144A		
6.125%, 10/1/24[3]	115	119
Carrizo Oil & Gas, Inc.		
6.250%, 4/15/23	185	184
Cheniere Corpus Christi Holdings LLC 144A		
7.000%, 6/30/24[3]	105	114
Chesapeake Energy Corp.		
6.625%, 8/15/20	100	94
5.750%, 3/15/23	105	90
CONSOL Energy, Inc.		
5.875%, 4/15/22	200	185
Continental Resources, Inc.		
5.000%, 9/15/22	240	240
4.500%, 4/15/23	145	140
Crestwood Midstream Partners LP (Crestwood Midstream Finance Corp.)		
6.250%, 4/1/23	295	300
Enbridge Energy Partners LP		
4.375%, 10/15/20	35	37
Energy—continued		
Encana Corp.		
3.900%, 11/15/21	$ 190	$ 190
Energy Transfer Equity LP		
5.875%, 1/15/24	400	417
EnLink Midstream Partners LP		
4.850%, 7/15/26	30	30
EnQuest plc 144A		
7.000%, 4/15/22[3]	250	131
EP Energy LLC (Everest Acquisition Finance, Inc.)		
9.375%, 5/1/20	215	154
FTS International, Inc.		
144A 8.350%, 6/15/20[2][3]	230	196
6.250%, 5/1/22	190	74
Gulfport Energy, Corp.		
7.750%, 11/1/20	150	156
Helmerich & Payne International Drilling Co.		
4.650%, 3/15/25	150	158
Holly Energy Partners LP 144A		
6.000%, 8/1/24[3]	25	26
Laredo Petroleum, Inc.		
5.625%, 1/15/22	110	107
Linn Energy LLC (Linn Energy Finance Corp.)		
7.750%, 2/1/21[4]	200	52
MPLX LP		
4.875%, 12/1/24	325	336
Newfield Exploration Co.		
5.375%, 1/1/26	165	166
NGL Energy Partners LP		
5.125%, 7/15/19	200	189
Pacific Exploration and Production Corp. 144A		
5.375%, 1/26/19[3][4]	100	19
Parsley Energy LLC 144A		
6.250%, 6/1/24[3]	410	425
Petrobras Global Finance BV		
8.375%, 5/23/21	40	44
8.750%, 5/23/26	210	233
QEP Resources, Inc.		
5.250%, 5/1/23	300	297
Range Resources Corp. 144A		
5.000%, 3/15/23[3]	270	265
Regency Energy Partners LP		
5.875%, 3/1/22	90	99
Rowan Cos., Inc.		
5.400%, 12/1/42	265	178
Sabine Oil & Gas Corp.		
7.250%, 6/15/19[4][11]	329	6
Sabine Pass Liquefaction LLC		
5.625%, 2/1/21	380	404
SM Energy Co.		
6.125%, 11/15/22	115	116
Southern Gas Corridor CJSC 144A		
6.875%, 3/24/26[3]	200	225
Sunoco LP 144A		
6.375%, 4/1/23[3]	695	718
Transocean, Inc.		
6.800%, 12/15/16	360	362
144A 9.000%, 7/15/23[3]	80	78
6.800%, 3/15/38	300	200
Energy—continued		
Weatherford International Ltd.		
8.250%, 6/15/23	$ 190	$ 189
Whiting Petroleum Corp.		
5.750%, 3/15/21	130	122
WPX Energy, Inc.		
6.000%, 1/15/22	120	119
YPF S.A. 144A		
8.500%, 3/23/21[3]	230	257
		9,604
Financials—5.8%		
AerCap Ireland Capital Ltd. (Aercap Global Aviation Trust)		
4.625%, 10/30/20	150	158
4.500%, 5/15/21	400	418
3.950%, 2/1/22	175	179
Aircastle Ltd.		
5.000%, 4/1/23	350	367
Ally Financial, Inc.		
3.250%, 11/5/18	120	121
4.250%, 4/15/21	205	209
5.750%, 11/20/25	235	247
Genworth Holdings, Inc.		
4.900%, 8/15/23	130	109
Guanay Finance Ltd. 144A		
6.000%, 12/15/20[3]	239	244
ICAHN Enterprises LP		
5.875%, 2/1/22	295	285
ING Groep NV 6.000%[2][5][6]	200	195
iStar Financial, Inc.		
5.000%, 7/1/19	500	500
Nationstar Mortgage LLC		
6.500%, 7/1/21	250	246
Navient Corp.		
7.250%, 9/25/23	60	60
Springleaf Finance Corp.		
5.250%, 12/15/19	410	420
Sprint Capital Corp.		
6.900%, 5/1/19	325	338
Voya Financial, Inc.		
5.650%, 5/15/53[2]	205	205
Walter Investment Management Corp.		
7.875%, 12/15/21	215	144
		4,445
Health Care—10.4%		
Alere, Inc.		
6.500%, 6/15/20	150	151
144A 6.375%, 7/1/23[3]	50	51
Capsugel S.A. PIK Interest Capitalization, 144A		
7.000%, 5/15/19[3][7]	212	213
Centene Corp		
5.625%, 2/15/21	150	160
Centene Escrow Corp.		
4.750%, 5/15/22	65	67
Community Health Systems, Inc.		
5.125%, 8/15/18	21	21
5.125%, 8/1/21	400	397
6.875%, 2/1/22	145	125

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Health Care—continued		
Concordia Healthcare Corp. 144A		
7.000%, 4/15/23[3]	$ 450	$ 290
DaVita Healthcare Partners, Inc.		
5.125%, 7/15/24	100	102
5.000%, 5/1/25	100	101
Double Eagle Acquisition Sub, Inc. 144A		
7.500%, 10/1/24[3]	75	77
Endo Finance LLC 144A		
5.375%, 1/15/23[3]	250	222
Fresenius U.S. Finance II, Inc. 144A		
4.500%, 1/15/23[3]	60	63
HCA, Inc.		
6.500%, 2/15/20	175	194
5.375%, 2/1/25	505	522
5.250%, 6/15/26	230	244
4.500%, 2/15/27	270	271
inVentiv Health, Inc. 144A		
9.000%, 1/15/18[3]	130	134
Mallinckrodt International Finance S.A. 144A		
5.625%, 10/15/23[3]	110	106
MEDNAX, Inc. 144A		
5.250%, 12/1/23[3]	295	310
MPH Acquisition Holdings LLC 144A		
7.125%, 6/1/24[3]	20	22
Ortho-Clinical Diagnostics, Inc. (Ortho-Clinical Diagnostics S.A.) 144A		
6.625%, 5/15/22[3]	225	199
Pinnacle Merger Sub, Inc. (PRA Holdings, Inc.) 144A		
9.500%, 10/1/23[3]	225	249
Quintiles Transnational Corp. 144A		
4.875%, 5/15/23[3]	175	181
Quorum Health Corp. 144A		
11.625%, 4/15/23[3]	120	100
Sterigenics-Nordion Holdings LLC 144A		
6.500%, 5/15/23[3]	325	339
Surgery Center Holdings, Inc. 144A		
8.875%, 4/15/21[3]	200	214
Surgical Care Affiliates, Inc. 144A		
6.000%, 4/1/23[3]	400	422
Team Health, Inc. 144A		
7.250%, 12/15/23[3]	20	22
Teleflex, Inc.		
4.875%, 6/1/26	270	280
Tenet Healthcare Corp.		
6.000%, 10/1/20	375	397
4.500%, 4/1/21	275	278
8.125%, 4/1/22	390	392
Universal Health Services, Inc.		
144A 4.750%, 8/1/22[3]	45	46
144A 5.000%, 6/1/26[3]	80	84
Valeant Pharmaceuticals International, Inc.		
144A 6.750%, 8/15/18[3]	140	141
144A 5.375%, 3/15/20[3]	420	391
Health Care—continued		
144A 6.375%, 10/15/20[3]	$ 325	$ 306
144A 7.250%, 7/15/22[3]	70	65
		7,949
Industrials—6.2%		
ADT Corp. (The)		
6.250%, 10/15/21	200	218
Advanced Disposal Services, Inc.		
8.250%, 10/1/20	300	315
AMN Healthcare, Inc. 144A		
5.125%, 10/1/24[3]	70	71
Bombardier, Inc.		
4.750%, 4/15/19	190	186
144A 6.125%, 1/15/23[3]	200	179
Builders FirstSource, Inc. 144A		
10.750%, 8/15/23[3]	150	173
Cemex SAB de C.V. 144A		
7.750%, 4/16/26[3]	200	222
CNH Industrial N.V.		
4.500%, 8/15/23	250	253
Garda World Security Corp. 144A		
7.250%, 11/15/21[3]	410	380
Harland Clarke Holdings Corp.		
144A 6.875%, 3/1/20[3]	150	144
144A 9.250%, 3/1/21[3]	300	256
Hawaiian Airlines Pass-Through Certificates 13-1B,		
4.950%, 1/15/22	96	97
JBS Investments GmbH 144A		
7.250%, 4/3/24[3]	200	205
Masco Corp.		
4.375%, 4/1/26	175	185
NCI Building Systems, Inc. 144A		
8.250%, 1/15/23[3]	290	317
Owens Corning		
3.400%, 8/15/26	265	266
Prime Security Services Borrower LLC (Prime Finance, Inc.) 144A		
9.250%, 5/15/23[3]	195	213
Standard Industries, Inc. 144A		
5.500%, 2/15/23[3]	55	57
TransDigm, Inc.		
6.000%, 7/15/22	300	318
6.500%, 5/15/25	230	241
UAL Pass-Through-Trust 07-01, A		
6.636%, 7/2/22	161	172
United Rentals North America, Inc.		
5.500%, 7/15/25	270	278
		4,746
Information Technology—2.3%		
Blackboard, Inc. 144A		
7.750%, 11/15/19[3]	125	125
Diamond 1 Finance Corp. (Diamond 2 Finance Corp.)		
144A 5.450%, 6/15/23[3]	60	64
144A 7.125%, 6/15/24[3]	70	77
144A 6.020%, 6/15/26[3]	45	50
144A 8.100%, 7/15/36[3]	55	65
144A 8.350%, 7/15/46[3]	45	54
Information Technology—continued		
First Data Corp.		
144A 5.000%, 1/15/24[3]	$ 230	$ 234
144A 5.750%, 1/15/24[3]	450	464
Infor US, Inc.		
6.500%, 5/15/22	220	224
NXP BV (NXP Funding LLC) 144A		
4.625%, 6/1/23[3]	325	356
WESCO Distribution, Inc. 144A		
5.375%, 6/15/24[3]	75	75
		1,788
Materials—9.1%		
AK Steel Corp.		
7.625%, 10/1/21	100	97
7.500%, 7/15/23	140	149
Aleris International, Inc. 144A		
9.500%, 4/1/21[3]	360	389
ArcelorMittal		
6.125%, 6/1/25	300	328
Ardagh Packaging Finance plc		
144A 6.250%, 1/31/19[3]	145	149
144A 6.750%, 1/31/21[3]	295	306
144A 7.250%, 5/15/24[3]	345	370
Axalta Coating Systems, LLC 144A		
4.875%, 8/15/24[3]	290	298
Berry Plastics Corp.		
5.125%, 7/15/23	400	409
BlueScope Steel Finance Ltd. 144A		
6.500%, 5/15/21[3]	235	249
Boise Cascade Co. 144A		
5.625%, 9/1/24[3]	190	194
Cascades, Inc.		
144A 5.500%, 7/15/22[3]	575	587
144A 5.750%, 7/15/23[3]	225	229
Eldorado Gold Corp. 144A		
6.125%, 12/15/20[3]	150	152
Fortescue Metals Group (FMG) Resources August 2006 Pty Ltd. 144A		
9.750%, 3/1/22[3]	100	117
Freeport-McMoRan Copper & Gold, Inc.		
3.550%, 3/1/22	160	146
3.875%, 3/15/23	180	164
Graphic Packaging International, Inc.		
4.125%, 8/15/24	225	227
Hexion U.S. Finance Corp.		
8.875%, 2/1/18	125	120
6.625%, 4/15/20	75	66
INEOS Group Holdings S.A.		
144A 5.875%, 2/15/19[3]	305	312
144A 5.625%, 8/1/24[3]	315	310
Novelis Corp.		
144A 6.250%, 8/15/24[3]	35	37
144A 5.875%, 9/30/26[3]	230	236
Reynolds Group Issuer, Inc.		
8.250%, 2/15/21	190	198
144A 5.125%, 7/15/23[3]	150	155
144A 7.000%, 7/15/24[3]	10	11
Standard Industries, Inc. 144A		
6.000%, 10/15/25[3]	115	123

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Materials—continued		
Teck Resources Ltd.		
144A 8.000%, 6/1/21[3]	$ 20	$ 22
4.750%, 1/15/22	150	147
144A 8.500%, 6/1/24[3]	50	57
6.125%, 10/1/35	150	143
United States Steel Corp.		
7.375%, 4/1/20	19	19
Vale Overseas Ltd.		
5.875%, 6/10/21	130	136
Valvoline, Inc. 144A		
5.500%, 7/15/24[3]	30	32
Vedanta Resources plc		
144A 9.500%, 7/18/18[3]	100	106
144A 8.250%, 6/7/21[3]	200	203
		6,993
Real Estate—0.8%		
Corrections Corp. of America		
5.000%, 10/15/22	145	132
ESH Hospitality, Inc. 144A		
5.250%, 5/1/25[3]	170	171
GLP Capital LP (GLP Financing II, Inc.)		
4.875%, 11/1/20	95	103
5.375%, 4/15/26	60	65
MPT Operating Partnership LP		
6.375%, 3/1/24	100	109
5.250%, 8/1/26	10	10
		590
Telecommunication Services—6.4%		
Altice Financing S.A. 144A		
6.625%, 2/15/23[3]	480	494
CenturyLink, Inc.		
Series T		
5.800%, 3/15/22	65	67
Series Y		
7.500%, 4/1/24	370	396
CSC Holdings LLC 144A		
5.500%, 4/15/27[3]	135	138
Frontier Communications Corp.		
8.500%, 4/15/20	425	461
10.500%, 9/15/22	45	48
GTH Finance BV 144A		
7.250%, 4/26/23[3]	200	218
Level 3 Financing, Inc. 144A		
5.250%, 3/15/26[3]	135	140
Neptune Finance Corp.		
144A 10.125%, 1/15/23[3]	210	243
144A 6.625%, 10/15/25[3]	210	228
Qwest Corp.		
7.250%, 9/15/25	130	142
Sprint Capital Corp.		
6.875%, 11/15/28	250	237
Sprint Communications, Inc.		
6.000%, 11/15/22	235	221
Sprint Corp.		
7.875%, 9/15/23	325	330
T-Mobile USA, Inc.		
6.125%, 1/15/22	240	256
6.500%, 1/15/24	275	299
6.500%, 1/15/26	220	244
Telecommunication Services—continued		
Virgin Media Finance plc 144A		
6.000%, 10/15/24[3]	$ 250	$ 260
Windstream Corp.		
7.750%, 10/1/21	300	300
Zayo Group LLC (Zayo Capital, Inc.)		
6.000%, 4/1/23	180	189
		4,911
Utilities—2.6%		
AmeriGas Partners LP		
7.000%, 5/20/22	325	345
Calpine Corp.		
5.375%, 1/15/23	350	351
Dynegy, Inc.		
7.375%, 11/1/22	355	352
NRG Energy, Inc. 144A		
7.250%, 5/15/26[3]	185	189
NRG Yield Operating LLC		
5.375%, 8/15/24	190	196
Talen Energy Supply LLC 144A		
4.625%, 7/15/19[3]	175	165
TerraForm Power Operating LLC 144A		
9.375%, 2/1/23[2][3]	250	259
Texas Competitive Electric Holdings Co. LLC 144A		
11.500%, 10/1/20[3][8]	500	153
		2,010
TOTAL CORPORATE BONDS AND NOTES (Identified Cost $61,346)		**61,605**
LOAN AGREEMENTS[2]—9.3%		
Consumer Discretionary—2.2%		
Boyd Gaming Corp. Tranche B-2		
3.524%, 9/15/23	59	60
Caesars Entertainment Operating Co., Inc. Tranche B-7,		
11.250%, 3/1/17[14]	165	189
Caesars Entertainment Resort Properties LLC		
7.000%, 10/11/20	115	115
CDS U.S. Intermediate Holdings, Inc. First Lien,		
5.000%, 7/8/22	177	178
Floor & Decor Outlets of America, Inc.		
0.000%, 9/29/23[9]	150	150
Graton Resort & Casino Tranche B,		
4.750%, 9/1/22	104	105
Leslie's Poolmart, Inc. Tranche B		
5.250%, 8/16/23	110	111
Mohegan Tribal Gaming Authority Tranche B,		
5.500%, 6/15/18	110	110
0.00%, 9/30/23[9]	190	187
Transtar Holding Co. Second Lien,		
12.000%, 10/9/19[4][11]	200	28
Consumer Discretionary—continued		
U.S. Farathane LLC Tranche B-2,		
5.750%, 12/23/21	$ 244	$ 245
UFC Holdings LLC First Lien		
5.000%, 8/18/23	195	197
		1,675
Consumer Staples—1.6%		
Albertson's LLC Trance B-4,		
4.500%, 8/25/21	209	211
Amplify Snack Brands, Inc.		
6.500%, 9/2/23	235	234
ASP MSG Acquisitions, Co., Inc.		
6.000%, 8/16/23	149	150
Chobani LLC		
5.250%, 9/29/23	45	45
Crossmark Holdings, Inc. Second Lien,		
8.750%, 12/21/20[11]	190	86
Hostess Brands LLC Tranche B, Second Lien,		
8.500%, 8/3/23	430	434
Kronos Second Lien,		
9.750%, 4/30/20	24	24
Pinnacle Foods Finance LLC		
3.275%, 1/13/23	32	32
		1,216
Energy—0.8%		
California Resources Corp.		
11.375%, 12/31/21	155	163
Chesapeake Energy Corp.		
8.500%, 8/23/21	31	33
EP Energy LLC		
0.000%, 6/30/21[9]	190	187
Jonah Energy LLC Second Lien,		
7.500%, 5/12/21	125	112
MEG Energy Corp.		
3.750%, 3/31/20	85	79
Sabine Oil & Gas LLC Second Lien,		
12.000%, 12/31/18[4][11]	285	10
		584
Health Care—1.5%		
21st Century Oncology Holdings, Inc. Tranche B,		
7.125%, 4/30/22	222	210
Ardent Legacy Acquisitions, Inc.		
6.500%, 8/4/21	129	128
InVentiv Health, Inc. Tranche B-4,		
7.750%, 5/15/18	159	160
Tranche B		
0.000%, 9/29/23[9]	57	57
MMM Holdings, Inc.		
9.750%, 12/12/17[8][11]	79	77
MPH Acquisition Holdings LLC		
5.000%, 6/7/23	35	36
MSO of Puerto Rico, Inc.		
9.750%, 12/12/17[8][11]	58	56

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Health Care—continued		
NVA Holdings, Inc.		
Tranche B-1, First Lien, 5.500%, 8/14/21	$ 130	$ 131
Second Lien, 8.000%, 8/14/22	175	175
Quorum Health Corp. 6.750%, 4/29/22	99	96
		1,126
Industrials—1.3%		
Aspen Merger Sub (Coinstar), Inc. 0.000%, 9/27/23[9]	89	90
Brickman Group Ltd. LLC (The) Second Lien, 7.500%, 12/17/21	225	224
Filtration Group Corp. Second Lien, 8.250%, 11/22/21	81	81
Navistar, Inc. Tranche B 6.500%, 8/7/20	235	236
Sedgwick Claims Management Services, Inc. Second Lien, 6.750%, 2/28/22	390	387
		1,018
Information Technology—0.8%		
Blackboard, Inc. Tranche B-4 0.000%, 6/30/21[9]	142	141
Donnelley Financial Solutions 0.000%, 9/26/23[9]	50	50
First Data Corp. Tranche 2022 4.275%, 7/8/22	157	158
Mitchell International, Inc. Second Lien, 8.500%, 10/11/21	64	63
NXP BV Tranche F 3.405%, 12/7/20	61	62
Presidio, Inc. Refinancing, 5.250%, 2/2/22	145	146
Press Ganey Holdings, Inc. 3.250%, 9/29/23	16	16
Western Digital Corp. Tranche B-1, 4.500%, 4/29/23	14	14
		650
Materials—0.6%		
CPI Acquisition, Inc. First Lien, 5.500%, 8/17/22	160	157
Fortescue Metals Group (FMG) Resources Property Ltd. 3.750%, 6/30/19	138	137
Omnova Solutions, Inc. Tranche B-2, 5.250%, 8/25/23	193	193
		487
Utilities—0.5%		
Atlantic Power LP 6.000%, 4/13/23	220	223
Utilities—continued		
Energy Futures Holdings Corp. 5.000%, 7/27/23[8]	$ 138	$ 139
Tranche C 5.000%, 7/27/23[8]	31	31
		393
TOTAL LOAN AGREEMENTS (Identified Cost $7,634)		**7,149**

	SHARES	
PREFERRED STOCKS—1.4%		
Financials—1.4%		
Citigroup, Inc. Series N 6.250%[2]	205[10]	221
Goldman Sachs Group, Inc. (The) Series L, 5.700%[2]	215[10]	218
JPMorgan Chase & Co. Series V, 5.000%[2]	145[10]	143
KeyCorp. 5.000[2]	375[10]	370
SunTrust Bank, Inc. 5.625%[2]	95[10]	98
TOTAL PREFERRED STOCKS (Identified Cost $1,037)		**1,050**
EXCHANGE-TRADED FUNDS[12]—2.0%		
iShares 0-5 Year High Yield Corporate Bond Index Fund	8,300	392
iShares iBoxx $ High Yield Corporate Bond Index Fund	4,413	385
SPDR Barclays High Yield Bond Index Fund	10,467	384
SPDR Barclays Short-Term High Yield Bond Index Fund	14,000	388
TOTAL EXCHANGE-TRADED FUNDS (Identified Cost $1,513)		**1,549**
AFFILIATED MUTUAL FUND[12]—0.5%		
Virtus Credit Opportunities Fund Class R6	35,806	352
TOTAL AFFILIATED MUTUAL FUND (Identified Cost $358)		**352**
TOTAL LONG TERM INVESTMENTS—97.6% (Identified Cost $74,761)		**74,683[13]**
SHORT-TERM INVESTMENT—0.3%		
Money Market Mutual Fund[12]—0.3%		
JPMorgan U.S. Government Money Market Fund – Institutional Shares (seven-day effective yield 0.360%)	226,656	227
TOTAL SHORT-TERM INVESTMENT (Identified Cost $227)		**227**
TOTAL INVESTMENTS—97.9% (Identified Cost $74,988)		**74,910[1]**
Other assets and liabilities, net—2.1%		1,639
NET ASSETS—100.0%		**$76,549**

Abbreviations:

ADS	American Depositary Share
PIK	Payment-in-Kind Security
SPDR	S&P Depositary Receipt

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.

(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, 2016, these securities amounted to a value of $30,862 or 40.3% of net assets.

(4) Security in default no interest payments are being received during the bankruptcy proceedings.

(5) No contractual maturity date.

(6) Interest payments may be deferred.

(7) 100% of the income received was in cash.

(8) Security in default, interest payments are being received during the bankruptcy proceedings.

(9) This loan will settle after September 30, 2016, at which time the interest rate, based on the London Interbank Offered Rate ("LIBOR") and the agreed upon spread on trade date, will be reflected.

(10) Value shown as par value.

(11) Illiquid security.

(12) Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available.

(13) All or a portion of the Fund's assets have been segregated for delayed delivery securities.

(14) Security in default, a portion of the interest payments are being received during bankruptcy proceedings.

Country Weightings† (Unaudited)

United States	79%
Canada	5
Luxembourg	3
Argentina	2
Ireland	2
Netherlands	2
United Kingdom	1
Other	6
Total	100%

† % of total investments as of September 30, 2016

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

See Notes to Financial Statements

VIRTUS HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	$ 978	$ —	$ 723	$255
Corporate Bonds And Notes	61,605	—	61,586	19
Foreign Government Securities	1,002	—	1,002	—
Loan Agreements	7,149	—	7,111	38
Mortgage-Backed Securities	998	—	998	—
Equity Securities:				
Affiliated Mutual Fund	352	352	—	—
Exchange-Traded Funds	1,549	1,549	—	—
Preferred Stocks	1,050	—	1,050	—
Short-Term Investment	227	227	—	—
Total Investments	$74,910	$2,128	$72,470	$312

There were no transfers between Level 1 and Level 2 related to securities held as of September 30, 2016.

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
Investments in Securities				
Balance as of September 30, 2015:	$ 444	$250	$—	$ 194
Accrued discount/(premium)	1	—	—	1
Realized gain (loss)	—	—	—	—
Change in unrealized appreciation (depreciation)[c]	(162)	5	—	(167)
Purchases	—	—	—	—
Sales[b]	—	—	—	—
Transfers into Level 3[a]	29[d]	—	19[d]	10[d]
Transfers from Level 3[a]	—	—	—	—
Balance as of September 30, 2016	$ 312	$255[e]	$19[e]	$ 38[e]

[a] *"Transfers into and/or from" represent the ending value as of September 30, 2016, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.*
[b] *Includes paydown on securities.*
[c] *Included in the related net change in unrealized appreciation/(depreciation) in the Statements of Operations. The change in unrealized appreciation/(depreciation) on investments still held on September 30, 2016 was ($222)*
[d] *The transfers into Level 3 are due to a decrease in trading activities at period end.*
[e] *The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.*

None of the securities in this table are internally fair valued.

VIRTUS LOW DURATION INCOME FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
U.S. GOVERNMENT SECURITIES—10.1%		
U.S. Treasury Note		
0.750%, 12/31/17	$ 19,355	$ 19,362
1.375%, 4/30/20	14,265	14,451
1.625%, 2/15/26	6,755	6,772
TOTAL U.S. GOVERNMENT SECURITIES (Identified Cost $40,357)		**40,585**
MUNICIPAL BONDS—0.1%		
Illinois—0.1%		
State of Illinois Build America Taxable		
5.547%, 4/1/19	190	201
TOTAL MUNICIPAL BONDS (Identified Cost $200)		**201**
FOREIGN GOVERNMENT SECURITIES—0.1%		
Democratic Socialist Republic of Sri Lanka 144A		
6.000%, 1/14/19[3]	235	243
Sultanate of Oman 144A		
3.625%, 6/15/21[3]	200	202
TOTAL FOREIGN GOVERNMENT SECURITIES (Identified Cost $437)		**445**
MORTGAGE-BACKED SECURITIES—41.2%		
Agency—12.8%		
FHLMC		
4.000%, 2/1/45	407	437
3.500%, 3/1/45	2,096	2,231
3.500%, 4/1/46	2,322	2,450
FNMA		
4.000%, 8/1/25	91	96
3.000%, 6/1/27	278	292
3.000%, 11/1/27	965	1,014
2.500%, 5/1/28	764	794
2.500%, 11/1/29	749	776
2.500%, 9/1/30	4,628	4,802
3.000%, 9/1/30	3,000	3,152
3.000%, 10/1/30	1,692	1,778
3.000%, 10/1/30	5,275	5,543
2.500%, 2/1/31	6,419	6,655
4.000%, 11/1/31	440	476
5.000%, 10/1/39	329	372
4.500%, 4/1/40	136	149
3.500%, 12/1/42	653	691
3.000%, 3/1/43	1,112	1,160
3.000%, 5/1/43	321	335
4.000%, 10/1/44	981	1,054
3.000%, 5/1/45	1,070	1,114
3.500%, 8/1/45	1,704	1,798
3.500%, 1/1/46	2,117	2,234
3.500%, 1/1/46	2,634	2,779
3.500%, 1/1/46	483	509
3.000%, 4/1/46	3,009	3,132
3.500%, 4/1/46	560	591
3.000%, 5/1/46	373	388
3.500%, 5/1/46	564	595
3.000%, 6/1/46	1,044	1,087
3.000%, 7/1/46	381	396
3.000%, 7/1/46	1,704	1,774
3.000%, 10/1/46	480	500
Agency—continued		
FNMA REMIC 97-70, PE (P.O.)		
0.000%, 4/25/22	$ 6	$ 6
GNMA		
7.000%, 7/15/23	2	2
7.000%, 9/15/23	8	9
7.000%, 9/15/23	2	2
7.000%, 1/15/24	5	5
7.000%, 9/15/24	6	7
7.000%, 7/15/25	3	3
7.000%, 7/15/25	12	12
		51,200
Non-Agency—28.4%		
A-10 Securitization LLC 13-1, A 144A		
2.400%, 11/15/25[3]	5	5
Access Point Financial, Inc. 15-A, A 144A		
2.610%, 4/15/20[3]	86	86
Agate Bay Mortgage Trust 13-1, 144A		
3.500%, 7/25/43[2][3]	415	426
American Homes 4 Rent 15-SFR1, A 144A		
3.467%, 4/17/52[3]	195	208
Ameriquest Mortgage Securities, Inc. 03-10, AF6		
5.210%, 11/25/33[2]	177	182
Asset Backed Funding Certificates 05-AQ1, A6		
4.780%, 6/25/35[2]	110	113
Aventura Mall Trust		
13-AVM, C 144A		
3.743%, 12/5/32[2][3]	1,130	1,185
13-AVM, A 144A		
3.743%, 12/5/32[2][3]	1,721	1,849
Banc of America Commercial Mortgage Trust		
07-2, A4		
5.638%, 4/10/49[2]	948	953
07-4, AM		
5.812%, 2/10/51[2]	1,950	2,011
Banc of America Funding Trust		
04-B, 2A1		
2.886%, 11/20/34[2]	51	50
05-1, 1A1		
5.500%, 2/25/35	144	144
06-2, 3A1		
6.000%, 3/25/36	34	35
16- R1, A1 144A		
2.500%, 3/25/40[2][3]	1,808	1,796
Banc of America Mortgage Trust		
04-5, 4A1		
4.750%, 6/25/19	237	237
04-7, 6A3		
4.500%, 8/25/19	57	57
04-11, 5A1		
6.500%, 8/25/32	440	443
Non-Agency—continued		
Bank of America (Merrill Lynch – Countrywide) Alternative Loan Trust		
04-22CB, 1A1		
6.000%, 10/25/34	$ 382	$ 409
04-24CB, 1A1		
6.000%, 11/25/34	254	258
Bank of America (Merrill Lynch) Investors Series 04-A4, A1		
2.855%, 8/25/34[2]	765	774
Barclays (Lehman Brothers) – UBS Commercial Mortgage Trust		
07-C2, A3		
5.430%, 2/15/40	1,302	1,313
07-C6, A4		
5.858%, 7/15/40[2]	750	760
07-C3, A4		
6.114%, 7/15/44[2]	2,657	2,726
07-C7, A3		
5.866%, 9/15/45[2]	616	639
Bayview Commercial Asset Trust 08-1, A3 144A		
2.025%, 1/25/38[2][3]	226	221
Bayview Financial Acquisition Trust 07-A, 1A2		
6.205%, 5/28/37[2]	370	384
BCRR Trust 09-1, 2A 144A		
5.858%, 7/17/40[2][3]	143	143
Centex Home Equity Loan Trust		
02-A, AF6		
5.540%, 1/25/32	107	106
04-D, AF5		
5.850%, 9/25/34[2]	385	397
Citigroup – Deutsche Bank Commercial Mortgage Trust		
07-CD4, A4		
5.322%, 12/11/49	1,004	1,008
Citigroup Commercial Mortgage Trust		
16-A Smpl A		
2.228%, 9/10/31	750	750
07-C6, A1A		
5.900%, 12/10/49[2]	812	827
07-C6, A4		
5.900%, 12/10/49[2]	1,550	1,578
08-C7, AM		
6.333%, 12/10/49[2]	230	238
10-RR3, MLSR 144A		
5.810%, 6/14/50[2][3]	1,491	1,504
Citigroup Mortgage Loan Trust, Inc.		
04-NCM2, 2CB2		
6.750%, 8/25/34	166	173
14-A, A 144A		
4.000%, 1/25/35[2][3]	607	630
15-PS1, 144A		
3.750%, 9/25/42[2][3]	489	506
15-A, A1 144A		
3.500%, 6/25/58[2][3]	1,214	1,238

($ reported in thousands)

	PAR VALUE	VALUE
Non-Agency—continued		
Colony American Finance Ltd.		
15-1 144A		
2.896%, 10/15/47[3]	$ 625	$ 632
Colony Multi-Family Mortgage Trust 14-1, A 144A		
2.543%, 4/20/50[3]	1,126	1,123
COLT Mortgage Loan Trust Funding LLC		
16-1 A1, 144A		
3.000%, 5/25/46[3]	841	848
16-2, A1 144A		
2.750%, 9/25/46[2][3]	1,165	1,172
Commercial Mortgage Lease-Backed Certificates		
01-CMB, 1 144A		
7.471%, 6/20/31[2][3]	460	521
Commercial Mortgage Trust		
07-C9, A4		
5.813%, 12/10/49[2]	1,133	1,160
07-GG11, AM		
5.867%, 12/10/49[2]	2,123	2,192
Credit Suisse Commercial Mortgage Trust		
07-C1, A1A		
5.361%, 2/15/40	139	140
10-RR7, 1A 144A		
5.378%, 8/12/48[2][3]	253	253
07-C2, A3		
5.542%, 1/15/49[2]	8	8
Credit Suisse First Boston Mortgage Securities Corp.		
03-27, 5A3		
5.250%, 11/25/33	70	70
13-HYB1, A16,144A		
3.017%, 4/25/43[2][3]	1,134	1,136
Credit Suisse Mortgage Capital Trust 16-BDWN, A 144A		
3.408%, 2/15/29[2][3]	875	875
Freddie Mac Structured Agency Credit Risk Debt Notes 16-DNA2, M2		
2.725%, 10/25/28[2]	835	849
GAHR Commercial Mortgage Trust 15-NRF, CFX 144A		
3.495%, 12/15/34[2][3]	810	825
GMAC Mortgage Corp. Loan Trust 04-AR1, 12A		
3.441%, 6/25/34[2]	198	200
Goldman Sachs Mortgage Securities Trust		
07-GG10, A1A		
5.988%, 8/10/45[2]	2,322	2,362
07-GG10, A4		
5.988%, 8/10/45[2]	1,353	1,373
GSAA Home Equity Trust		
05-1, AF4		
5.619%, 11/25/34[2]	211	218
05-12, AF3W		
4.999%, 9/25/35[2]	52	52
Hilton USA Trust 13-HLT, EFX 144A		
5.609%, 11/5/30[2][3]	650	651
Non-Agency—continued		
Home Equity Loan Trust		
03-HS2, AIIB		
0.775%, 6/25/28[2]	$ 296	$ 288
IMC Home Equity Loan Trust		
97-5, A9		
7.310%, 11/20/28	110	110
Jefferies Resecuritization Trust 14-R1, 1A1 144A		
4.000%, 12/27/37[3]	165	165
JPMorgan Chase (Bear Stearns) Adjustable Rate Mortgage Trust		
04-1, 21A1		
2.715%, 4/25/34[2]	99	98
04-9, 22A1		
3.496%, 11/25/34[2]	770	756
04-10, 12A3		
2.986%, 1/25/35[2]	106	97
04-10, 21A1		
3.174%, 1/25/35[2]	862	869
JPMorgan Chase (Bear Stearns) Commercial Mortgage Securities Trust		
06-T24, AM		
5.568%, 10/12/41[2]	565	565
07- PW17, A4		
5.694%, 6/11/50[2]	747	767
07-PW18, A4		
5.700%, 6/11/50	311	320
07-PW18, AM,		
6.084%, 6/11/50[2]	965	998
JPMorgan Chase (Washington Mutual) Mortgage Pass-Through Certificates Trust		
03-S8, A2		
5.000%, 9/25/18	48	48
03-AR6, A1		
2.901%, 6/25/33[2]	338	336
03-AR4, 2A1		
2.591%, 8/25/33[2]	202	198
JPMorgan Chase Commercial Mortgage Securities Trust		
10-CNTR, A2 144A		
4.311%, 8/5/32[3]	110	118
15-SGP, B 144A		
3.274%, 7/15/36[2][3]	759	760
11-C4, A3 144A		
4.106%, 7/15/46[3]	1,446	1,503
06-LDP9, A3		
5.336%, 5/15/47	399	399
06-LDP9, AM		
5.372%, 5/15/47	925	928
14- C22, A4		
3.801%, 9/15/47	1,695	1,850
07-LDPX, AM		
5.464%, 1/15/49[2]	889	872
07-CB19, A4		
5.714%, 2/12/49[2]	2,238	2,270
07-LD12, A4		
5.882%, 2/15/51[2]	2,069	2,114
JPMorgan Chase Mortgage Trust		
14-2, 2A2 144A		
3.500%, 6/25/29[2][3]	170	175
Non-Agency—continued		
06-A2, 4A1		
3.183%, 8/25/34[2]	$ 165	$ 166
04-A4, 2A1		
3.032%, 9/25/34[2]	133	134
05-A4, 3A1		
2.799%, 7/25/35[2]	706	697
14-1, 2A2 144A		
3.500%, 1/25/44[2][3]	1,558	1,611
14-1, 1A1 144A		
4.000%, 1/25/44[2][3]	314	331
16-1, M2 144A		
3.750%, 4/25/45[2][3]	842	869
15-4, 1A4 144A		
3.500%, 6/25/45[2][3]	1,491	1,541
16-2, M2 144A		
3.750%, 12/25/45[2][3]	1,261	1,305
16-1, A3 144A		
3.500%, 5/25/46[3]	2,407	2,486
11-C4, A4, 144A		
4.388%, 7/15/46[3]	295	322
JPMorgan Chase Trust		
15-1, AM1 144A		
2.661%, 12/25/44[2][3]	958	956
15-5, A2 144A		
2.892%, 5/25/45[2][3]	1,132	1,150
JPMorgan Mortgage Trust		
14-OAK4, A16 144A		
4.000%, 9/25/44[2][3]	764	786
16-1, A3 144A		
3.500%, 10/25/46[2][3]	800	830
MASTR Alternative Loan Trust		
04-10, 3A1		
5.000%, 9/25/19	82	83
03-8, 2A1		
5.750%, 11/25/33	129	133
04-4, 6A1		
5.500%, 4/25/34	170	176
04-7, 9A1		
6.000%, 8/25/34	133	138
05-2, 2A1		
6.000%, 1/25/35	493	509
MASTR Asset Securitization Trust 05-1, 1A1		
5.000%, 5/25/20	283	285
MASTR Specialized Loan Trust 05-3, A2 144A		
5.704%, 11/25/35[2][3]	416	419
Mill City Mortgage Trust		
15-1, A3 144A		
3.000%, 6/25/56[2][3]	600	607
16-1, A1 144A		
2.500%, 4/25/57[2][3]	1,211	1,217
Morgan Stanley – Bank of America (Merrill Lynch) Trust 13-C13, AS		
4.266%, 11/15/46	1,515	1,682
Morgan Stanley Capital Barclays Bank Trust 16-Mart, A 144A		
2.200%, 9/13/31[3]	915	916
Morgan Stanley Capital I Trust		
07-T27, A4		
5.818%, 6/11/42[2]	1,446	1,476

($ reported in thousands)

	PAR VALUE	VALUE
Non-Agency—continued		
08-T29, A4		
6.477%, 1/11/43[2]	$ 190	$ 199
08-T29, AM		
6.477%, 1/11/43[2]	950	993
07-IQ14, A4		
5.692%, 4/15/49[2]	760	768
07-IQ14, AM		
5.865%, 4/15/49[2]	428	414
07- LQ16, A4		
5.809%, 12/12/49	679	698
Morgan Stanley Residential Mortgage Loan Trust		
14-1A, A1 144A		
2.973%, 6/25/44[2][3]	537	544
Motel 6 Trust		
15-MTL6, B 144A		
3.298%, 2/5/30[3]	365	365
15-MTL6, D 144A		
4.532%, 2/5/30[3]	810	813
New Residential Mortgage Loan Trust		
16-2A, A1 144A		
3.750%, 11/25/35[2][3]	397	412
14-1A, A 144A		
3.750%, 1/25/54[2][3]	1,265	1,314
14-2A, 3A 144A		
3.750%, 5/25/54[2][3]	251	261
14-3A, AFX3 144A		
3.750%, 11/25/54[2][3]	2,122	2,196
15-2A, A1 144A		
3.750%, 8/25/55[2][3]	1,713	1,785
16-1A, A1 144A		
3.750%, 3/25/56[2][3]	698	723
16-3A, A1 144A		
3.750%, 9/25/56[2][3]	1,450	1,513
Novastar Mortgage Funding Trust Series 04-4, M5		
2.250%, 3/25/35[2]	1,560	1,523
Sequoia Mortgage Trust		
14-3, A9 144A		
3.750%, 10/25/44[2][3]	771	800
14-4, A6 144A		
3.500%, 11/25/44[2][3]	738	760
Structured Adjustable Rate Mortgage Loan Trust		
04-1, 6A		
3.030%, 2/25/34[2]	762	742
04-4, 3A2		
2.993%, 4/25/34[2]	524	520
04-4, 3A1		
2.993%, 4/25/34[2]	170	167
04-5, 3A2		
2.938%, 5/25/34[2]	368	372
04-14, 7A		
2.938%, 10/25/34[2]	327	326
Structured Asset Securities Corp.		
03-AL1, A 144A		
3.357%, 4/25/31[3]	193	190
03-37A, 2A		
2.816%, 12/25/33[2]	163	162

	PAR VALUE	VALUE
Non-Agency—continued		
Structured Asset Securities Corp. Mortgage-Pass-Through Certificates		
02-AL1, A2		
3.450%, 2/25/32	$ 157	$ 156
02-AL1, A3		
3.450%, 2/25/32	829	822
03-33H, 1A1		
5.500%, 10/25/33	453	462
03-34A, 6A		
3.125%, 11/25/33[2]	394	387
04-15, 3A3		
5.500%, 9/25/34	168	169
Towd Point Mortgage Trust		
15-3, A1B 144A		
3.000%, 3/25/54[2][3]	712	727
16-1, A1B, 144A		
2.750%, 2/25/55[2][3]	814	826
15-5, A1B 144A		
2.750%, 5/25/55[2][3]	1,161	1,173
15-5, A2 144A		
3.500%, 5/25/55[2][3]	175	177
16-2, A1 144A		
3.000%, 8/25/55[2][3]	399	407
16-4, A1 144A		
2.250%, 7/25/56[2][3]	920	924
Vericrest Opportunity Loan Transfer		
16-NPL9, A1 144A		
3.500%, 9/25/46[2][3]	385	385
15-NPL2, A1 144A		
3.375%, 2/25/55[2][3]	263	263
15-NPL3, A1 144A		
3.375%, 10/25/58[2][3]	254	253
Vericrest Opportunity Loan Trust		
16-NPL8, A1 144A		
3.500%, 7/25/46[2][3]	835	836
14-NPL9, A1 144A		
3.375%, 11/25/54[2][3]	136	136
15-NPL4, A1 144A		
3.500%, 2/25/55[2][3]	74	74
Wells Fargo (Wachovia Bank) Commercial Mortgage Trust		
07-C30, A5		
5.342%, 12/15/43	1,430	1,439
07-C30, AM		
5.383%, 12/15/43	1,760	1,776
07-C31, A4		
5.509%, 4/15/47	1,025	1,034
07-C32, A3		
5.889%, 6/15/49[2]	815	828
07-C33, A5		
6.158%, 2/15/51[2]	79	81
Wells Fargo Mortgage Backed Securities Trust		
03-G, A1		
2.895%, 6/25/33[2]	78	78
03-J, 2A1		
2.958%, 10/25/33[2]	172	173
03-J, 5A1		
2.972%, 10/25/33[2]	276	277
04-A, 2.869%, 2/25/34[2]	74	74

	PAR VALUE	VALUE
Non-Agency—continued		
04-K, 1A2		
3.109%, 7/25/34[2]	$ 318	$ 318
04-U, A1		
3.034%, 10/25/34[2]	96	96
04-Z, 2A1		
2.855%, 12/25/34[2]	235	239
05-14, 2A1		
5.500%, 12/25/35	81	84
		113,685
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost $163,567)		**164,885**
ASSET-BACKED SECURITIES—23.7%		
American Credit Acceptance Receivables Trust 16- 1A, B 144A		
4.240%, 6/13/22[3]	835	866
AmeriCredit Automobile Receivables Trust		
12-4, D		
2.680%, 10/9/18	160	160
13-2, D		
2.420%, 5/8/19	800	806
14-1, D		
2.540%, 6/8/20	650	658
16-1, B		
2.300%, 3/8/21	2,045	2,072
15-3, C		
2.730%, 3/8/21	615	627
16-2, B		
2.210%, 5/10/21	1,000	1,011
15-4, C		
2.880%, 7/8/21	700	718
Associates Manufactured Housing Pass-Through Certificates 96-1, B1		
8.000%, 3/15/27[2]	567	586
Avis Budget Rental Car Funding LLC		
(AESOP) 12-3A, A 144A		
2.100%, 3/20/19[3]	540	542
(AESOP) 13-1A, A 144A		
1.920%, 9/20/19[3]	1,000	1,000
(AESOP) 13-2A, A 144A		
2.970%, 2/20/20[3]	900	918
(AESOP) 16-1A, A 144A		
2.990%, 6/20/22[3]	800	821
BXG Receivables Note Trust		
12-A, A 144A		
2.660%, 12/2/27[3]	57	57
13-A, A 144A		
3.010%, 12/4/28[3]	177	178
15-A, A 144A		
2.880%, 5/2/30[3]	405	401
California Republic Auto Receivables Trust		
13-1, B 144A		
2.240%, 1/15/19[3]	340	342
15-3, B		
2.700%, 9/15/21	650	662
16-1, B		
3.430%, 2/15/22	785	811

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	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued		
Capital Auto Receivables Asset Trust		
13-1, C		
1.740%, 10/22/18	$ 1,081	$ 1,082
13-4, C		
2.670%, 2/20/19	505	510
16-3, C		
2.350%, 9/20/21	1,365	1,366
CarFinance Capital Auto Trust		
13-1A, B 144A		
2.750%, 11/15/18[3]	137	137
14-1A, A 144A		
1.460%, 12/17/18[3]	79	79
13-2A, B 144A		
3.150%, 8/15/19[3]	127	127
14-2A, B 144A		
2.640%, 11/16/20[3]	425	428
CarMax Auto Owner Trust		
14-4, B		
2.200%, 9/15/20	700	710
15-2, C		
2.390%, 3/15/21	1,495	1,517
15-4B 2.160%, 8/16/21	725	732
16-2, B		
2.160%, 12/15/21	750	759
CarNow Auto Receivables Trust 14-1A, D 144A		
4.160%, 11/15/18[3]	350	352
CCG Receivables Trust		
14-1, B 144A		
2.150%, 11/15/21[3]	400	401
15-1, A3 144A		
1.920%, 1/17/23[3]	1,000	1,007
Centerpoint Energy Transition Bond Co.IV LLC 12-1, A1		
0.901%, 4/15/18	114	114
Centre Point Funding LLC		
12-2A, 1 144A		
2.610%, 8/20/21[3]	1,322	1,312
Cheesecake Restaurant Holdings, Inc. 13-1A, A2 144A		
4.474%, 3/20/43[3]	630	632
Chrysler Capital Auto Receivables Trust		
14-BA D 144A		
3.440%, 8/16/21[3]	750	769
15-BA D 144A		
4.170%, 1/16/23[3]	965	987
Citigroup 15-PM3,A 144A		
2.560%, 5/16/22[3]	382	383
Conseco Financial Corp.		
97-3, A5		
7.140%, 3/15/28	110	113
Diamond Resorts Owner Trust 14-1, A 144A		
2.540%, 5/20/27[3]	906	907
DRB Prime Student Loan Trust 15-D, A3 144A		
2.500%, 1/25/36[3]	537	539
Drive Auto Receivables Trust		
15-DA, B 144A		
2.590%, 12/16/19[3]	1,080	1,086

	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued		
16-AA, B 144A		
3.170%, 5/15/20[3]	$ 1,490	$ 1,511
16-BA, B 144A		
2.560%, 6/15/20[3]	1,785	1,801
15-AA, C 144A		
3.060%, 5/17/21[3]	1,665	1,679
15-DA, C 144A		
3.380%, 11/15/21[3]	1,505	1,533
DT Auto Owner Trust		
14-1A, C 144A		
2.640%, 10/15/19[3]	239	239
14-2A, C 144A		
2.460%, 1/15/20[3]	161	162
16-1A, B 144A		
2.790%, 5/15/20[3]	850	858
14-3A, C 144A		
3.040%, 9/15/20[3]	1,350	1,362
15-3A, C 144A		
3.250%, 7/15/21[3]	655	663
16-2A, C 144A		
3.670%, 1/18/22[3]	820	838
16-3A C,144A		
3.150%, 3/15/22[3]	865	872
16-4A C,144A		
2.740%, 10/17/22[3]	1,200	1,200
Exeter Automobile Receivables Trust		
12-2A, C 144A		
3.060%, 7/16/18[3]	116	116
14-1A, B 144A		
2.420%, 1/15/19[3]	350	350
13-1A, C 144A		
3.520%, 2/15/19[3]	441	444
14-1A, C 144A		
3.570%, 7/15/19[3]	150	151
14-2A, C 144A		
3.260%, 12/16/19[3]	335	339
16-1A A, 144A		
2.350%, 7/15/20[3]	1,072	1,075
15-A1, C 144A		
4.100%, 12/15/20[3]	1,000	1,016
Fairway Outdoor Funding LLC		
12-1A, A2 144A		
4.212%, 10/15/42[3]	431	436
Fifth Third Auto Trust 13-A, B		
1.210%, 4/15/19	385	385
First Investors Auto Owner Trust 16-2A, C 144A		
2.530%, 7/15/22[3]	1,490	1,492
Flagship Credit Auto Trust		
16-1, A 144A		
2.770%, 12/15/20[3]	831	839
15-2, C 144A		
4.080%, 12/15/21[3]	505	505
16-2, B 144A		
3.840%, 9/15/22[3]	825	860
Foursight Capital Automobile Receivables Trust 16-1 A2, 144A		
2.870%, 10/15/21[3]	1,220	1,229
Gold Key Resorts LLC 14-A, A 144A		
3.220%, 3/17/31[3]	398	399

	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued		
Hertz Vehicle Financing LLC		
11-1A, A2 144A		
3.290%, 3/25/18[3]	$ 1,300	$ 1,306
15-2A, A 144A		
2.020%, 9/25/19[3]	1,080	1,075
16 -1A, A144A		
2.320%, 3/25/20[3]	750	754
Hilton Grand Vacations Trust		
13-A, A 144A		
2.280%, 1/25/26[3]	853	849
14-AA, A 144A		
1.770%, 11/25/26[3]	247	246
Hyundai Auto Receivables Trust		
14-B, D		
2.510%, 12/15/20	400	402
15-A, D		
2.730%, 6/15/21	550	555
15-C, B		
2.150%, 11/15/21	1,500	1,519
LEAF Receivables Funding 10 LLC 15-1, D 144A		
3.740%, 5/17/21[3]	585	582
Marriott Vacation Club Owner Trust 12-1A, A 144A		
2.510%, 5/20/30[3]	330	332
MVW Owner Trust		
15-1A, B 144A		
2.960%, 12/20/32[3]	443	447
16-1A, A 144A		
2.250%, 12/20/33[3]	1,123	1,121
National City Mortgage Capital Trust 08-1, 2A1		
6.000%, 3/25/38	237	246
Navistar Financial Dealer Note Master Owner Trust II 16-1, B 144A		
2.546%, 9/27/21[2][3]	1,710	1,722
OneMain Financial Issuance Trust		
14-1A, A 144A		
2.430%, 6/18/24[3]	479	479
15-A, A 144A		
3.190%, 3/18/26[3]	1,660	1,677
Orange Lake Timeshare Trust		
12-AA, A 144A		
3.450%, 3/10/27[3]	381	385
15-AA, A 144A		
2.880%, 9/8/27[3]	391	394
Santander Drive Auto Receivables Trust		
12-6, C		
1.940%, 3/15/18	9	9
12-5, C		
2.700%, 8/15/18	24	24
12-6, D		
2.520%, 9/17/18	450	452
13-1, D		
2.270%, 1/15/19	1,691	1,703
13-3, C		
1.810%, 4/15/19	524	525
13-5, D		
2.730%, 10/15/19	540	548

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	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued		
14-4, D		
3.100%, 11/16/20	$ 1,095	$ 1,123
16-2, B		
2.080%, 2/16/21	1,000	1,007
16-1, C		
3.090%, 4/15/22	1,300	1,334
Security National Automotive Acceptance Company Receivables Trust 14-1A, C 144A		
2.210%, 1/15/20[3]	492	492
Sierra Timeshare Receivables Funding LLC		
12-3A, A 144A		
1.870%, 8/20/29[3]	373	371
13-1A, A 144A		
1.590%, 11/20/29[3]	76	76
14-1A, A 144A		
2.070%, 3/20/30[3]	122	122
14-2A, A 144A		
2.050%, 6/20/31[3]	81	81
16-1A, A 144A		
3.080%, 3/21/33[3]	658	669
16-2A, A 144A		
2.330%, 7/20/33[3]	903	903
Silverleaf Finance LLC		
XVII 13-A, A 144A		
2.680%, 3/16/26[3]	70	69
XVIII 14-A, A 144A		
2.810%, 1/15/27[3]	267	265
Silverleaf Finance XV LLC		
12-D, A 144A		
3.000%, 3/17/25[3]	23	23
SLM Private Education Loan Trust		
14-A, 2A2 144A		
2.590%, 1/15/26[3]	1,450	1,468
13-B, A2A 144A		
1.850%, 6/17/30[3]	1,000	999
13-C, A2A 144A		
2.940%, 10/15/31[3]	325	332
SoFi Professional Loan Program LLC		
14-B, A2 144A		
2.550%, 8/27/29[3]	725	736
15-A, A2 144A		
2.420%, 3/25/30[3]	276	280
16-C, A2B 144A		
2.360%, 12/27/32[3]	1,441	1,455
16-A, A2 144A		
2.760%, 12/26/36[3]	565	579
Structured Asset Securities Corp. Mortgage Pass-Through Certificates		
01-SB1, A2		
3.375%, 8/25/31	156	154
SVO VOI Mortgage Corp.		
12-AA, A 144A		
2.000%, 9/20/29[3]	1,194	1,181
Taco Bell Funding LLC 16-1A, A21 144A		
3.832%, 5/25/46[3]	995	1,009
ASSET-BACKED SECURITIES—continued		
TCF Auto Receivables Owner Trust 14-1A, B 144A		
2.330%, 5/15/20[3]	$ 475	$ 476
Tidewater Auto Receivables Trust 16-AA, B 144A		
3.130%, 3/15/20[3]	785	797
Trip Rail Master Funding LLC		
11-1A, A1A 144A		
4.370%, 7/15/41[3]	249	255
U-Haul S Fleet LLC 10-BT1A, 1 144A		
4.899%, 10/25/23[3]	1,010	1,022
United Auto Credit Securitization Trust		
16-1, B 144A		
2.730%, 5/15/18[3]	900	904
16-2, C 144A		
2.480%, 3/10/20[3]	1,365	1,366
Verizon Owner Trust 16-1A, A 144A		
1.420%, 1/20/21[3]	1,645	1,649
Volvo Financial Equipment LLC 14-1A, C 144A		
1.940%, 11/15/21[3]	205	206
VSE VOI Mortgage LLC 16-A, A 144A		
2.540%, 7/20/33[3]	1,585	1,590
Welk Resorts LLC		
13-AA, A 144A		
3.100%, 3/15/29[3]	141	142
15-AA, A 144A		
2.790%, 6/16/31[3]	285	285
Westgate Resorts LLC 16-1A, A 144A		
3.500%, 12/20/28[3]	598	599
Westlake Automobile Receivables Trust		
14-1A, C 144A		
1.700%, 11/15/19[3]	151	151
15-1A, B 144A		
1.680%, 11/16/20[3]	723	724
16-2A C, 144A		
2.830%, 5/17/21[3]	1,030	1,043
TOTAL ASSET-BACKED SECURITIES (Identified Cost $94,156)		**94,928**
CORPORATE BONDS AND NOTES—18.3%		
Consumer Discretionary—1.7%		
Alibaba Group Holding Ltd.		
2.500%, 11/28/19	600	612
CCO Holdings LLC 144A		
5.500%, 5/1/26[3]	520	546
Cequel Communications Holdings I LLC (Cequel Capital Corp.)		
144A 5.125%, 12/15/21[3]	105	106
144A 5.125%, 12/15/21[3]	250	251
Delphi Automotive plc		
3.150%, 11/19/20	540	559
Hanesbrands, Inc. 144A		
4.625%, 5/15/24[3]	135	139
Consumer Discretionary—continued		
Hyundai Capital America		
RegS 1.450%, 2/6/17[4]	$ 335	$ 335
144A 1.450%, 2/6/17[3]	170	170
144A 2.125%, 10/2/17[3]	60	60
144A 2.450%, 6/15/21[3]	355	360
M/I Homes, Inc.		
6.750%, 1/15/21	325	342
Marriott International, Inc.		
Series N,		
3.125%, 10/15/21	290	303
Newell Brands, Inc.		
3.850%, 4/1/23	75	80
4.200%, 4/1/26	100	109
QVC, Inc.		
3.125%, 4/1/19	990	1,015
Time Warner Cable, Inc.		
6.750%, 7/1/18	215	234
Toll Brothers Finance Corp.		
5.625%, 1/15/24	25	27
4.875%, 11/15/25	745	765
TRI Pointe Group, Inc.		
4.375%, 6/15/19	295	305
4.875%, 7/1/21	400	411
Wyndham Worldwide Corp.		
2.500%, 3/1/18	40	40
		6,769
Consumer Staples—0.5%		
Anheuser-Busch InBev Finance, Inc.		
1.900%, 2/1/19	180	182
2.650%, 2/1/21	540	557
CVS Health Corp.		
2.800%, 7/20/20	540	560
Kraft Heinz Foods Co. (The)		
2.800%, 7/2/20	85	88
3.500%, 7/15/22	90	96
Whole Foods Market, Inc. 144A		
5.200%, 12/3/25[3]	615	668
		2,151
Energy—0.8%		
Anadarko Petroleum Corp.		
4.850%, 3/15/21	170	183
Antero Resources Corp.		
5.625%, 6/1/23	215	220
Cimarex Energy Co.		
4.375%, 6/1/24	490	512
Concho Resources, Inc.		
5.500%, 4/1/23	45	47
Enbridge Energy Partners LP		
4.375%, 10/15/20	90	95
Energy Transfer Partners LP		
5.200%, 2/1/22	130	141
Kinder Morgan, Inc. 144A		
5.625%, 11/15/23[3]	85	94
MPLX LP		
5.500%, 2/15/23	290	300
NGL Energy Partners LP		
5.125%, 7/15/19	365	345

($ reported in thousands)

	PAR VALUE	VALUE
Energy—continued		
Occidental Petroleum Corp.		
2.600%, 4/15/22	$ 55	$ 56
3.400%, 4/15/26	45	48
Regency Energy Partners LP		
5.000%, 10/1/22	215	227
Sabine Pass Liquefaction LLC		
6.250%, 3/15/22	340	372
Sinopec Capital Ltd. 144A		
1.875%, 4/24/18[3]	250	250
Sunoco LP 144A		
6.375%, 4/1/23[3]	400	413
		3,303
Financials—7.5%		
Air Lease Corp.		
2.625%, 9/4/18	550	555
Ally Financial, Inc.		
5.750%, 11/20/25	330	346
Ares Capital Corp.		
4.875%, 11/30/18	62	65
3.875%, 1/15/20	173	179
Aviation Capital Group Corp.		
2.875%, 9/17/18	220	223
144A 2.875%, 9/17/18[3]	115	116
Bank of America Corp.		
5.490%, 3/15/19	66	71
2.650%, 4/1/19	350	357
4.450%, 3/3/26	475	510
Bank of India 144A		
3.250%, 4/18/18[3]	300	306
Bank of New York Mellon Corp. (The)		
2.200%, 3/4/19	230	234
2.050%, 5/3/21	860	866
Barclays Bank plc 144A		
6.050%, 12/4/17[3]	100	105
BBVA Banco Continental S.A. RegS		
5.000%, 8/26/22[4]	520	571
Berkshire Hathaway Finance Corp.		
1.300%, 8/15/19	1,955	1,958
Berkshire Hathaway, Inc.		
2.750%, 3/15/23	90	94
Blackstone Holdings Finance Co. LLC 144A		
6.625%, 8/15/19[3]	200	227
Citigroup, Inc.		
4.600%, 3/9/26	630	673
Corp Andina de Fomento		
2.000%, 5/10/19	455	459
Fifth Third Bancorp		
4.500%, 6/1/18	150	156
First Horizon National Corp.		
3.500%, 12/15/20	440	449
First Tennessee Bank N.A.		
2.950%, 12/1/19	250	253
Ford Motor Credit Co., LLC		
5.750%, 2/1/21	400	451
FS Investment Corp.		
4.250%, 1/15/20	300	308
4.750%, 5/15/22	185	190

	PAR VALUE	VALUE
Financials—continued		
General Motors Financial Co., Inc.		
3.700%, 11/24/20	$ 670	$ 698
4.200%, 3/1/21	405	427
3.200%, 7/6/21	975	988
Goldman Sachs Group, Inc. (The)		
2.350%, 11/15/21	350	349
4.250%, 10/21/25	320	337
Guanay Finance Ltd. 144A		
6.000%, 12/15/20[3]	892	911
HSBC Holdings plc		
2.950%, 5/25/21	860	872
Huntington Bancshares, Inc.		
7.000%, 12/15/20	245	285
Hutchison Whampoa International Ltd. Series 12 144A		
6.000%[2][3][5][6]	280	286
ICAHN Enterprises LP		
5.875%, 2/1/22	200	193
ICAHN Enterprises LP (ICAHN Enterprises Finance Corp.)		
3.500%, 3/15/17	15	15
Industrial & Commercial Bank of China Ltd.		
3.231%, 11/13/19	250	260
iStar Financial, Inc.		
5.000%, 7/1/19	375	375
Jefferies Group LLC		
5.125%, 4/13/18	150	157
JPMorgan Chase & Co.		
6.125%, 6/27/17	200	207
2.250%, 1/23/20	540	547
2.295%, 8/15/21	300	301
JPMorgan Chase Bank N.A.		
1.650%, 9/23/19	615	616
KeyCorp. 5.100%, 3/24/21	185	209
Korea Development Bank		
3.875%, 5/4/17	250	254
Lazard Group LLC		
4.250%, 11/14/20	350	375
Lincoln National Corp.		
8.750%, 7/1/19	225	265
4.200%, 3/15/22	470	509
6.050%, 4/20/67[2][5]	75	58
Macquarie Group Ltd. 144A		
3.000%, 12/3/18[3]	75	77
Metropolitan Life Global Funding I 144A		
2.500%, 12/3/20[3]	650	668
Mizuho Corporate Bank Ltd. 144A		
1.850%, 3/21/18[3]	200	201
Mizuho Financial Group Inc		
2.273%, 9/13/21	565	563
Morgan Stanley		
4.350%, 9/8/26	1,660	1,773
MUFG Union Bank N.A.		
2.625%, 9/26/18	300	306
New York Life Global Funding 144A		
1.950%, 2/11/20[3]	70	71

	PAR VALUE	VALUE
Financials—continued		
Nordea Bank AB 144A		
1.625%, 9/30/19[3]	$ 1,005	$ 1,002
PNC Funding Corp.		
5.625%, 2/1/17	10	10
Prudential Financial, Inc.		
8.875%, 6/15/38[2][5]	100	111
S&P Global, Inc.		
3.300%, 8/14/20	519	545
Santander Holdings USA, Inc.		
2.700%, 5/24/19	265	268
2.650%, 4/17/20	575	578
SBA Tower Trust		
144A 2.933%, 12/15/17[3]	155	156
144A 3.156%, 10/15/20[3]	750	757
144A 2.877%, 7/15/21[3]	800	814
State Street Corp.		
4.956%, 3/15/18[5]	525	548
TIAA Asset Management Finance Co. LLC 144A		
2.950%, 11/1/19[3]	430	443
Toronto-Dominion Bank (The)		
2.125%, 4/7/21	700	708
UBS Group Funding Jersey Ltd. 144A		
2.650%, 2/1/22[3]	400	399
Voya Financial, Inc.		
2.900%, 2/15/18	267	272
Willis North America, Inc.		
6.200%, 3/28/17	40	41
XLIT Ltd. Series E,		
2.300%, 12/15/18	135	137
Zions Bancorp		
4.500%, 3/27/17	225	227
		29,891
Health Care—1.7%		
AbbVie, Inc.		
2.500%, 5/14/20	370	378
2.300%, 5/14/21	495	499
3.200%, 11/6/22	45	47
2.850%, 5/14/23	495	503
Actavis Capital S.a.r.l. (Actavis Funding)		
3.000%, 3/12/20	85	88
(Actavis Funding)		
3.450%, 3/15/22	90	94
Aetna Inc.		
2.400%, 6/15/21	1,010	1,023
Community Health Systems, Inc.		
5.125%, 8/1/21	65	65
Forest Laboratories LLC 144A		
4.375%, 2/1/19[3]	205	216
Fresenius U.S. Finance II, Inc. 144A		
4.500%, 1/15/23[3]	95	100
HCA, Inc.		
3.750%, 3/15/19	200	206
6.500%, 2/15/20	325	360
Mylan NV		
144A 3.000%, 12/15/18[3]	195	199
144A 3.150%, 6/15/21[3]	230	234

($ reported in thousands)

	PAR VALUE	VALUE
Health Care—continued		
Owens & Minor, Inc.		
3.875%, 9/15/21	$ 65	$ 67
Shire Acquisitions Investments Ireland Dac		
1.900%, 9/23/19	200	200
2.400%, 9/23/21	235	236
Tenet Healthcare Corp.		
4.350%, 6/15/20[2]	440	444
6.000%, 10/1/20	80	85
Teva Pharmaceutical Finance Netherlands III BV		
2.200%, 7/21/21	140	140
2.800%, 7/21/23	140	140
Universal Health Services, Inc. 144A		
4.750%, 8/1/22[3]	260	268
Valeant Pharmaceuticals International, Inc. 144A		
5.375%, 3/15/20[3]	170	158
Zimmer Biomet Holdings, Inc.		
3.150%, 4/1/22	825	854
Zoetis, Inc.		
3.450%, 11/13/20	165	172
		6,776
Industrials—1.8%		
America West Airlines Pass-Through-Trust 01-1, G		
7.100%, 4/2/21	611	663
BAE Systems Holdings, Inc. 144A		
2.850%, 12/15/20[3]	200	205
Bombardier, Inc. 144A		
4.750%, 4/15/19[3]	215	210
British Airways Pass-Through-Trust 13-1, B 144A		
5.625%, 6/20/20[3]	705	742
Continental Airlines Pass-Through-Trust		
99-1, A		
6.545%, 2/2/19	138	146
01-1, A1		
6.703%, 6/15/21	445	478
Lockheed Martin Corp.		
1.850%, 11/23/18	125	127
Masco Corp.		
5.950%, 3/15/22	295	336
Penske Truck Leasing Co. LP RegS		
2.500%, 6/15/19[4]	150	152
Penske Truck Leasing Co., LP 144A		
3.375%, 2/1/22[3]	205	213
UAL Pass-Through-Trust 07-01, A		
6.636%, 7/2/22	2,624	2,795
Virgin Australia Trust 13-1A 144A		
5.000%, 10/23/23[3]	1,148	1,191
		7,258

	PAR VALUE	VALUE
Information Technology—0.9%		
Apple, Inc.		
2.250%, 2/23/21	$ 400	$ 410
2.850%, 2/23/23	175	184
Diamond 1 Finance Corp. (Diamond 2 Finance Corp.) 144A		
5.450%, 6/15/23[3]	115	123
Dun & Bradstreet Corp. (The)		
3.250%, 12/1/17	65	66
4.000%, 6/15/20	135	141
Electronic Arts, Inc.		
3.700%, 3/1/21	120	128
First Data Corp. 144A		
5.000%, 1/15/24[3]	785	800
Hewlett Packard Enterprise Co.		
144A 2.850%, 10/5/18[3]	325	331
144A 3.600%, 10/15/20[3]	60	63
Microsoft Corp.		
2.000%, 8/8/23	320	320
NXP BV (NXP Funding LLC) 144A		
4.125%, 6/1/21[3]	425	455
Oracle Corp.		
1.900%, 9/15/21	175	175
2.400%, 9/15/23	220	222
		3,418
Materials—0.4%		
Airgas, Inc.		
3.050%, 8/1/20	28	29
Ardagh Packaging Finance plc 144A		
4.625%, 5/15/23[3]	360	362
CRH America, Inc.		
8.125%, 7/15/18	100	111
Office Cherifien des Phosphates S.A. (OCP) 144A		
5.625%, 4/25/24[3]	790	858
Packaging Corp. of America		
3.900%, 6/15/22	185	196
		1,556
Real Estate—1.3%		
American Campus Communities Operating Partnership LP		
3.350%, 10/1/20	70	73
Brixmor Operating Partnership LP		
3.875%, 8/15/22	140	147
Corporate Office Properties LP		
3.700%, 6/15/21	220	228
Corrections Corp. of America		
5.000%, 10/15/22	390	355
Developers Diversified Realty Corp.		
7.875%, 9/1/20	570	684
3.400%, 10/1/20	325	339
3.950%, 7/1/22	195	207

	PAR VALUE	VALUE
Real Estate—continued		
HCP, Inc.		
3.750%, 2/1/19	$ 225	$ 233
Healthcare Trust of America Holdings LP		
3.375%, 7/15/21	135	140
Kimco Realty Corp.		
3.400%, 11/1/22	550	579
MPT Operating Partnership LP (MPT Finance Corp.)		
6.375%, 2/15/22	45	47
Select Income REIT		
4.150%, 2/1/22	580	583
Senior Housing Properties Trust		
3.250%, 5/1/19	125	126
Ventas Realty LP (Ventas Capital Corp.)		
4.000%, 4/30/19	505	530
2.700%, 4/1/20	152	156
West Europe Finance LLC 144A		
3.250%, 10/5/20[3]	535	557
		4,984
Telecommunication Services—1.4%		
Altice Financing S.A. 144A		
6.625%, 2/15/23[3]	660	680
AT&T, Inc.		
2.800%, 2/17/21	1,065	1,096
3.000%, 6/30/22	195	200
CenturyLink, Inc.		
Series T		
5.800%, 3/15/22	180	185
Series Y		
7.500%, 4/1/24	470	503
Crown Castle Towers LLC 144A		
4.883%, 8/15/20[3]	765	836
Sprint Corp.		
7.250%, 9/15/21	235	237
Telefonica Emisiones SAU		
3.192%, 4/27/18	195	200
Verizon Communications, Inc.		
3.650%, 9/14/18	310	324
2.550%, 6/17/19	1,335	1,373
4.600%, 4/1/21	70	78
		5,712
Utilities—0.3%		
Exelon Corp.		
2.850%, 6/15/20	805	834
Korea Western Power Co., Ltd. 144A		
3.125%, 5/10/17[3]	200	202
State Grid Overseas Investment Ltd. 144A		
2.750%, 5/7/19[3]	330	339
		1,375
TOTAL CORPORATE BONDS AND NOTES (Identified Cost $71,655)		**73,193**

VIRTUS LOW DURATION INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
LOAN AGREEMENTS[2]—3.9%		
Consumer Discretionary—1.2%		
Altice U.S. Finance I Corp. 5.000%, 12/14/22	$ 310	$ 313
Aristocrat Leisure Ltd. Tranche B-1 3.500%, 10/20/21	550	553
Boyd Gaming Corp. Tranche B, 5.500%, 8/14/20	58	59
Tranche B-2 3.524%, 9/15/23	221	223
Charter Communications Operating LLC (CCO Safari LLC) Tranche F, 3.000%, 1/3/21	120	121
Tranche H, 3.250%, 8/24/21	83	83
Tranche I, 3.500%, 1/24/23	158	159
CSC Holdings, Inc. 5.000%, 10/9/22	281	282
Harbor Freight Tools USA, Inc. 4.000%, 8/18/23	755	760
Hilton Worldwide Finance LLC Tranche B-1 3.500%, 10/26/20	67	67
Tranche B-2 3.120%, 10/25/23	685	690
Las Vegas Sands LLC Tranche B, 3.250%, 12/19/20	331	333
Libbey Glass, Inc. 3.750%, 4/9/21	145	146
MGM Growth Properties 4.000%, 4/25/23	284	286
PetSmart, Inc. Tranche B-1, 4.250%, 3/11/22	308	309
Six Flags Theme Parks, Inc. Tranche B, 3.863%, 6/30/22	122	123
Station Casinos LLC Tranche B, 3.750%, 6/8/23	297	300
		4,807
Consumer Staples—0.7%		
Albertson's LLC Trance B-4, 4.500%, 8/25/21	201	203
Tranche B-5, 4.750%, 12/21/22	333	337
ARAMARK Corp. Tranche E, 3.338%, 9/7/19	416	420
Tranche F, 3.338%, 2/24/21	855	861
Charger OpCo B.V. (Oak Tea, Inc.) Tranche B-1, 4.250%, 7/2/22	48	49
Consumer Staples—continued		
Coty, Inc. Tranche B, 3.750%, 10/27/22	$ 65	$ 65
Dell International, Inc. Tranche B 4.000%, 9/7/23	600	604
Galleria Co. Tranche B, 3.750%, 1/26/23	130	131
Kronos First Lien, 4.500%, 10/30/19	292	293
Pinnacle Foods Finance LLC 3.275%, 1/13/23	52	52
		3,015
Energy—0.1%		
MEG Energy Corp. 3.750%, 3/31/20	309	289
Paragon Offshore Finance Co. 5.250%, 7/16/21[8]	137	35
		324
Financials—0.0%		
Delos Finance S.a.r.l. 3.588%, 3/6/21	95	96
Health Care—0.4%		
Community Health Systems, Inc. (CHS) Tranche F, 4.083%, 12/31/18	291	290
DaVita HealthCare Partners, Inc. Tranche B, 3.500%, 6/24/21	99	99
Endo Luxembourg Finance Co. S.a.r.l. Tranche B, 3.750%, 9/26/22	131	131
Envision Healthcare Corp. 4.250%, 5/25/18	97	97
IMS Health, Inc. Tranche B, 3.500%, 3/17/21	72	73
Quintiles Transnational Corp. Tranche B, 3.250%, 5/12/22	43	44
RPI Finance Trust Tranche B-4, 3.588%, 11/9/20	539	542
Team Health, Inc. Tranche B, 3.838%, 11/23/22	193	194
Valeant Pharmaceuticals International, Inc. Series D-2, Tranche B, 5.000%, 2/13/19	137	137
		1,607
Industrials—0.4%		
American Airlines, Inc. Tranche B, 3.502%, 4/28/23	660	662
AWAS Finance Luxembourg S.A. 3.500%, 7/16/18	97	98
Industrials—continued		
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien, 5.000%, 5/4/22	$ 301	$ 304
TransDigm, Inc. Tranche D, 3.794%, 6/4/21	65	66
Tranche E, 3.750%, 5/14/22	79	79
Tranche F, 3.750%, 6/9/23	138	138
United Airlines, Inc. (f/k/a Continental Airlines, Inc.) Tranche B-1, 3.500%, 9/15/21	72	73
Waste Industries 3.500%, 2/27/20	186	187
		1,607
Information Technology—0.3%		
Abacus Innovations Corp.(Leidos, Inc.) 3.274%, 8/16/23	259	261
NXP BV Tranche F 3.405%, 12/7/20	250	251
SS&C European Holdings S.a.r.l. Tranche A-1, 3.274%, 7/8/20	18	18
Tranche A-2, 3.274%, 7/8/20	28	28
Tranche B-2, 4.000%, 7/8/22	13	13
Tranche B-1, 4.000%, 7/8/22	104	105
Western Digital Corp. Tranche B-1, 4.500%, 4/29/23	543	549
		1,225
Materials—0.1%		
Huntsman International LLC Tranche 16-B, 4.250%, 4/1/23	177	178
INEOS U.S. Finance LLC Tranche 2022, 4.250%, 3/31/22	25	25
		203
Real Estate—0.0%		
ESH Hospitality, Inc. 3.750%, 8/30/23	107	108
Telecommunication Services—0.2%		
Level 3 Financing, Inc. Tranche B, 2020 4.000%, 1/15/20	127	128
Tranche B-II, 3.500%, 5/31/22	93	94
T-Mobile USA, Inc. Senior Lien 3.500%, 11/9/22	254	256

VIRTUS LOW DURATION INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Telecommunication Services—continued		
UPC Financing Partnership		
4.080%, 8/31/24	$ 297	$ 299
		777
Utilities—0.5%		
Calpine Corp.		
3.840%, 5/31/23	673	677
Energy Future Holdings Corp.		
5.000%, 7/27/23[8]	234	236
Tranche C		
5.000%, 7/27/23[8]	54	54
NRG Energy, Inc.		
3.500%, 6/30/23	1,003	1,007
		1,974
TOTAL LOAN AGREEMENTS (Identified Cost $15,723)		**15,743**

	SHARES	
PREFERRED STOCKS—0.4%		
Financials—0.4%		
Bank of New York Mellon Corp. (The)		
Series E, 4.950%[2]	390[7]	398
Citigroup, Inc.		
Series N 6.250%[2]	660[7]	712
JPMorgan Chase & Co.		
Series Z, 5.300%[2]	50[7]	51
Wells Fargo & Co.		
Series K, 7.980%[2]	325[7]	339
TOTAL PREFERRED STOCKS (Identified Cost $1,445)		**1,500**

	SHARES	VALUE
EXCHANGE-TRADED FUNDS—1.8%		
iShares iBoxx $ Investment Grade Corporate Bond Fund[9]	59,529	$ 7,333
TOTAL EXCHANGE-TRADED FUNDS (Identified Cost $7,163)		**7,333**
TOTAL LONG TERM INVESTMENTS—99.6% (Identified Cost $394,703)		**398,813**
TOTAL INVESTMENTS—99.6% (Identified Cost $394,703)		**398,813**[1]
Other assets and liabilities, net—0.4%		1,508
NET ASSETS—100.0%		**$400,321**

Abbreviations:

FHLMC	Federal Home Loan Mortgage Corporation ("Freddie Mac").
FNMA	Federal National Mortgage Association ("Fannie Mae").
GNMA	Government National Mortgage Association ("Ginnie Mae")
REIT	Real Estate Investment Trust
REMIC	Real Estate Mortgage Investment Conduit

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.

(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, 2016, these securities amounted to a value of $143,068 or 35.7% 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) Interest payments may be deferred.

(6) No contractual maturity date.

(7) Value shown as par value.

(8) Security in default interest payments are being received during the bankruptcy proceedings.

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

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Debt Securities:			
Asset-Backed Securities	$ 94,928	$ —	$ 94,928
Corporate Bonds And Notes	73,193	—	73,193
Foreign Government Securities	445	—	445
Loan Agreements	15,743	—	15,743
Mortgage-Backed Securities	164,885	—	164,885
Municipal Bonds	201	—	201
U.S. Government Securities	40,585	—	40,585
Equity Securities:			
Preferred Stocks	1,500	—	1,500
Exchange-Traded Funds	7,333	7,333	—
Total Investments	$398,813	$7,333	$391,480

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

There were no transfers between Level 1 and Level 2 related to securities held as of September 30, 2016.

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

VIRTUS LOW VOLATILITY EQUITY FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
EXCHANGE-TRADED FUND—98.9%		
iShares S&P 100 Index Fund[2][3]	38,450	$3,688
TOTAL EXCHANGE-TRADED FUND (Identified Cost $3,066)		**3,688**

	CONTRACTS	
PURCHASED OPTION—0.1%		
Call Option—0.1%		
CBOE Volatility Index expiration 10/19/16 strike price $21	98	4
TOTAL PURCHASED OPTION—0.1% (Premiums Paid $9)		**4**
TOTAL LONG TERM INVESTMENTS—99.0% (Identified Cost $3,075)		**3,692**[1]
TOTAL INVESTMENTS, BEFORE WRITTEN OPTION—99.0% (Identified Cost $3,075)		**3,692**[1]

	CONTRACTS	VALUE
WRITTEN OPTION—(0.1)%		
Call Option—(0.1)%		
S&P 500® Index expiration 10/21/16 strike price $2225	17	$ (2)
TOTAL WRITTEN OPTION—(0.1)% (Premiums Received $4)		**(2)**
TOTAL INVESTMENTS, NET OF WRITTEN OPTION—98.9% (Identified Cost $3,071)		**3,690**[1]
Other assets and liabilities, net—1.1%		40
NET ASSETS—100.0%		**$3,730**

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) All or a portion of the security is segregated as collateral for written options.

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

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

	Total Value at September 30, 2016	Level 1 Quoted Prices
Equity Securities:		
Exchange-traded Funds	$3,688	$3,688
Purchased Option	4	4
Total Investments before Written Option	$3,692	$3,692
Written Option	$ (2)	$ (2)
Total Investments Net of Written Option	$3,690	$3,690

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

There were no transfers between level 1 and Level 2 related to securities held at September 30, 2016.

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
MUNICIPAL BONDS—0.1%		
Michigan—0.0%		
Tobacco Settlement Finance Authority Taxable Series A, 7.309%, 6/1/34	$ 145	$ 143
Virginia—0.1%		
Tobacco Settlement Financing Corp. Series A-1, Taxable 6.706%, 6/1/46	325	279
TOTAL MUNICIPAL BONDS (Identified Cost $460)		**422**
FOREIGN GOVERNMENT SECURITIES—11.0%		
Argentine Republic		
144A 7.500%, 4/22/26[3]	1,055	1,191
7.875%, 6/15/27	1,180	1,265
Series NY, 8.280%, 12/31/33	1,570	1,810
144A 7.125%, 7/6/36[3]	735	781
144A 7.625%, 4/22/46[3]	370	417
Bolivarian Republic of Venezuela RegS		
7.000%, 12/1/18[4]	216	153
RegS 7.750%, 10/13/19[4]	202	125
7.650%, 4/21/25[4]	1,500	728
9.375%, 1/13/34	2,145	1,122
City of Buenos Aires 144A		
7.500%, 6/1/27[3]	365	398
Federative Republic of Brazil		
8.500%, 1/5/24	1,690[BRL]	480
Treasury Note Series F, 10.000%, 1/1/25	1,880[BRL]	549
10.250%, 1/10/28	250[BRL]	78
5.625%, 1/7/41	670	668
Kingdom of Morocco 144A		
5.500%, 12/11/42[3]	800	914
Mongolia 144A		
5.125%, 12/5/22[3]	825	728
Provincia de Buenos Aires 144A		
9.125%, 3/16/24[3]	730	819
Republic of Azerbaijan		
4.750%, 3/13/23	930	919
Republic of Chile		
5.500%, 8/5/20	474,000[CLP]	767
Republic of Colombia		
4.375%, 3/21/23	1,867,000[COP]	582
9.850%, 6/28/27	1,685,000[COP]	713
Republic of Costa Rica		
144A 4.375%, 4/30/25[3]	795	775
144A 7.000%, 4/4/44[3]	200	214
Republic of Cote d'Ivoire 144A		
6.375%, 3/3/28[3]	905	948
Republic of El Salvador 144A		
6.375%, 1/18/27[3]	1,405	1,419
Republic of Indonesia		
Series FR56, 8.375%, 9/15/26	19,446,000[IDR]	1,624

	PAR VALUE	VALUE
FOREIGN GOVERNMENT SECURITIES—continued		
Republic of Iraq RegS		
5.800%, 1/15/28[4]	$ 610	$ 499
Republic of Kazakhstan 144A		
5.125%, 7/21/25[3]	245	276
Republic of South Africa		
Series R203, 8.250%, 9/15/17	3,690[ZAR]	271
Series R208, 6.750%, 3/31/21	11,230[ZAR]	779
Republic of Sri Lanka 144A		
6.850%, 11/3/25[3]	800	861
Republic of Turkey		
9.000%, 3/8/17	1,250[TRY]	419
6.250%, 9/26/22	515	567
4.875%, 10/9/26	1,710	1,744
4.875%, 4/16/43	945	882
Russian Federation 144A		
7.850%, 3/10/18[3]	60,000[RUB]	944
State of Qatar 144A		
3.250%, 6/2/26[3]	480	488
Sultanate of Oman 144A		
4.750%, 6/15/26[3]	1,170	1,174
Ukraine 144A		
7.750%, 9/1/26[3]	850	803
United Mexican States		
Series M, 6.500%, 6/9/22	38,590[MXN]	2,055
4.750%, 3/8/44	1,014	1,055
TOTAL FOREIGN GOVERNMENT SECURITIES (Identified Cost $34,759)		**33,004**
MORTGAGE-BACKED SECURITIES—14.9%		
Agency—3.7%		
FHLMC		
3.500%, 4/1/46	1,323	1,395
FNMA		
3.000%, 4/1/43	1,472	1,534
3.000%, 5/1/43	751	782
3.000%, 6/1/43	2,086	2,174
3.000%, 7/1/43	1,530	1,595
4.000%, 10/1/44	1,256	1,350
3.500%, 9/1/45	2,105	2,220
		11,050
Non-Agency—11.2%		
American Homes 4 Rent		
14-SFR2, C 144A		
4.705%, 10/17/36[3]	915	1,008
15-SFR2, C 144A		
4.691%, 10/17/45[3]	805	891
15-SFR1, A 144A		
3.467%, 4/17/52[3]	682	726
Ameriquest Mortgage Securities, Inc. 03-AR3, M4		
4.311%, 6/25/33[2]	1,135	1,094
Banc of America Funding Trust 05-1, 1A1		
5.500%, 2/25/35	389	389
06-2, 3A1		
6.000%, 3/25/36	209	215

	PAR VALUE	VALUE
Non-Agency—continued		
Bank of America (Countrywide) Asset-Backed Certificates		
05-1, AF5A		
5.148%, 7/25/35[2]	$ 988	$ 980
05-12, 2A4		
5.575%, 2/25/36[2]	540	537
Bank of America (Merrill Lynch – Countrywide) Alternative Loan Trust		
04-22CB, 1A1		
6.000%, 10/25/34	414	442
04-24CB, 1A1		
6.000%, 11/25/34	94	95
Bank of America (Merrill Lynch) Mortgage Investors Trust 98-C1, C		
6.750%, 11/15/26[2]	1,260	1,304
Citigroup Mortgage Loan Trust, Inc. 05-5, 2A3		
5.000%, 8/25/35	246	246
15-A, A1 144A		
3.500%, 6/25/58[2][3]	715	729
Colony American Finance Ltd. 15-1 144A		
2.896%, 10/15/47[3]	649	657
Commercial Mortgage Trust 07-GG11, AM		
5.867%, 12/10/49[2]	600	619
Credit Suisse Commercial Mortgage-Backed Trust 07-C5, A1AM		
5.870%, 9/15/40[2]	939	863
Credit Suisse Mortgage-Backed Trust 06-08, 3A1		
6.000%, 10/25/21	423	404
Deutsche Bank-UBS Mortgage Trust 11-LC3A, D 144A		
5.510%, 8/10/44[2][3]	860	902
GAHR Commercial Mortgage Trust 15-NRF, CFX 144A		
3.495%, 12/15/34[2][3]	600	611
GSAA Home Equity Trust 05-12, AF3W		
4.999%, 9/25/35[2]	296	299
GSR Mortgage Loan Trust 06-1F, 2A4		
6.000%, 2/25/36	363	319
Home Equity Loan Trust 03-HS3, AI4		
5.550%, 9/25/33[2]	178	181
07-HSA3, AI4		
6.110%, 6/25/37[2]	1,481	1,490
Jefferies Resecuritization Trust 14-R1, 2A1 144A		
4.000%, 12/27/37[3]	368	367
JPMorgan Chase Commercial Mortgage Securities Trust 07-LDPX, AM		
5.464%, 1/15/49[2]	676	663

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Non-Agency—continued		
JPMorgan Chase Mortgage Trust		
14-1, 1A1 144A		
4.000%, 1/25/44[2][3]	$ 644	$ 680
16-1, M2 144A		
3.750%, 4/25/45[2][3]	608	628
16-2, M2 144A		
3.750%, 12/25/45[2][3]	984	1,018
MASTR Adjustable Rate Mortgages Trust 05-1, 3A1		
3.326%, 2/25/35[2]	541	492
MASTR Alternative Loan Trust		
04-6, 7A1		
6.000%, 7/25/34	1,147	1,118
05-2, 2A1		
6.000%, 1/25/35	458	474
MASTR Reperforming Loan Trust 05-1, 1A5 144A		
8.000%, 8/25/34[3]	575	601
MASTR Specialized Loan Trust 05-3, A2 144A		
5.704%, 11/25/35[2][3]	328	331
Mill City Mortgage Loan Trust 16-1, M1 144A		
3.150%, 4/25/57[2][3]	525	527
Morgan Stanley – Bank of America (Merrill Lynch) Trust 15-C26,C		
4.558%, 10/15/48[2]	840	877
Morgan Stanley Capital I Trust 07-IQ14, AM		
5.865%, 4/15/49[2]	925	895
Motel 6 Trust 15-MTL6, D 144A		
4.532%, 2/5/30[3]	1,080	1,083
Nomura Asset Acceptance Corp. 04-R3, A1 144A		
6.500%, 2/25/35[3]	246	242
Resecuritization Pass-Through Trust 05-BR, A5		
6.000%, 10/25/34	405	407
Residential Asset Securitization Trust		
05-A1, A3		
5.500%, 4/25/35	669	671
Sequoia Mortgage Trust		
14-2, A1 144A		
4.000%, 7/25/44[2][3]	270	281
14-4, A6 144A		
3.500%, 11/25/44[2][3]	657	677
15-1, A1 144A		
3.500%, 1/25/45[2][3]	753	774
Towd Point Mortgage Trust		
15-1, A2 144A		
3.250%, 10/25/53[2][3]	555	564
15-5, A2 144A		
3.500%, 5/25/55[2][3]	690	697
16-4, A1 144A		
2.250%, 7/25/56[2][3]	420	422
15-2, 1M1 144A		
3.250%, 11/25/60[2][3]	1,060	1,034

	PAR VALUE	VALUE
Non-Agency—continued		
Vericrest Opportunity Loan Transfer		
15-NP11, A1 144A		
3.625%, 7/25/45[2][3]	$ 518	$ 520
16-NPL9, A1 144A		
3.500%, 9/25/46[2][3]	300	300
15-NPL2, A1 144A		
3.375%, 2/25/55[2][3]	445	445
15-NPL3, A1 144A		
3.375%, 10/25/58[2][3]	436	435
Wells Fargo (Wachovia Bank) Commercial Mortgage Trust 15-LC20, B		
3.719%, 4/15/50	875	924
Wells Fargo – Royal Bank of Scotland plc Commercial Mortgage Trust 11-C5, C 144A		
5.866%, 11/15/44[2][3]	645	714
		33,862
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost $44,314)		**44,912**
ASSET-BACKED SECURITIES—4.1%		
CarFinance Capital Auto Trust		
14-1A, D 144A		
4.900%, 4/15/20[3]	1,316	1,320
15-1A, C 144A		
3.580%, 6/15/21[3]	2,160	2,176
Citi Held For Asset Issuance		
15-PM3, B 144A		
4.310%, 5/16/22[3]	740	741
DB Master Finance LLC		
15-A1, A2II 144A		
3.980%, 2/20/45[3]	377	386
Exeter Automobile Receivables Trust		
15-A1, C 144A		
4.100%, 12/15/20[3]	900	915
15-3A, D 144A		
6.550%, 10/17/22[3]	840	862
Fairway Outdoor Funding LLC		
12-1A, A2 144A		
4.212%, 10/15/42[3]	529	534
Flagship Credit Auto Trust		
14-1, E 144A		
5.710%, 8/16/21[3]	665	676
Foursight Capital Automobile Receivables Trust 15-1, B 144A		
4.120%, 9/15/22[3]	1,110	1,123
Greater Capital Association of Realtors 15-1A, C		
9.790%, 10/15/25	545	556
IndyMac Manufactured Housing Contract 98-1, A3		
6.370%, 9/25/28	208	213
Leaf Receivables Funding 9 LLC 10 LLC 15-1, E2 144A		
6.000%, 6/15/23[3]	555	544
LEAF Receivables Funding 9 LLC 11 LLC 16-1, E2 144A		
6.000%, 6/15/24[3]	290	270

	PAR VALUE	VALUE
ASSET-BACKED SECURITIES—continued		
SolarCity LMC Series III LLC		
14-2, A 144A		
4.020%, 7/20/44[3]	$ 920	$ 866
Trip Rail Master Funding LLC		
11-1A, A1A 144A		
4.370%, 7/15/41[3]	178	182
Wendy's Funding LLC 15-1A, A2II 144A		
4.080%, 6/15/45[3]	1,099	1,116
TOTAL ASSET-BACKED SECURITIES (Identified Cost $12,404)		**12,480**
CORPORATE BONDS AND NOTES—53.4%		
Consumer Discretionary—7.8%		
Aramark Services, Inc. 144A		
4.750%, 6/1/26[3]	405	408
Beazer Homes USA, Inc.		
5.750%, 6/15/19	472	493
144A 8.750%, 3/15/22[3]	245	259
Boyd Gaming Corp.		
6.875%, 5/15/23	415	452
Brookfield Residential Properties, Inc. 144A		
6.125%, 7/1/22[3]	185	188
Caesars Entertainment Operating Co., Inc.		
9.000%, 2/15/20[11]	535	554
Caesars Entertainment Resort Properties LLC		
8.000%, 10/1/20	320	332
Caesars Growth Properties Holdings LLC		
9.375%, 5/1/22	785	844
CCO Holdings LLC 144A		
5.500%, 5/1/26[3]	275	289
Cequel Communications Holdings I LLC (Cequel Capital Corp.)		
144A 5.125%, 12/15/21[3]	275	276
144A 5.125%, 12/15/21[3]	655	657
Clear Channel Worldwide Holdings, Inc.		
Series A		
7.625%, 3/15/20	320	309
Series B		
7.625%, 3/15/20	930	926
Columbus Cable Barbados Ltd. Series B,144A		
7.375%, 3/30/21[3]	200	213
Dana Financing Luxembourg S.a.r.l. 144A		
6.500%, 6/1/26[3]	230	242
Diamond Resorts International, Inc. 144A		
7.750%, 9/1/23[3]	60	60
DISH DBS Corp. 144A		
7.750%, 7/1/26[3]	40	43
Hanesbrands, Inc.		
144A 4.625%, 5/15/24[3]	120	124
144A 4.875%, 5/15/26[3]	250	257

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Consumer Discretionary—continued		
IHO Verwaltungs GmbH PIK Interest Capitalization 144A 4.125%, 9/15/21[3][10]	$ 215	$ 218
International Game Technology plc 144A 6.250%, 2/15/22[3]	340	364
Landry's Holdings II, Inc. 144A 10.250%, 1/1/18[3]	425	435
Landry's, Inc. 144A 9.375%, 5/1/20[3]	210	221
144A 6.750%, 10/15/24[3]	215	219
M/I Homes, Inc. 6.750%, 1/15/21	525	553
MDC Holdings, Inc. 5.500%, 1/15/24	860	903
Meritor, Inc. 6.750%, 6/15/21	300	305
MGM Growth Properties Operating Partnership LP (MGP Finance Co-Issuer, Inc.) 144A 5.625%, 5/1/24[3]	145	157
144A 4.500%, 9/1/26[3]	200	201
MGM Resorts International 6.000%, 3/15/23	490	533
Mohegan Tribal Gaming Authority 9.750%, 9/1/21	585	632
MPG Holdco I, Inc. 7.375%, 10/15/22	830	855
New York University 4.142%, 7/1/48	545	559
Newell Brands, Inc. 144A 5.000%, 11/15/23[3]	135	144
Party City Holdings, Inc. 144A 6.125%, 8/15/23[3]	125	134
PetSmart, Inc. 144A 7.125%, 3/15/23[3]	775	816
QVC, Inc. 5.125%, 7/2/22	240	254
RCN Telecom Services LLC (RCN Capital Corp.) 144A 8.500%, 8/15/20[3]	510	544
Scientific Games International, Inc. 6.625%, 5/15/21	540	413
144A 7.000%, 1/1/22[3]	590	627
SFR (Numericable) Group S.A. 144A 6.000%, 5/15/22[3]	580	594
144A 7.375%, 5/1/26[3]	290	297
Signet UK Finance plc 4.700%, 6/15/24	895	862
Sirius XM Radio, Inc. 144A 5.375%, 7/15/26[3]	755	778
Six Flags Entertainment Corp. 144A 4.875%, 7/31/24[3]	610	618
TI Group Automotive Systems LLC 144A 8.750%, 7/15/23[3]	490	535
Consumer Discretionary—continued		
Toll Brothers Finance Corp. 5.625%, 1/15/24	$ 175	$ 188
4.875%, 11/15/25	1,100	1,130
TRI Pointe Group, Inc. 5.875%, 6/15/24	890	932
VTR Finance BV 144A 6.875%, 1/15/24[3]	600	622
Ziggo Secured Finance BV 144A 5.500%, 1/15/27[3]	890	890
		23,459
Consumer Staples—1.3%		
Dole Food Co., Inc. 144A 7.250%, 5/1/19[3]	545	555
Pilgrim's Pride Corp. 144A 5.750%, 3/15/25[3]	340	352
Post Holdings, Inc. 144A 5.000%, 8/15/26[3]	620	619
Rite Aid Corp. 144A 6.125%, 4/1/23[3]	250	270
Safeway, Inc. 7.250%, 2/1/31	510	509
Tops Holding LLC (Tops Markets II Corp.) 144A 8.000%, 6/15/22[3]	925	837
US Foods, Inc. 144A 5.875%, 6/15/24[3]	120	125
Whole Foods Market, Inc. 144A 5.200%, 12/3/25[3]	543	590
		3,857
Energy—12.6%		
Afren plc 144A 11.500%, 2/1/16(3)[12]	464	2
Alberta Energy Co., Ltd. 8.125%, 9/15/30	330	390
Anadarko Petroleum Corp. 4.850%, 3/15/21	150	162
5.550%, 3/15/26	215	245
6.600%, 3/15/46	460	563
Antero Midstream Partners LP 144A 5.375%, 9/15/24[3]	220	223
Antero Resources Corp. 5.625%, 6/1/23	490	502
Archrock Partners LP 6.000%, 10/1/22	740	690
Blue Racer Midstream LLC 144A 6.125%, 11/15/22[3]	305	300
Callon Petroleum Co. 144A 6.125%, 10/1/24[3]	265	275
Carrizo Oil & Gas, Inc. 6.250%, 4/15/23	675	672
Cheniere Corpus Christi Holdings LLC 144A 7.000%, 6/30/24[3]	400	434
Cimarex Energy Co. 4.375%, 6/1/24	450	470
Energy—continued		
Compagnie Generale de Geophysique-Veritas 6.500%, 6/1/21	$ 725	$ 357
Concho Resources, Inc. 5.500%, 4/1/23	295	306
CONSOL Energy, Inc. 5.875%, 4/15/22	325	301
Continental Resources, Inc. 5.000%, 9/15/22	510	510
4.500%, 4/15/23	305	294
Ecopetrol S.A. 5.875%, 9/18/23	615	663
5.375%, 6/26/26	910	947
Enbridge Energy Partners LP 4.375%, 10/15/20	170	179
Encana Corp. 3.900%, 11/15/21	320	321
Energy Transfer Equity LP 5.875%, 1/15/24	885	923
EnLink Midstream Partners LP 4.850%, 7/15/26	80	81
EnQuest plc 144A 7.000%, 4/15/22[3]	885	465
EP Energy LLC (Everest Acquisition Finance, Inc.) 9.375%, 5/1/20	420	300
FTS International, Inc. 6.250%, 5/1/22	450	174
Gazprom OAO (Gaz Capital S.A.) 144A 6.000%, 11/27/23[3][7]	255	276
144A 4.950%, 2/6/28[3][7]	750	756
Gulfport Energy, Corp. 7.750%, 11/1/20	445	464
Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	540	570
Holly Energy Partners LP 144A 6.000%, 8/1/24[3]	65	68
KazMunayGas National Co. 144A 6.375%, 4/9/21[3]	450	498
Kinder Morgan, Inc. 7.750%, 1/15/32	890	1,078
Laredo Petroleum, Inc. 7.375%, 5/1/22	610	634
Linn Energy LLC 6.500%, 5/15/19[12]	512	133
6.500%, 9/15/21[12]	155	40
Lukoil International Finance BV 144A 4.563%, 4/24/23[3]	930	962
MPLX LP 4.875%, 12/1/24	1,390	1,438
Newfield Exploration Co. 5.625%, 7/1/24	785	805
NGL Energy Partners LP 5.125%, 7/15/19	925	874
Novatek OAO (Novatek Finance Ltd.) 144A 4.422%, 12/13/22[3][7]	1,105	1,114

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Energy—continued		
Occidental Petroleum Corp.		
3.400%, 4/15/26	$ 30	$ 32
4.400%, 4/15/46	430	476
Odebrecht Offshore Drilling Finance Ltd. 144A		
6.750%, 10/1/22[3]	1,048	194
Pacific Exploration and Production Corp. 144A		
5.375%, 1/26/19[3][12]	610	116
Parker Drilling Co.		
7.500%, 8/1/20	1,075	863
Parsley Energy LLC 144A		
6.250%, 6/1/24[3]	1,020	1,058
Pertamina Persero PT		
144A 4.300%, 5/20/23[3]	600	631
144A 6.000%, 5/3/42[3]	400	441
144A 5.625%, 5/20/43[3]	320	337
Petrobras Global Finance BV		
5.375%, 1/27/21	830	822
8.375%, 5/23/21	170	187
8.750%, 5/23/26	725	803
Petroleos de Venezuela S.A		
RegS 8.500%, 11/2/17[4]	323	280
144A 6.000%, 5/16/24[3]	1,580	677
Petroleos Mexicanos		
144A 6.875%, 8/4/26[3]	790	891
6.500%, 6/2/41	465	452
5.500%, 6/27/44	650	563
PHI, Inc.		
5.250%, 3/15/19	360	348
QEP Resources, Inc.		
6.875%, 3/1/21	445	467
5.250%, 5/1/23	350	346
Range Resources Corp. 144A		
5.000%, 3/15/23[3]	835	820
Regency Energy Partners LP		
5.000%, 10/1/22	1,010	1,066
Sabine Oil & Gas Corp.		
7.250%, 6/15/19[12][13]	935	17
Sabine Pass Liquefaction LLC		
5.625%, 2/1/21	915	973
SM Energy Co.		
6.125%, 11/15/22	320	322
Southern Gas Corridor CJSC 144A		
6.875%, 3/24/26[3]	400	449
Sunoco LP 144A		
6.375%, 4/1/23[3]	1,790	1,848
TransCanada Trust		
5.625%, 5/20/75[2][6]	940	952
Transocean, Inc.		
6.800%, 12/15/16	300	302
144A 9.000%, 7/15/23[3]	215	210
6.800%, 3/15/38	250	166
YPF S.A. 144A		
8.500%, 3/23/21[3]	490	548
		38,116
Financials—11.5%		
Akbank TAS 144A		
7.500%, 2/5/18[3]	2,440[TRY]	775
Allstate Corp. (The)		
5.750%, 8/15/53[2][6]	845	907
Financials—continued		
Ally Financial, Inc.		
4.250%, 4/15/21	$ 285	$ 290
5.750%, 11/20/25	575	604
Ares Capital Corp.		
3.625%, 1/19/22	465	468
Australia & New Zealand Banking Group Ltd. 144A		
4.400%, 5/19/26[3]	725	770
Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A		
6.500%, 3/10/21[3]	425	464
Banco de Credito del Peru 144A		
6.125%, 4/24/27[2][3]	1,095	1,220
Banco Internacional del Peru SAA Interbank 144A		
6.625%, 3/19/29[2][3]	395	437
Banco Nacional de Comercio Exterior SVC 144A		
4.375%, 10/14/25[3]	550	569
Bancolombia S.A.		
5.125%, 9/11/22	1,015	1,056
Bank of America Corp.		
4.450%, 3/3/26	1,055	1,133
Bank of China Ltd. 144A		
5.000%, 11/13/24[3]	875	947
Barclays plc		
3.200%, 8/10/21	550	553
Bonos del Banco Central de Chile En Pesos		
4.500%, 6/1/20	185,000[CLP]	293
Capital One Financial Corp.		
3.750%, 7/28/26	775	779
Citigroup, Inc.		
4.600%, 3/9/26	580	620
Citizens Financial Group, Inc.		
5.500%, 12/29/49[2]	920	902
Compass Bank		
3.875%, 4/10/25	900	881
Development Bank of Kazakhstan OJSC 144A		
4.125%, 12/10/22[3]	1,090	1,069
Discover Financial Services		
3.950%, 11/6/24	1,250	1,280
Drawbridge Special Opportunities Fund LP 144A		
5.000%, 8/1/21[3]	915	879
Eurasian Development Bank 144A		
4.767%, 9/20/22[3]	925	971
FS Investment Corp.		
4.750%, 5/15/22	200	205
General Motors Financial Co., Inc.		
3.700%, 5/9/23	740	754
Genworth Holdings, Inc.		
4.900%, 8/15/23	585	490
GrupoSura Finance S.A. 144A		
5.500%, 4/29/26[3]	725	770
ICAHN Enterprises LP		
6.000%, 8/1/20	370	373
5.875%, 2/1/22	510	492
Financials—continued		
ICICI Bank Ltd. 144A		
4.000%, 3/18/26[3]	$ 230	$ 239
ING Groep NV 6.000%[2][5][6]	865	843
iStar Financial, Inc.		
5.000%, 7/1/19	940	941
Kazakhstan Temir Zholy Finance BV 144A		
6.950%, 7/10/42[3]	795	868
Leucadia National Corp.		
5.500%, 10/18/23	575	604
Lincoln National Corp.		
6.050%, 4/20/67[2][6]	300	231
Morgan Stanley		
144A 10.090%, 5/3/17[3]	2,400[BRL]	726
4.350%, 9/8/26	415	443
Navient Corp.		
7.250%, 9/25/23	190	190
OM Asset Management plc		
4.800%, 7/27/26	785	787
PKO Finance AB 144A		
4.630%, 9/26/22[3][7]	1,315	1,420
Prudential Financial, Inc.		
5.875%, 9/15/42[2]	1,430	1,578
Santander Bank NA		
8.750%, 5/30/18	400	438
Sberbank of Russia Via SB Capital S.A. 144A		
5.500%, 2/26/24[2][3][7]	450	454
Springleaf Finance Corp.		
5.250%, 12/15/19	500	512
Teachers Insurance & Annuity Association of America 144A		
4.375%, 9/15/54[2][3]	740	749
Toronto-Dominion Bank (The)		
3.625%, 9/15/31[2]	295	296
Trinity Acquisition plc		
4.400%, 3/15/26	715	749
Turkiye Garanti Bankasi AS 144A		
5.250%, 9/13/22[3]	500	505
Voya Financial, Inc.		
5.650%, 5/15/53[2]	870	871
Woodside Finance Ltd. 144A		
3.700%, 9/15/26[3]	135	136
		34,531
Health Care—3.0%		
Capsugel S.A. PIK Interest Capitalization, 144A		
7.000%, 5/15/19[3][10]	155	155
Community Health Systems, Inc.		
6.875%, 2/1/22	525	454
Concordia Healthcare Corp. 144A		
7.000%, 4/15/23[3]	175	113
Double Eagle Acquisition Sub, Inc. 144A		
7.500%, 10/1/24[3]	300	306

See Notes to Financial Statements

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Health Care—continued		
Endo Finance LLC 144A		
5.375%, 1/15/23[3]	$ 660	$ 587
HCA, Inc.		
5.375%, 2/1/25	435	450
4.500%, 2/15/27	600	602
IASIS Healthcare LLC		
8.375%, 5/15/19	545	496
MEDNAX, Inc. 144A		
5.250%, 12/1/23[3]	395	415
MPH Acquisition Holdings LLC 144A		
7.125%, 6/1/24[3]	45	49
Ortho-Clinical Diagnostics, Inc. (Ortho-Clinical Diagnostics S.A.) 144A		
6.625%, 5/15/22[3]	710	628
Quintiles Transnational Corp. 144A		
4.875%, 5/15/23[3]	435	449
Quorum Health Corp. 144A		
11.625%, 4/15/23[3]	300	251
Surgery Center Holdings, Inc. 144A		
8.875%, 4/15/21[3]	570	610
Surgical Care Affiliates, Inc. 144A		
6.000%, 4/1/23[3]	912	962
Team Health, Inc. 144A		
7.250%, 12/15/23[3]	40	43
Teleflex, Inc.		
4.875%, 6/1/26	370	384
Tenet Healthcare Corp.		
4.750%, 6/1/20	275	281
6.000%, 10/1/20	180	191
8.125%, 4/1/22	385	387
Universal Health Services, Inc.		
144A 4.750%, 8/1/22[3]	145	150
144A 5.000%, 6/1/26[3]	320	334
Valeant Pharmaceuticals International, Inc.		
144A 6.375%, 10/15/20[3]	320	302
144A 7.500%, 7/15/21[3]	130	126
144A 5.625%, 12/1/21[3]	140	126
144A 5.875%, 5/15/23[3]	380	330
		9,181
Industrials—4.9%		
Air Canada		
144A 6.750%, 10/1/19[3]	1,050	1,085
Pass-Through-Trust 13-1, B 144A		
5.375%, 5/15/21[3]	1,246	1,283
AMN Healthcare, Inc. 144A		
5.125%, 10/1/24[3]	135	137
Bombardier, Inc.		
4.750%, 4/15/19	110	108
144A 6.125%, 1/15/23[3]	740	660
Builders FirstSource, Inc. 144A		
10.750%, 8/15/23[3]	480	553
Carpenter Technology Corp.		
5.200%, 7/15/21	600	625
Industrials—continued		
Cemex Finance LLC 144A		
6.000%, 4/1/24[3]	$ 740	$ 760
Continental Airlines Pass-Through-Trust 01-1, A1		
6.703%, 6/15/21	83	89
DP World Ltd. 144A		
6.850%, 7/2/37[3]	400	463
GATX Corp.		
3.250%, 9/15/26	125	125
Harland Clarke Holdings Corp. 144A		
6.875%, 3/1/20[3]	910	874
Hawaiian Airlines Pass-Through Certificates 13-1B,		
4.950%, 1/15/22	749	750
JBS Investments GmbH 144A		
7.250%, 4/3/24[3]	865	884
Masco Corp.		
5.950%, 3/15/22	640	730
4.450%, 4/1/25	320	340
Owens Corning		
3.400%, 8/15/26	900	905
Pelabuhan Indonesia II PT 144A		
4.250%, 5/5/25[3]	925	944
Prime Security Services Borrower LLC (Prime Finance, Inc.) 144A		
9.250%, 5/15/23[3]	490	535
SCF Capital Ltd. 144A		
5.375%, 6/16/23[3]	470	492
Standard Industries, Inc. 144A		
5.500%, 2/15/23[3]	225	235
TransDigm, Inc.		
6.000%, 7/15/22	630	668
6.500%, 5/15/25	270	283
United Airlines Pass-Through Trust 14-1, B		
4.750%, 4/11/22	431	440
Wheels Up Finance I LLC 16-01, A		
0.500%, 6/1/24[2][3][13][17]	156	154
16-01, A		
7.500%, 6/30/24[13]	729	721
		14,843
Information Technology—0.9%		
Blackboard, Inc. 144A		
7.750%, 11/15/19[3]	485	485
Diamond 1 Finance Corp. (Diamond 2 Finance Corp.)		
144A 5.450%, 6/15/23[3]	150	161
144A 7.125%, 6/15/24[3]	160	176
144A 6.020%, 6/15/26[3]	145	159
144A 8.100%, 7/15/36[3]	140	165
144A 8.350%, 7/15/46[3]	155	186
Hewlett Packard Enterprise Co. 144A		
4.900%, 10/15/25[3]	425	454
Infor US, Inc.		
6.500%, 5/15/22	420	427
Information Technology—continued		
NXP BV (NXP Funding LLC) 144A		
4.625%, 6/1/23[3]	$ 355	$ 389
WESCO Distribution, Inc. 144A		
5.375%, 6/15/24[3]	255	256
		2,858
Materials—5.3%		
AK Steel Corp.		
7.500%, 7/15/23	385	411
Alpek SA de C.V. 144A		
5.375%, 8/8/23[3]	1,460	1,562
ArcelorMittal 6.125%, 6/1/25	945	1,035
Axalta Coating Systems, LLC 144A		
4.875%, 8/15/24[3]	150	154
Berry Plastics Corp.		
5.125%, 7/15/23	870	889
BHP Billiton Finance USA Ltd. 144A		
6.750%, 10/19/75[2][3][6]	525	595
BlueScope Steel Finance Ltd. 144A		
6.500%, 5/15/21[3]	500	530
Boise Cascade Co. 144A		
5.625%, 9/1/24[3]	600	612
Cascades, Inc. 144A		
5.500%, 7/15/22[3]	1,100	1,123
Eldorado Gold Corp. 144A		
6.125%, 12/15/20[3]	455	460
Fibria Overseas Finance Ltd.		
5.250%, 5/12/24	440	459
Fortescue Metals Group (FMG) Resources August 2006 Pty Ltd. 144A		
9.750%, 3/1/22[3]	375	437
Freeport-McMoRan Copper & Gold, Inc.		
3.550%, 3/1/22	255	233
3.875%, 3/15/23	385	350
Gerdau Holdings, Inc. 144A		
7.000%, 1/20/20[3]	635	684
Gerdau Trade, Inc. 144A		
5.750%, 1/30/21[3]	150	156
Graphic Packaging International, Inc.		
4.125%, 8/15/24	790	797
INEOS Group Holdings S.A. 144A		
5.625%, 8/1/24[3]	910	895
Novelis Corp.		
144A 6.250%, 8/15/24[3]	60	64
144A 5.875%, 9/30/26[3]	700	718
Office Cherifien des Phosphates S.A. (OCP) 144A		
5.625%, 4/25/24[3]	690	749
Reynolds Group Issuer, Inc.		
144A 5.125%, 7/15/23[3]	150	155
144A 7.000%, 7/15/24[3]	25	27

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Materials—continued		
Severstal OAO Via Steel Capital SA 144A 5.900%, 10/17/22[3][7]	$ 275	$ 301
Standard Industries, Inc. 144A 6.000%, 10/15/25[3]	450	482
Teck Resources Ltd. 144A 8.000%, 6/1/21[3]	70	77
144A 8.500%, 6/1/24[3]	180	207
United States Steel Corp. 7.375%, 4/1/20	76	76
Vale Overseas Ltd. 5.875%, 6/10/21	535	561
Valvoline, Inc. 144A 5.500%, 7/15/24[3]	90	95
Vedanta Resources plc 144A 6.000%, 1/31/19[3]	995	993
		15,887
Real Estate—1.3%		
Corporate Office Properties LP 3.600%, 5/15/23	950	950
ESH Hospitality, Inc. 144A 5.250%, 5/1/25[3]	605	607
Healthcare Realty Trust, Inc. 3.875%, 5/1/25	395	408
MPT Operating Partnership LP 5.500%, 5/1/24	455	478
5.250%, 8/1/26	40	42
Select Income REIT 4.500%, 2/1/25	900	910
WP Carey, Inc. 4.250%, 10/1/26	380	385
		3,780
Telecommunication Services—3.2%		
Altice Financing S.A. 144A 6.625%, 2/15/23[3]	1,010	1,040
America Movil SAB de C.V. Series 12 6.450%, 12/5/22	5,000[MXN]	251
AT&T, Inc. 4.800%, 6/15/44	580	610
5.650%, 2/15/47	300	355
CenturyLink, Inc. Series T 5.800%, 3/15/22	355	365
Series Y 7.500%, 4/1/24	210	225
CSC Holdings LLC 144A 5.500%, 4/15/27[3]	420	431
Digicel Group Ltd. 144A 8.250%, 9/30/20[3]	665	581
Empresa Nacional de Telecomunicaciones S.A. 144A 4.875%, 10/30/24[3]	430	443
Frontier Communications Corp. 6.250%, 9/15/21	370	358
10.500%, 9/15/22	210	223
Telecommunication Services—continued		
GTH Finance BV 144A 7.250%, 4/26/23[3]	$ 700	$ 761
Neptune Finance Corp. 144A 10.125%, 1/15/23[3]	340	393
144A 6.625%, 10/15/25[3]	650	707
Qwest Corp. 7.250%, 9/15/25	400	438
Sprint Communications, Inc. 6.000%, 11/15/22	1,320	1,242
T-Mobile USA, Inc. 6.500%, 1/15/26	400	445
Windstream Corp. 7.750%, 10/15/20	780	800
		9,668
Utilities—1.6%		
Lamar Funding Ltd. 144A 3.958%, 5/7/25[3]	910	862
Majapahit Holding BV 144A 7.750%, 1/20/20[3]	795	916
NRG Yield Operating LLC 5.375%, 8/15/24	345	356
Southern Power Co. 4.150%, 12/1/25	1,030	1,110
Talen Energy Supply LLC 144A 4.625%, 7/15/19[3]	625	590
TerraForm Power Operating LLC 144A 9.375%, 2/1/23[2][3]	860	890
Texas Competitive Electric Holdings Co. LLC Series A 10.250%, 11/1/15[12]	200	14
		4,738
TOTAL CORPORATE BONDS AND NOTES (Identified Cost $162,851)		**160,918**
LOAN AGREEMENTS[2]—9.9%		
Consumer Discretionary—2.1%		
Advantage Sales & Marketing, Inc. Second Lien, 7.500%, 7/25/22	370	353
Affinity Gaming LLC 5.000%, 7/1/23	540	542
Caesars Entertainment Operating Co., Inc. Tranche B-6, 9.750%, 3/1/17[11]	512	562
Caesars Entertainment Resort Properties LLC 7.000%, 10/11/20	755	755
Caesars Growth Properties Holdings LLC Tranche B, First Lien, 6.250%, 5/8/21	349	345
CDS U.S. Intermediate Holdings, Inc. First Lien, 5.000%, 7/8/22	251	252
Cengage Learning, Inc. 5.250%, 6/7/23	243	244
Consumer Discretionary—continued		
Floor & Decor Outlets of America, Inc. 0.000%, 9/29/23[8]	$ 497	$ 498
Graton Resort & Casino Tranche B, 4.750%, 9/1/22	240	242
Harbor Freight Tools USA, Inc. 4.000%, 8/18/23	338	340
Laureare Education, Inc. 2021 Extended, 8.157%, 3/17/21	459	457
Leslie's Poolmart, Inc. Tranche B 5.250%, 8/16/23	305	307
Mohegan Tribal Gaming Authority 0.000%, 9/30/23[8]	450	446
Transtar Holding Co. Second Lien, 12.000%, 10/9/19[12][13]	380	52
U.S. Farathane LLC Tranche B-2, 5.750%, 12/23/21	492	494
UFC Holdings LLC First Lien 5.000%, 8/18/23	361	365
		6,254
Consumer Staples—1.3%		
Albertson's LLC Trance B-4, 4.500%, 8/25/21	664	670
Amplify Snack Brands, Inc. 6.500%, 9/2/23	770	766
ASP MSG Acquisitions, Co., Inc. 6.000%, 8/16/23	560	563
Chobani LLC 0.000%, 9/29/23[8]	142	141
Coty, Inc. Tranche B, 3.750%, 10/27/22	118	119
Galleria Co. Tranche B, 3.750%, 1/26/23	237	238
Hostess Brands LLC Tranche B, Second Lien, 8.500%, 8/3/23	890	898
Kronos Second Lien, 9.750%, 4/30/20	457	466
		3,861
Energy—0.6%		
California Resources Corp. 11.375%, 12/31/21	420	442
Chesapeake Energy Corp. 8.500%, 8/23/21	122	129
EP Energy LLC 0.000%, 6/30/21[8]	610	600
Jonah Energy LLC Second Lien, 7.500%, 5/12/21	520	465
Seadrill Operating LP 4.000%, 2/21/21	497	250
		1,886

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Financials—0.2%		
Walter Investment Management Corp. Tranche B, 4.750%, 12/18/20	$ 665	$ 611
Health Care—1.5%		
21st Century Oncology Holdings, Inc. Tranche B, 7.125%, 4/30/22	225	213
American Renal Holdings, Inc. Tranche B, First Lien, 4.750%, 8/20/19	269	269
Ardent Legacy Acquisitions, Inc. 6.500%, 8/4/21	454	452
CHG Healthcare Services, Inc. First Lien, 4.750%, 6/7/23	442	447
Concordia Pharmaceuticals, Inc. 5.250%, 10/21/21	286	256
InVentiv Health, Inc. Tranche B-4, 7.750%, 5/15/18	583	585
Tranche B 0.000%, 9/29/23[8]	224	225
MMM Holdings, Inc. 9.750%, 12/12/17[13][14]	245	238
MPH Acquisition Holdings LLC 5.000%, 6/7/23	208	211
MSO of Puerto Rico, Inc. 9.750%, 12/12/17[13][14]	178	173
NVA Holdings, Inc. Second Lien, 8.000%, 8/14/22	509	509
Quorum Health Corp. 6.750%, 4/29/22	248	241
Surgery Center Holdings, Inc. First Lien, 4.750%, 11/3/20	640	641
		4,460
Industrials—1.1%		
Aspen Merger Sub (Coinstar), Inc. 0.000%, 9/26/23[8]	279	282
Brickman Group Ltd. LLC (The) Second Lien, 7.500%, 12/17/21	344	343
Filtration Group Corp. Second Lien, 8.250%, 11/22/21	194	194
Husky Injection Molding Systems Ltd. 4.250%, 6/30/21	527	527
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien, 5.000%, 5/4/22	442	445
Navistar, Inc. Tranche B 6.500%, 8/7/20	450	452
Industrials—continued		
Sedgwick Claims Management Services, Inc. Second Lien, 6.750%, 2/28/22	$ 1,105	$ 1,096
		3,339
Information Technology—1.5%		
Applied Systems, Inc. Second Lien, 7.500%, 1/24/22	284	287
Blackboard, Inc. Tranche B-4 0.000%, 6/30/21[8]	450	447
Donnelley Financial Solutions 0.000%, 9/26/23[8]	196	197
First Data Corp. Tranche 2021 4.525%, 3/24/21	1,008	1,017
Tranche 2022 4.275%, 7/8/22	932	938
Infinity Acquisition Ltd. 4.250%, 8/6/21	351	336
Mitchell International, Inc. Second Lien, 8.500%, 10/11/21	382	375
On Semiconductor 5.750%, 3/31/23	230	231
Presidio, Inc. Refinancing, 5.250%, 2/2/22	669	670
Press Ganey Holdings, Inc. 0.000%, 9/29/23[8]	64	64
Western Digital Corp. Tranche B-1, 4.500%, 4/29/23	54	55
		4,617
Materials—1.0%		
Anchor Glass Container Corp. Tranche B, 4.750%, 7/1/22	576	580
CPI Acquisition, Inc. First Lien, 5.500%, 8/17/22	674	660
Fortescue Metals Group (FMG) Resources Property Ltd. 3.750%, 6/30/19	365	365
INEOS U.S. Finance LLC Tranche 2022, 4.250%, 3/31/22	56	57
Macdermid, Inc. (Platform Speciality Products Corp.) Tranche B-3, 5.500%, 6/7/20	731	736
Omnova Solutions, Inc. Tranche B-2, 5.250%, 8/25/23	593	592
PQ Corp. Tranche B-1, 5.750%, 11/4/22	123	124
		3,114
Real Estate—0.2%		
Capital Automotive LP Second Lien, 6.000%, 4/30/20	$ 450	$ 454
Utilities—0.4%		
Atlantic Power LP 6.000%, 4/13/23	678	687
Energy Future Holdings Corp. 5.000%, 10/31/17[14]	324	328
Tranche C 5.000%, 10/31/17[14]	73	74
Texas Competitive Electric Holdings Co. LLC 2017 Extended, 4.998%, 10/10/17[14]	375	109
		1,198
TOTAL LOAN AGREEMENTS (Identified Cost $30,331)		**29,794**

	SHARES	
PREFERRED STOCKS—3.1%		
Energy—0.3%		
PTT Exploration & Production PCL 144A, 4.875%[2][3]	905[9]	923
Financials—2.3%		
Banco Bilbao Vizcaya Argentaria S.A. International S.A. Unipersonal 5.919%[2]	265[9]	264
Citigroup, Inc. Series J 7.125%[2]	46,600	1,350
Series N 6.250%[2]	1,010[9]	1,089
JPMorgan Chase & Co. Series Z, 5.300%[2]	175[9]	178
KeyCorp. 5.000%[2]	735[9]	724
PNC Financial Services Group, Inc. (The) Series R, 4.850%[2]	965[9]	962
SunTrust Bank, Inc. 5.625%[2]	260[9]	269
Wells Fargo & Co. Series K, 7.980%[2]	950[9]	993
Zions Bancorp 6.950%[2]	38,525	1,143
		6,972
Industrials—0.5%		
General Electric Co. Series D, 5.000%[2]	1,485[9]	1,579
TOTAL PREFERRED STOCKS (Identified Cost $8,861)		**9,474**
COMMON STOCKS—0.0%		
Consumer Discretionary—0.0%		
Mark IV Industries	446	13
TOTAL COMMON STOCKS (Identified Cost $4)		**13**

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
AFFILIATED MUTUAL FUND—3.1%		
Virtus Credit Opportunities Fund Class R6[15]	934,418	$ 9,186
TOTAL AFFILIATED MUTUAL FUND (Identified Cost $9,341)		**9,186**
TOTAL LONG TERM INVESTMENTS—99.6% (Identified Cost $303,325)		**300,203**[16]
TOTAL INVESTMENTS—99.6% (Identified Cost $303,325)		**300,203**[1]
Other assets and liabilities, net—0.4%		1,272
NET ASSETS—100.0%		**$301,475**

Abbreviations:

FHLMC Federal Home Loan Mortgage Corporation ("Freddie Mac").
FNMA Federal National Mortgage Association ("Fannie Mae").
PIK Payment-in-Kind Security
REIT Real Estate Investment Trust

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.
(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, 2016, these securities amounted to a value of $122,710 or 40.7% 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) No contractual maturity date.
(6) Interest payments may be deferred.
(7) This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
(8) This loan will settle after September 30, 2016, at which time the interest rate, based on the London Interbank Offered Rate ("LIBOR") and the agreed upon spread on trade date, will be reflected.
(9) Value shown as par value.
(10) 100% of the income received was in cash.
(11) Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.
(12) Security in default no interest payments are being received during the bankruptcy proceedings.
(13) Illiquid security.
(14) Security in default, interest payments are being received during the bankruptcy proceedings.
(15) Shares of this fund are publicly offered and its prospectus and annual report are publicly available.
(16) All or a portion of the Fund's assets have been segregated for delayed delivery securities.
(17) Represents unfunded portion of security and commitment fee earned on this portion.

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	68%
Canada	3
Mexico	3
Argentina	2
Brazil	2
Indonesia	2
Turkey	2
Other	18
Total	100%

† % of total investments as of September 30, 2016

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	$ 12,480	$ —	$ 11,924	$ 556
Corporate Bonds And Notes	160,918	—	159,925	993
Foreign Government Securities	33,004	—	33,004	—
Loan Agreements	29,794	—	29,742	52
Mortgage-Backed Securities	44,912	—	44,912	—
Municipal Bonds	422	—	422	—
Equity Securities:				
Affiliated Mutual Fund	9,186	9,186	—	—
Common Stocks	13	—	—	13
Preferred Stocks	9,474	2,493	6,981	
Total Investments	$300,203	$11,679	$286,910	$1,614

There were no transfers from Level 1 to Level 2 related to securities held as of September 30, 2016.

Securities held by the Fund with an end of period value of $1,143 were transferred from Level 2 into Level 1 since starting to use an exchange price.

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

VIRTUS MULTI-SECTOR INTERMEDIATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

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	Common Stocks	Corporate Bonds And Notes	Loan Agreements
Investments in Securities					
Balance as of September 30, 2015:	$ 929	$544	$16	$ —	$ 369
Accrued discount/(premium)	1	—	—	—	1
Realized gain (loss)	—	—	—	—	—
Change in unrealized appreciation /(depreciation)[c]	(309)	12	(3)	—	(318)
Purchases	1,618	—	—	1,618	
Sales[b]	(743)	—	—	(743)	—
Transfers into Level 3[a]	118	—	—	118[d]	—
Transfers from Level 3[a]	—	—	—	—	—
Balance as of September 30, 2016	$1,614	$556[e]	$13[e]	$ 993[e]	$ 52[e]

[a] *"Transfers into and/or from" represent the ending value as of September 30, 2016, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.*
[b] *Includes paydown on securities.*
[c] *Included in the related net change in unrealized appreciation/(depreciation) in the Statements of Operations. The change in unrealized appreciation/(depreciation) on investments still held as of September 30, 2016, was ($427).*
[d] *The transfers into Level 3 are due to a decrease in trading activities at period end.*
[e] *The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.*

None of the securities in this table are internally fair valued.

VIRTUS SENIOR FLOATING RATE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
MORTGAGE-BACKED SECURITIES—0.2%		
Non-Agency—0.2%		
Home Equity Loan Trust 07-HSA3, AI4 6.110%, 6/25/37[2]	$ 1,146	$ 1,153
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost $1,135)		**1,153**
CORPORATE BONDS AND NOTES—4.9%		
Consumer Discretionary—0.6%		
Boyd Gaming Corp. 6.875%, 5/15/23	365	398
IHO Verwaltungs GmbH PIK Interest Capitalization 144A 4.125%, 9/15/21[3][4]	330	334
PetSmart, Inc. 144A 7.125%, 3/15/23[3]	905	952
SFR (Numericable) Group S.A. 144A 6.000%, 5/15/22[3]	615	630
TRI Pointe Group, Inc. 4.875%, 7/1/21	1,165	1,197
		3,511
Consumer Staples—0.2%		
Dole Food Co., Inc. 144A 7.250%, 5/1/19[3]	880	895
Energy—0.9%		
Antero Midstream Partners LP 144A 5.375%, 9/15/24[3]	430	436
Carrizo Oil & Gas, Inc. 6.250%, 4/15/23	895	891
FTS International, Inc. 144A 8.350%, 6/15/20[2]	1,120	952
6.250%, 5/1/22	825	320
Laredo Petroleum, Inc. 5.625%, 1/15/22	620	604
Newfield Exploration Co. 5.750%, 1/30/22	580	602
Range Resources Corp. 144A 5.000%, 8/15/22[3]	600	600
Whiting Petroleum Corp. 5.750%, 3/15/21	350	329
		4,734
Financials—0.5%		
iStar Financial, Inc. 4.875%, 7/1/18	785	792
5.000%, 7/1/19	430	430
Springleaf Finance Corp. 5.250%, 12/15/19	1,410	1,444
		2,666
Health Care—0.6%		
Capsugel S.A. PIK Interest Capitalization, 144A 7.000%, 5/15/19[3][4]	270	271
Health Care—continued		
Quintiles Transnational Corp. 144A 4.875%, 5/15/23[3]	$ 385	$ 398
Surgery Center Holdings, Inc. 144A 8.875%, 4/15/21[3]	435	465
Tenet Healthcare Corp. 5.000%, 3/1/19	415	410
4.350%, 6/15/20[2]	730	737
6.000%, 10/1/20	435	461
Valeant Pharmaceuticals International, Inc. 144A 5.375%, 3/15/20[3]	750	698
		3,440
Industrials—0.5%		
American Airlines Group, Inc. 144A 4.625%, 3/1/20[3]	460	466
Standard Industries, Inc. 144A 5.500%, 2/15/23[3]	555	580
Wheels Up Finance I LLC 16-01, A 0.500%, 6/30/17[2][8][12]	309	306
16-01, A 7.500%, 6/30/24[8]	1,445	1,430
		2,782
Information Technology—0.3%		
Diamond 1 Finance Corp. / Diamond 2 Finance Corp. 144A 5.875%, 6/15/21[3]	610	649
First Data Corp. 144A 5.000%, 1/15/24	600	611
144A 5.750%, 1/15/24	225	232
		1,492
Materials—0.9%		
Ardagh Packaging Finance plc 144A 6.250%, 1/31/19[3]	400	411
Hexion U.S. Finance Corp. 6.625%, 4/15/20	645	569
INEOS Group Holdings S.A. 144A 5.875%, 2/15/19[3]	1,130	1,157
Reynolds Group Issuer, Inc. 144A 4.127%, 7/15/21[2]	1,500	1,526
144A 5.125%, 7/15/23	575	594
Vedanta Resources plc 144A 6.000%, 1/31/19[3]	685	683
		4,940
Telecommunication Services—0.3%		
Altice Financing S.A. 144A 6.625%, 2/15/23[3]	875	901
West Corp. 144A 4.750%, 7/15/21[3]	695	718
		1,619
Utilities—0.1%		
Talen Energy Supply LLC 144A 4.625%, 7/15/19[3]	$ 780	$ 737
TOTAL CORPORATE BONDS AND NOTES (Identified Cost $26,974)		**26,816**
LOAN AGREEMENTS[2]—100.5%		
Consumer Discretionary—24.8%		
Advantage Sales & Marketing, Inc. Second Lien, 7.500%, 7/25/22	890	849
Affinity Gaming LLC 5.000%, 7/1/23	1,033	1,036
Altice U.S. Finance I Corp. 4.250%, 12/14/22	1,634	1,649
Aristocrat Leisure Ltd. Tranche B-1 3.500%, 10/20/21	2,241	2,252
Aspen Merger Sub (Coinstar), Inc. 0.000%, 9/26/23[7]	1,264	1,272
Boyd Gaming Corp. Tranche B, 5.500%, 8/14/20	1,537	1,549
Tranche B-2 3.524%, 9/15/23	448	452
Caesars Entertainment Operating Co., Inc. Tranche B-4, 11.500%, 10/31/16[11]	943	1,088
Tranche B-6, 9.750%, 3/1/17[11]	2,558	2,808
Tranche B-7, 11.250%, 3/1/17[11]	1,270	1,456
Caesars Entertainment Resort Properties LLC 7.000%, 10/11/20	3,903	3,902
Caesars Growth Properties Holdings LLC Tranche B, First Lien, 6.250%, 5/8/21	1,229	1,216
CBAC Borrower LLC Tranche B, 8.250%, 7/2/20	951	938
CDS U.S. Intermediate Holdings, Inc. First Lien, 5.000%, 7/8/22	1,597	1,601
Cengage Learning, Inc. 5.250%, 6/7/23	1,466	1,468
Charter Communications Operating LLC (CCO Safari LLC) Tranche F, 3.000%, 1/3/21	6,117	6,142
Tranche H, 3.250%, 8/24/21	1,098	1,104
Tranche I, 3.500%, 1/24/23	1,341	1,352
CityCenter Holdings LLC Tranche B, 4.250%, 10/16/20	2,056	2,073
CS Intermediate Holding Co. II LLC 4.000%, 4/4/21	2,957	2,977

VIRTUS SENIOR FLOATING RATE FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Consumer Discretionary—continued		
CSC Holdings, Inc. 5.000%, 10/9/22	$ 5,047	$ 5,069
Delta 2 (Lux) S.a.r.l. Tranche B-3, 4.750%, 7/30/21	1,813	1,818
Diamond Resorts International, Inc. 7.000%, 9/2/23	233	232
El Dorado Resorts, Inc. 4.250%, 7/25/22	1,032	1,037
Federal-Mogul Corp. Tranche C, 4.750%, 4/15/21	2,284	2,214
Floor & Decor Outlets of America, Inc. 0.000%, 9/29/23[7]	1,637	1,639
Gates Global LLC 4.250%, 7/6/21	2,127	2,099
Graton Resort & Casino Tranche B, 4.750%, 9/1/22	1,026	1,034
Harbor Freight Tools USA, Inc. 4.000%, 8/18/23	2,447	2,464
Hilton Worldwide Finance LLC Tranche B-1 3.500%, 10/26/20	797	803
Tranche B-2 3.215%, 10/25/23	8,146	8,205
iHeartCommunications, Inc. Tranche D, 7.274%, 1/30/19	4,503	3,481
Intelsat Jackson Holdings S.A. Tranche B-2, 3.750%, 6/30/19	1,838	1,753
KAR Auction Services, Inc. Tranche B-2, 4.063%, 3/11/21	2,532	2,553
Laureare Education, Inc. 2021 Extended, 8.157%, 3/17/21	2,432	2,424
Leslie's Poolmart, Inc. Tranche B 5.250%, 8/16/23	1,152	1,161
Libbey Glass, Inc. 3.750%, 4/9/21	1,395	1,402
MCC LLC Tranche H, 3.250%, 1/29/21	1,626	1,638
Tranche G, 3.500%, 6/30/21	2,295	2,310
Metaldyne LLC 3.750%, 10/20/21	2,579	2,592
MGM Growth Properties 4.000%, 4/25/23	2,508	2,534
Michaels Stores, Inc. 3.750%, 1/30/23	3,234	3,251
Mohegan Tribal Gaming Authority Tranche B, 5.500%, 6/15/18	2,230	2,234
0.000%, 9/30/23[7]	1,455	1,440
Neiman Marcus Group 4.250%, 10/25/20	1,821	1,681
Consumer Discretionary—continued		
Nexstar Broadcasting, Inc. 0.000%, 9/26/23[7]	$ 113	$ 113
Party City Holdings, Inc. 4.370%, 8/19/22	2,979	2,994
Penn National Gaming, Inc. Tranche B, 3.250%, 10/30/20	2,175	2,181
PetSmart, Inc. Tranche B-1, 4.250%, 3/11/22	1,106	1,110
Scientific Games International, Inc. Tranche B-2, 6.000%, 10/1/21	2,758	2,767
ServiceMaster Co. LLC (The) 4.250%, 7/1/21	5,192	5,251
SFR Group S.A.(Numericable) Tranche B-1 5.002%, 1/15/24	2,170	2,196
Sinclair Television Group, Inc. Tranche B-1, 3.500%, 7/30/21	2,723	2,742
SRAM LLC First Lien, 4.500%, 4/10/20	1,638	1,597
Station Casinos LLC Tranche B, 3.750%, 6/8/23	2,032	2,048
TI Group Auto Systems LLC 4.500%, 6/30/22	1,131	1,136
Transtar Holding Co. First Lien, 7.750%, 10/9/18[6][8]	1,418	1,141
Second Lien, 12.000%, 10/9/19[6][8]	460	63
Tribune Media Co. Tranche B, 3.750%, 12/27/20	2,597	2,622
U.S. Farathane LLC Tranche B-2, 5.750%, 12/23/21	2,013	2,023
UFC Holdings LLC First Lien 5.000%, 8/18/23	1,380	1,394
University Support Services LLC 6.250%, 7/6/22	1,132	1,140
Univision Communications, Inc. Tranche C-3 4.000%, 3/1/20	6,219	6,237
Tranche C-4 4.000%, 3/1/20	3,352	3,362
		136,369
Consumer Staples—7.5%		
Albertson's LLC Trance B-4, 4.500%, 8/25/21	2,252	2,272
Tranche B-5, 4.750%, 12/21/22	2,030	2,053
Amplify Snack Brands, Inc. 6.500%, 9/2/23	1,750	1,740
ARAMARK Corp. Tranche E, 3.338%, 9/7/19	2,696	2,716
ASP MSG Acquisitions, Co., Inc. 6.000%, 8/16/23	1,180	1,187
Consumer Staples—continued		
Charger OpCo B.V. (Oak Tea, Inc.) Tranche B-1, 4.250%, 7/2/22	$ 889	$ 896
Chobani LLC 0.000%, 9/29/23[7]	346	344
Coty, Inc. Tranche B, 3.750%, 10/27/22	845	856
Crossmark Holdings, Inc. First Lien, 4.500%, 12/20/19[8]	1,948	1,282
Second Lien, 8.750%, 12/21/20[8]	520	235
Dell International, Inc. Tranche B 4.000%, 9/7/23	7,020	7,070
Dole Food Co., Inc. Tranche B, 4.500%, 11/1/18	2,155	2,165
Galleria Co. Tranche B, 3.750%, 1/26/23	1,698	1,708
Hostess Brands LLC Tranche B, First Lien, 4.500%, 8/3/22	2,544	2,566
Tranche B, Second Lien, 8.500%, 8/3/23	1,900	1,917
Kronos Second Lien, 9.750%, 4/30/20	2,271	2,315
Pinnacle Foods Finance LLC 3.275%, 1/13/23	452	456
Prestige Brands, Inc. Tranche B-3, 3.500%, 9/3/21	212	213
Reynolds Group Holdings, Inc. 4.250%, 2/5/23	5,016	5,039
Rite Aid Corp. Tranche 2, Second Lien, 4.875%, 6/21/21	1,150	1,154
Spectrum Brands, Inc. 3.850%, 6/23/22	1,428	1,436
US Foods, Inc. 4.000%, 6/27/23	1,466	1,480
		41,100
Energy—2.5%		
Chesapeake Energy Corp. 8.500%, 8/23/21	325	342
Chief Exploration & Development LLC Second Lien, 7.753%, 5/16/21	1,639	1,545
Drillships Financing Holding, Inc. (Ocean Rig) Tranche B-1, 6.000%, 3/31/21	1,722	869
Drillships Ocean Ventures, Inc. 5.500%, 7/25/21	750	523
EP Energy LLC 0.000%, 6/30/21[7]	1,185	1,166
Fieldwood Energy LLC 7.000%, 8/31/20	733	613
Second Lien, 8.375%, 9/30/20	1,623	654
First Lien, 8.375%, 9/30/20	989	705

($ reported in thousands)

	PAR VALUE	VALUE
Energy—continued		
Jonah Energy LLC Second Lien, 7.500%, 5/12/21	$ 2,045	$ 1,830
MEG Energy Corp. 3.750%, 3/31/20	3,157	2,959
Paragon Offshore Finance Co. 5.250%, 7/16/21[5]	1,712	431
Sabine Oil & Gas LLC Second Lien, 12.000%, 12/31/18[6][8]	1,290	47
Seadrill Operating LP 4.000%, 2/21/21	4,061	2,039
		13,723
Financials—3.6%		
Alix Partners LLP 4.500%, 7/28/22	3,164	3,174
Asurion LLC Tranche B-2, 4.250%, 7/8/20	717	719
Tranche B-4, 5.000%, 8/4/22	1,048	1,055
Delos Finance S.a.r.l. 3.588%, 3/6/21	2,212	2,230
iStar Financial, Inc. 5.500%, 7/1/20	463	469
Starwood Property Trust, Inc. 3.500%, 4/17/20	3,262	3,268
TransUnion LLC Tranche B-2, 3.588%, 4/9/21	5,161	5,185
Vertafore Holdings Corp. 4.750%, 6/30/23	1,028	1,033
Walter Investment Management Corp. Tranche B, 4.750%, 12/18/20	3,123	2,871
		20,004
Health Care—14.8%		
21st Century Oncology Holdings, Inc. Tranche B, 7.125%, 4/30/22	1,886	1,782
Acadia Healthcare Co., Inc. Tranche B-2, 3.750%, 2/16/23	2,071	2,088
Akorn, Inc. 5.250%, 4/16/21	2,180	2,208
Alere, Inc. Tranche B, 4.250%, 6/20/22	1,553	1,545
American Renal Holdings, Inc. Tranche B, First Lien, 4.750%, 8/20/19	2,217	2,219
Amneal Pharmaceuticals LLC Tranche B, 6.000%, 11/1/19	1,859	1,866
Ardent Legacy Acquisitions, Inc. 6.500%, 8/4/21	1,543	1,536
Capsugel Holdings LLC 5.250%, 7/31/21	3,217	3,239
Health Care—continued		
Change Healthcare Holdings, Inc. Tranche B-2, 3.750%, 11/2/18	$ 1,356	$ 1,360
Tranche B-3, 3.750%, 11/2/18	490	491
Community Health Systems, Inc. (CHS) Tranche F, 4.083%, 12/31/18	1,140	1,135
Tranche G, 3.750%, 12/31/19	1,319	1,297
Tranche H, 4.000%, 1/27/21	3,567	3,509
Concordia Pharmaceuticals, Inc. 5.250%, 10/21/21	1,226	1,099
DaVita HealthCare Partners, Inc. Tranche B, 3.500%, 6/24/21	3,084	3,106
DJO Finance 4.250%, 6/8/20	1,447	1,423
Endo Luxembourg Finance Co. S.a.r.l. Tranche B, 3.750%, 9/26/22	2,234	2,232
Greatbatch, Inc. Tranche B, 5.250%, 10/27/22	834	824
HCA, Inc. Tranche B-6, 3.774%, 3/17/23	1,165	1,180
Iasis Healthcare LLC Tranche B-2, 4.500%, 5/3/18	1,951	1,933
IMS Health, Inc. Tranche B, 3.500%, 3/17/21	4,234	4,254
InVentiv Health, Inc. Tranche B-4, 7.750%, 5/15/18	2,887	2,895
Tranche B 0.000%, 9/29/23[7]	1,302	1,307
Jaguar Holding Company I 4.250%, 8/18/22	2,630	2,643
Kindred Healthcare, Inc. 4.250%, 4/9/21	1,150	1,152
MMM Holdings, Inc. 9.750%, 12/12/17[5][8]	364	355
MPH Acquisition Holdings LLC 5.000%, 6/7/23	837	849
MSO of Puerto Rico, Inc. 9.750%, 12/12/17[5][8]	265	258
National Mentor Holdings, Inc. Tranche B, 4.250%, 1/31/21	1,056	1,059
National Surgical Hospitals First Lien, 4.500%, 6/1/22	1,074	1,064
NVA Holdings, Inc. Tranche B-1, First Lien, 5.500%, 8/14/21	755	758
Second Lien, 8.000%, 8/14/22	856	857
Ortho-Clinical Diagnostics Holdings S.a.r.l. 4.750%, 6/30/21	3,162	3,100
Patterson Medical 5.750%, 8/29/22	1,617	1,601
Health Care—continued		
PRA Holdings, Inc. Tranche B-1, 4.500%, 9/23/20	$ 2,322	$ 2,335
Quintiles Transnational Corp. Tranche B, 3.250%, 5/12/22	1,116	1,117
Quorum Health Corp. 6.750%, 4/29/22	1,506	1,464
RPI Finance Trust Tranche B-4, 3.588%, 11/9/20	1,123	1,129
Select Medical Corp. Tranche B-F 6.750%, 3/3/21	1,686	1,701
Sterigenics-Nordion 4.250%, 5/16/22	1,075	1,080
Surgery Center Holdings, Inc. First Lien, 4.750%, 11/3/20	1,446	1,449
Surgical Care Affiliates, Inc. 4.250%, 3/17/22	722	728
Team Health, Inc. Tranche B, 3.838%, 11/23/22	1,945	1,959
U.S. Renal Care, Inc. First Lien, 5.250%, 12/30/22	1,672	1,610
Valeant Pharmaceuticals International, Inc. Series D-2, Tranche B, 5.000%, 2/13/19	2,093	2,098
Series C-2, Tranche B, 5.250%, 12/11/19	2	2
Series E-1, Tranche B, 5.250%, 8/5/20	3,861	3,873
Series F-1, Tranche B, 5.500%, 4/1/22	2,407	2,418
		81,187
Industrials—14.2%		
Accudyne Industries Borrower S.C.A. (Accudyne Industries LLC) (Silver II US Holdings LLC) 4.000%, 12/13/19	1,800	1,687
Air Canada 4.000%, 9/26/19	2,209	2,216
0.000%, 9/21/23[7]	633	635
American Airlines, Inc. 3.250%, 6/27/20	6,446	6,468
Tranche B, 3.502%, 4/28/23	1,210	1,215
Aspen Merger Sub (Coinstar), Inc. 0.000%, 9/27/23[7]	813	820
0.000%, 9/27/24[7]	570	567
Brickman Group Ltd. LLC (The) First Lien, 4.000%, 12/18/20	3,782	3,781
Second Lien, 7.500%, 12/17/21	1,971	1,963
Brock Holdings III, Inc. First Lien, 7.000%, 3/16/17	1,839	1,824
Builders FirstSource, Inc. 4.750%, 7/31/22	1,598	1,610

VIRTUS SENIOR FLOATING RATE FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Industrials—continued		
Cortes NP Acquisition Corp.		
0.000%, 9/29/23[7]	$ 1,061	$ 1,029
Filtration Group Corp.		
First Lien,		
4.250%, 11/20/20	1,411	1,420
Second Lien,		
8.250%, 11/22/21	543	545
Gardner Denver, Inc.		
4.250%, 7/30/20	1,771	1,719
Harland Clarke Holdings Corp.		
Tranche B-3,		
7.000%, 5/22/18	772	764
Tranche B-4,		
6.993%, 8/4/19	641	632
Tranche B-5,		
7.000%, 12/31/19	970	954
HD Supply, Inc.		
3.750%, 8/13/21	2,941	2,952
0.000%, 10/16/23[7]	669	671
Headwaters, Inc. Tranche B-1,		
4.000%, 3/24/22	3,112	3,133
Husky Injection Molding Systems Ltd.		
4.250%, 6/30/21	3,258	3,258
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien,		
5.000%, 5/4/22	1,783	1,797
MRC Global (U.S.), Inc. (f/k/a McJunkin Red Man Corp.)		
5.000%, 11/8/19	1,853	1,814
Navistar, Inc. Tranche B		
6.500%, 8/7/20	1,310	1,315
NV, Inc.		
5.750%, 10/19/22	1,443	1,444
Quikrete Co., Inc. First Lien,		
4.000%, 9/28/20	2,829	2,855
Rexnord LLC Tranche B,		
4.000%, 8/21/20	3,959	3,972
Science Applications		
Tranche B,		
3.250%, 5/4/22	1,501	1,512
Sedgwick Claims Management Services, Inc.		
First Lien,		
3.750%, 3/1/21	3,471	3,453
Second Lien,		
6.750%, 2/28/22	1,725	1,711
SiteOne Landscaping Supply LLC		
6.250%, 4/29/22	1,230	1,243
Spin Holdco, Inc. First Lien,		
4.250%, 11/14/19	2,257	2,251
The ADT Corp.		
4.750%, 5/2/22	1,668	1,686
TransDigm, Inc.		
Tranche D,		
3.794%, 6/4/21	1,620	1,623
Tranche F,		
3.750%, 6/9/23	6,044	6,054
United Airlines, Inc. (f/k/a Continental Airlines, Inc.)		
Tranche B-1,		
3.500%, 9/15/21	1,148	1,155

	PAR VALUE	VALUE
Industrials—continued		
Waste Industries		
3.500%, 2/27/20	$ 2,163	$ 2,176
Wex, Inc.		
4.250%, 6/30/23	2,028	2,055
		77,979
Information Technology—10.4%		
Abacus Innovations Corp.(Leidos, Inc.)		
3.274%, 8/16/23	1,410	1,420
Allflex Holdings III, Inc.		
First Lien,		
4.250%, 7/17/20	1,552	1,550
Alorica, Inc.		
5.500%, 6/30/22	411	417
Applied Systems, Inc.		
Second Lien,		
7.500%, 1/24/22	1,145	1,158
Avago Technologies Cayman Finance Ltd.		
3.524%, 2/1/23	3,965	4,017
Blackboard, Inc.		
Tranche B-4		
0.000%, 10/4/18[7]	2,030	2,028
Tranche B-4		
0.000%, 6/30/21[7]	3,706	3,682
BMC Software, Inc.		
0.000%, 9/10/20[7]	1,845	1,784
CCC Information Services		
4.000%, 12/20/19	2,251	2,253
CDW LLC		
3.000%, 8/17/23	5,411	5,434
Cypress Semiconductor Corp.		
6.500%, 7/5/21	1,800	1,826
Deltek, Inc.		
First Lien		
5.000%, 6/25/22	190	191
Second Lien		
9.500%, 6/26/23	858	870
Donnelley Financial Solutions		
0.000%, 9/26/23[7]	636	640
First Data Corp.		
Tranche 2021		
4.525%, 3/24/21	5,876	5,926
Tranche 2022		
4.275%, 7/8/22	1,664	1,675
Infinity Acquisition Ltd.		
4.250%, 8/6/21	2,546	2,435
Infor (U.S.), Inc.		
Tranche B-3,		
3.750%, 6/3/20	1,419	1,413
Tranche B-5,		
3.750%, 6/3/20	3,412	3,397
Mitchell International, Inc.		
4.500%, 10/13/20	3,295	3,300
Second Lien,		
8.500%, 10/11/21	1,291	1,266
MKS Instruments, Inc.		
4.250%, 5/1/23	521	528
NXP BV Tranche F		
3.405%, 12/7/20	806	810
On Semiconductor		
0.000%, 3/31/23[7]	1,258	1,265

	PAR VALUE	VALUE
Information Technology—continued		
Presidio, Inc. Refinancing,		
5.250%, 2/2/22	$ 1,405	$ 1,406
Press Ganey Holdings, Inc.		
0.000%, 9/29/23[7]	297	298
Sophia, LP		
4.750%, 9/30/22	2,536	2,541
SS&C European Holdings S.a.r.l.		
Tranche A-1,		
3.274%, 7/8/20	179	179
Tranche A-2,		
3.274%, 7/8/20	277	278
Tranche B-2,		
4.000%, 7/8/22	132	134
Tranche B-1,		
4.000%, 7/8/22	1,066	1,075
Western Digital Corp.		
Tranche B-1,		
4.500%, 4/29/23	2,290	2,317
		57,513
Materials—10.5%		
ABC Supply, Inc.		
0.000%, 9/23/23[7]	238	239
American Builders & Contractors Supply Co., Inc.		
Tranche B,		
3.500%, 4/16/20	4,305	4,321
Anchor Glass Container Corp.		
Tranche B,		
4.750%, 7/1/22	4,122	4,154
Ardagh Packaging Finance plc		
4.000%, 12/17/19	854	859
Berlin Packaging, Inc. S.a.r.l.		
First Lien,		
4.500%, 10/1/21	1,315	1,322
Berry Plastics Corp.		
Tranche D,		
3.500%, 2/8/20	4,485	4,496
Tranche G,		
3.500%, 1/6/21	1,843	1,847
Tranche H,		
3.750%, 10/1/22	631	634
CPG International, Inc.		
4.750%, 9/30/20	1,743	1,748
CPI Acquisition, Inc. First Lien,		
5.500%, 8/17/22	2,257	2,211
Fortescue Metals Group (FMG) Resources Property Ltd.		
3.750%, 6/30/19	3,821	3,822
Huntsman International LLC		
Tranche 14-1		
3.750%, 10/1/21	3,930	3,956
Tranche 16-B,		
4.250%, 4/1/23	430	433
Ineos U.S .Finance LLC		
3.750%, 12/15/20	6,871	6,895
Kraton Polymers		
6.000%, 1/6/22	1,800	1,817
Macdermid, Inc. (Platform Speciality Products Corp.)		
Tranche B-3,		
5.500%, 6/7/20	1,776	1,787

VIRTUS SENIOR FLOATING RATE FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Materials—continued		
Omnova Solutions, Inc. Tranche B-2, 5.250%, 8/25/23	$ 2,843	$ 2,839
Owens Illinois, Inc. Tranche B, 3.500%, 9/1/22	553	558
PolyOne Corp. Tranche B-1, 3.500%, 11/11/22	400	405
PQ Corp. Tranche B-1, 5.750%, 11/4/22	619	625
Royal Holdings, Inc. First Lien, 4.500%, 6/20/22	2,112	2,126
Solenis International LP First Lien, 4.250%, 7/31/21	2,297	2,297
Summit Materials 4.000%, 7/18/22	3,510	3,528
Univar, Inc. 4.250%, 7/1/22	2,848	2,856
W.R. Grace & Co. 2.759%, 2/3/21	2,038	2,044
		57,819
Real Estate—2.7%		
Capital Automotive LP Tranche B-1, 4.000%, 4/10/19	1,086	1,095
Second Lien, 6.000%, 4/30/20	1,828	1,847
Communications Sales & Leasing, Inc. 5.000%, 10/24/22	1,468	1,477
DTZ U.S. Borrower, LLC (DTZ AUS Holdco PTY Ltd.) First Lien, 4.250%, 11/4/21	2,963	2,970
ESH Hospitality, Inc. 3.750%, 8/30/23	799	806
Realogy Group LLC 3.750%, 7/20/22	3,561	3,609
Ziggo Secured Finance Partnership Tranche D 3.532%, 8/31/24	3,131	3,140
		14,944
Telecommunication Services—4.8%		
Cable & Wireless / Sable International Finance Tranche B-1, 5.588%, 1/3/23	1,296	1,310
Tranche B-2, 5.830%, 1/3/23	1,060	1,072
Global Tel*Link Corp. First Lien, 5.000%, 5/23/20	1,783	1,732
Level 3 Financing, Inc. Tranche B-III, 4.000%, 8/1/19	2,575	2,591
Tranche B, 2020 4.000%, 1/15/20	3,388	3,410
Tranche B-II, 3.500%, 5/31/22	2,343	2,359
SBA Senior Finance II LLC Tranche B-1, 3.340%, 3/24/21	3,701	3,715
Telecommunication Services—continued		
Securus Technologies Holdings, Inc. First Lien, 4.750%, 4/30/20	$ 1,482	$ 1,467
Tranche B-2, 5.250%, 4/30/20	759	752
UPC Financing Partnership 4.080%, 8/31/24	3,189	3,205
Virgin Media Investment Holdings Ltd. Tranche F, 3.649%, 6/30/23	2,590	2,605
West Corp. Tranche B-12, 3.750%, 6/17/23	1,146	1,153
XO Communications LLC 4.250%, 3/20/21	1,254	1,259
		26,630
Utilities—4.7%		
Atlantic Power LP 6.000%, 4/13/23	1,838	1,862
Calpine Construction Finance Co. LP Tranche B-1, 3.090%, 5/3/20	4,649	4,622
Tranche B-2, 3.340%, 1/31/22	3,779	3,765
Dayton Power and Light Co. 4.000%, 8/24/22	276	280
Dynegy Finance IV, Inc. 5.000%, 6/27/23	3,857	3,893
Energy Future Holding Corp. 5.000%, 10/31/17[5]	1,365	1,377
Tranche C 5.000%, 10/31/17[5]	312	315
NRG Energy, Inc. 3.500%, 6/30/23	7,139	7,164
Texas Competitive Electric Holdings Co. LLC 2017 Extended, 4.998%, 10/10/17[5]	9,165	2,665
		25,943
TOTAL LOAN AGREEMENTS (Identified Cost $563,706)		**553,211**
	SHARES	
AFFILIATED MUTUAL FUND—1.1%		
Virtus Credit Opportunities Fund Class R6[10]	610,288	5,999
TOTAL AFFILIATED MUTUAL FUND (Identified Cost $6,100)		**5,999**
TOTAL LONG TERM INVESTMENTS—106.7% (Identified Cost $597,915)		**587,179**[9]
TOTAL INVESTMENTS—106.7% (Identified Cost $597,915)		**587,179**[1]
Other assets and liabilities, net—(6.7)%		(37,000)
NET ASSETS—100.0%		**$550,179**

Abbreviation:

PIK Payment-in-Kind Security

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.

(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, 2016, these securities amounted to a value of $15,896 or 2.9% of net assets.

(4) 100% of the income received was in cash.

(5) Security in default, interest payments are being received during the bankruptcy proceedings.

(6) Security in default no interest payments are being received during the bankruptcy proceedings.

(7) This loan will settle after September 30, 2016, at which time the interest rate, based on the London Interbank Offered Rate ("LIBOR") and the agreed upon spread on trade date, will be reflected.

(8) Illiquid security.

(9) All or a portion of the Fund's assets have been segregated as collateral for delayed delivery settlements and leverage.

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

(11) Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.

(12) Represents unfunded portion of security and commitment fee earned on this portion.

Country Weightings† (Unaudited)

United States	94%
Canada	2
Luxembourg	2
Australia	1
Cayman Islands	1
Total	100%

† % of total investments as of September 30, 2016

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

See Notes to Financial Statements

($ reported in thousands)

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Corporate Bonds And Notes	$ 26,816	$ —	$ 25,080	$1,736
Loan Agreements	553,211	—	553,101	110
Mortgage-Backed Securites	1,153	—	1,153	—
Equity Securities:				
Affiliated Mutual Fund	5,999	5,999	—	—
Total Investments	$587,179	$5,999	$579,334	$1,846

There were no transfers between Level 1 and Level 2 related to securities held as of September 30, 2016.

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	Corporate Bonds	Loan Agreements
Investments in Securities			
Balance as of September 30, 2015:	$ 446	$ —	$ 446
Accrued discount/(premium)	2	1	1
Realized gain (loss)	—	—	—[f]
Change in unrealized appreciation (depreciation)[d]	(385)	(1)	(384)
Purchases	3,209	3,209	—
Sales[b]	(1,473)	(1,473)	—
Transfers into Level 3[a]	47[c]	—	47[c]
Transfers from Level 3[a]	—	—	—
Balance as of September 30, 2016	$ 1,846	$ 1,736[e]	$ 110[e]

[a] *"Transfers into and/or from" represent the ending value as of September 30, 2016, for any investment security where a change in the pricing level occurred from the beginning to the end of the period."*
[b] *Includes paydown on securities.*
[c] *The transfers into Level 3 are due to a decrease in trading activities at period end.*
[d] *Included in the related net change in unrealized appreciation (depreciation) in the Statements of Operations. The change in unrealized appreciation (depreciation) on investments still held at September 30, 2016, was $(1,642).*
[e] *The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.*
[f] *Amount is less than $500.*

None of the securities in this table are internally fair valued.

VIRTUS TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
MUNICIPAL BONDS[3]—97.7%		
Alabama—2.8%		
Jefferson County School Warrant Revenue, 5.250%, 1/1/17	$ 4,000	$ 4,057
Pell City Special Care Facilities Financing Authority, Noland Health Services Revenue, 4.000%, 12/1/25	500	536
5.000%, 12/1/25	1,000	1,141
		5,734
Arizona—3.8%		
Arizona Department of Transportation State Highway Fund Revenue (Pre-refunded 7/1/26 @ 100) 5.000%, 7/1/36	500	617
Arizona State Health Facilities Authority, Scottsdale Lincoln Hospital Revenue, 5.000%, 12/1/24	565	706
Arizona State University 5.000%, 7/1/37	360	439
5.000%, 7/1/36	1,000	1,222
Mesa, City of, Excise Tax Revenue 5.000%, 7/1/27	500	515
Northern Arizona University, Stimulus Plan for Economic and Educational Development Revenue, 5.000%, 8/1/24	1,115	1,345
5.000%, 8/1/25	2,290	2,758
		7,602
Arkansas—0.3%		
University of Arkansas, Facility Revenue, (Pre-refunded 11/1/26 @100) 5.000%, 11/1/33	505	625
California—6.2%		
California Health Facilities Financing Authority 4.000%, 10/1/36	275	305
California Health Facilities Financing Authority, Sutter Health Revenue, 5.000%, 11/15/30	600	748
California Municipal Finance Authority, Bowles Hall Foundation Revenue, 4.000%, 6/1/21	100	109
Bowles Hall Foundation Revenue, 4.500%, 6/1/23	225	255
California—continued		
Bowles Hall Foundation Revenue, 4.500%, 6/1/24	$ 150	$ 171
Community Medical Centers, (Pre-refunded 2/1/17 @100) 5.000%, 2/1/27	400	481
California, State of, General Obligation, 5.000%, 10/1/23	150	150
5.000%, 2/1/24	1,500	1,832
California, State of, Public Works Board, Judicial Council Projects Revenue, 5.000%, 3/1/27	500	605
Garden Grove Agency Community Development Successor Agency, Tax Allocation Revenue (BAM Insured), 5.000%, 10/1/30	1,000	1,225
Metropolitan Water District of Southern California Revenue, 3.000%, 10/1/19[2]	2,000	2,096
Oakland Unified School District, General Obligation, 5.000%, 8/1/29	1,000	1,247
5.000%, 8/1/30	500	620
San Diego Public Facilities Financing Authority Sewer Revenue, (Pre-refunded 11/15/16 @100) 5.000%, 5/15/32	2,000	2,512
Temecula Valley Unified School District Financing Authority, Special Tax Revenue (BAM Insured), 5.000%, 9/1/25	175	215
		12,571
Colorado—5.4%		
Colorado State Health Facilities Authority, Catholic Health Initiatives Revenue, 6.250%, 10/1/33	650	714
E-470 Public Highway Authority Revenue, 5.000%, 9/1/20	340	386
(NATL Insured), 0.000%, 9/1/29	665	358
Public Authority For Colorado Energy, Natural Gas Purchase Revenue, 6.125%, 11/15/23	2,135	2,644
6.250%, 11/15/28	2,250	2,983
University of Colorado, Enterprise Revenue 5.000%, 6/1/19	625	691
(Pre-refunded 6/1/19 @100) 5.625%, 6/1/22	1,650	1,853
Colorado—continued		
(Pre-refunded 6/1/21 @100) 5.000%, 6/1/24	$ 1,000	$ 1,180
		10,809
Connecticut—0.9%		
Connecticut State Health & Educational Facility Authority, Hartford Healthcare Revenue, 5.000%, 7/1/25	1,500	1,814
District of Columbia—2.7%		
Metropolitan Washington Airports Authority, Dulles Toll Road Revenue, Second Lien, (AGC Insured) 0.000%, 10/1/41	4,000	5,425
Florida—5.6%		
Brevard County Health Facilities Authority, Health First Revenue, 5.000%, 4/1/21	115	133
(Pre-refunded 4/1/19 @100) 7.000%, 4/1/39	1,050	1,207
Broward County School District, Certificates of Participation, (Pre-refunded 1/1/17 @100) 5.000%, 7/1/32	300	362
Central Florida Expressway Authority (Pre-refunded 7/1/26 @100), Second Lien, Series B 4.000%, 7/1/30	200	225
Lee County Transportation Facilities Revenue, (AGM Insured) 5.000%, 10/1/19	400	446
Miami Beach Redevelopment Agency, Tax Increment Revenue, 5.000%, 2/1/32	300	355
Miami Beach, City of, Stormwater Revenue, 5.250%, 9/1/23	1,265	1,498
Miami-Dade County Aviation Revenue, 5.000%, 10/1/24	2,425	2,883
Miami-Dade County Educational Facilities Authority, University of Miami Revenue, 5.000%, 4/1/30	200	242
Miami-Dade County Expressway Authority Series A 5.000%, 7/1/33	400	489

VIRTUS TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Florida—continued		
Miami-Dade County School Board, Certifiicates of Participation, (Pre-refunded 2/1/17 @100)		
5.000%, 2/1/34	$ 1,700	$ 2,023
South Florida Water Management District, Certificates of Participation, (Pre-refunded 4/1/17 @100)		
5.000%, 10/1/35	750	899
Tallahassee, City of, Health Facilities Revenue, Tallahassee Memorial Healthcare		
5.000%, 12/1/36	480	559
		11,321
Georgia—2.8%		
Athens-Clarke County Unified Government, Water and Sewer Revenue (Pre-refunded 1/19/19 @100)		
5.625%, 1/1/28	1,500	1,656
Atlanta Water & Wastewater Revenue, (Pre-refunded 11/1/16 @100)		
5.000%, 11/1/31	650	796
DeKalb County Water & Sewer Revenue,		
5.250%, 10/1/26	2,750	3,278
		5,730
Idaho—0.8%		
Idaho Housing & Finance Association, Federal Highway Grant Anticipation Revenue,		
4.500%, 7/15/29	1,500	1,679
Illinois—7.6%		
Chicago O'Hare International Airport, Customer Facilities Charge Revenue, Senior Lien,		
5.000%, 1/1/21	1,250	1,406
Passenger Facilities Charge Revenue,		
5.000%, 1/1/20	750	841
Chicago Park District, General Obligation (NATL Insured),		
5.000%, 1/1/31	660	661
Chicago, City of, Sales Tax Revenue,		
5.000%, 1/1/21	750	842
Waterworks Revenue, Second Lien,		
5.000%, 11/1/22	500	580
Waterworks Revenue, Second Lien,		
5.000%, 11/1/30	500	596
Illinois—continued		
Illinois Finance Authority Series A-1		
0.830%, 8/15/38[2]	$ 1,000	$ 1,000
Illinois Finance Authority, KishHealth System Revenue (Escrowed to Maturity),		
4.750%, 10/1/18	700	751
Rush University Medical Center Revenue (Pre-refunded 11/15/16 @100)		
7.250%, 11/1/38	1,220	1,379
Rush University Medical Center Revenue,		
5.000%, 11/15/21	250	295
Illinois State Toll Highway Authority, Toll Highway Revenue Senior Lien,		
5.000%, 1/1/32	1,000	1,225
Illinois, State of, General Obligation,		
5.000%, 4/1/22	815	914
5.000%, 2/1/26	1,490	1,676
Metropolitan Pier & Exposition Authority, McCormick Place Expansion Project Revenue (AGM Insured),		
0.000%, 6/15/26	1,000	723
University of Illinois, Auxiliary Facilities System Revenue,		
5.500%, 4/1/31	1,540	1,753
5.125%, 4/1/36	500	555
		15,197
Indiana—2.6%		
Indiana Finance Authority, Indiana University Health Center Revenue,		
5.000%, 12/1/22	800	971
Indiana University Revenue, (Pre-refunded 6/1/19 @100)		
5.250%, 6/1/23	1,320	1,471
Indianapolis Local Public Improvements Bond Bank Revenue,		
5.000%, 6/1/19	2,500	2,750
		5,192
Iowa—1.3%		
Iowa, State of, Prison Infrastructure Funding Revenue, (Pre-refunded 6/15/20 @100)		
5.000%, 6/15/27	2,250	2,577
Louisiana—0.6%		
New Orleans Sewerage Service Revenue,		
5.000%, 6/1/19	500	548
5.000%, 6/1/20	550	621
		1,169
Maine—1.4%		
Portland, City of, General Airport Revenue,		
5.000%, 7/1/26	$ 1,000	$ 1,183
5.000%, 7/1/29	580	684
5.000%, 7/1/30	770	906
		2,773
Maryland—5.3%		
Baltimore Convention Center, Hotel Revenue Senior Lien, (XLCA Insured),		
5.250%, 9/1/22	400	401
5.250%, 9/1/23	1,500	1,504
Maryland Economic Development Corp., Exelon Generation Co. Revenue,		
2.550%, 6/1/20[2]	500	510
Maryland Health & Higher Educational Facilities Authority, Anne Arundel Health System Revenue,		
5.000%, 7/1/32	250	273
Anne Arundel Health System Revenue, (Pre-refunded 7/1/19 @100)		
6.750%, 7/1/29	2,015	2,331
Medstar Health, Inc. Revenue, (Pre-refunded 2/15/17 @100)		
5.000%, 8/15/26	800	989
Maryland, State of, General Obligation,		
4.500%, 8/1/21	3,945	4,583
		10,591
Massachusetts—1.2%		
Massachusetts Bay Transportation Authority, Assessment Revenue,		
5.000%, 7/1/22	1,000	1,213
Massachusetts Water Pollution Abatement Trust, State Revolving Fund Revenue,		
5.000%, 8/1/19	1,000	1,114
		2,327
Michigan—2.0%		
Michigan Finance Authority, Beaumont Health Credit Group Revenue, (Pre-refunded 2/1/17 @100)		
5.000%, 8/1/27	1,250	1,510
Michigan State Building Authority, Facilities Program Lease Revenue		
4.000%, 10/15/36	500	548
5.000%, 4/15/25	500	627

See Notes to Financial Statements

VIRTUS TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
Michigan—continued		
Michigan, State of, Federal Highway Grant Anticipation Revenue, (AGM Insured), (Pre-refunded 9/15/17 @100)		
5.250%, 9/15/19	$ 1,015	$ 1,057
Royal Oak Hospital Finance Authority, William Beaumont Hospital Revenue,		
5.000%, 9/1/19	200	221
		3,963
Missouri—1.0%		
Metropolitan St. Louis Sewer District, Wastewater Revenue (Pre-refunded 9/15/17 @100)		
5.750%, 5/1/38	2,000	2,056
Nebraska—0.5%		
University of Nebraska – Lincoln, Student Fee Revenue, (Pre-refunded 1/1/19 @100)		
5.000%, 7/1/22	1,000	1,090
New Jersey—3.3%		
Camden County Improvement Authority Healthcare Redevelopment Project, Cooper Health System Revenue,		
5.000%, 2/15/22	950	1,115
New Jersey Economic Development Authority, Cigarette Tax Revenue (AGM Insured),		
5.000%, 6/15/22	3,000	3,473
New Jersey Housing & Mortgage Finance Agency, Mortgage Revenue,		
4.375%, 4/1/28	1,915	2,057
		6,645
New York—11.7%		
Buffalo & Erie County Industrial Land Development Corp., Catholic Health System Revenue,		
5.000%, 7/1/23	550	663
Metropolitan Transportation Authority, (Pre-refund 11/15/18 @100)		
6.250%, 11/15/18	2,510	2,792
6.250%, 11/15/23	630	701
New York—continued		
New York City General Obligation,		
6.250%, 10/15/28	$ 40	$ 44
(Pre-refunded 10/15/18 @100)		
6.250%, 10/15/28	960	1,063
New York City Industrial Development Agency, Queens Baseball Stadium Project Revenue, (AGC Insured),		
6.125%, 1/1/29	500	553
(AMBAC Insured),		
5.000%, 1/1/20	900	909
(AMBAC Insured),		
5.000%, 1/1/31	470	474
New York City Municipal Water Finance Authority, Water & Sewer System Revenue, (Pre-refunded 6/15/18 @100)		
5.500%, 6/15/21	500	540
(Pre-refunded 6/15/18 @100)		
5.500%, 6/15/22	1,000	1,079
(Pre-refunded 6/15/18 @100)		
5.625%, 6/15/24	1,050	1,135
5.750%, 6/15/40	3,530	3,822
(Pre-refunded 6/15/18 @100)		
5.750%, 6/15/40	1,060	1,147
New York City Transitional Finance Authority, Subordinate Future Tax Secured Revenue		
5.000%, 5/1/35	3,165	3,871
New York Municipal Bond Bank Agency, Special School Purpose Revenue,		
5.000%, 12/1/20	1,995	2,308
New York State Dormitory Authority, New York University Hospitals Center Revenue, (Pre-refunded 1/1/17 @100)		
5.000%, 7/1/33	150	182
Orange Regional Medical Center Revenue,		
5.000%, 12/1/23(4)	300	350
New York Transportation Development Corp., Transportation Development Revenue,		
5.000%, 8/1/26	250	277
Triborough Bridge & Tunnel Authority, Toll Revenue Surbordinate Lien,		
5.000%, 11/15/23	750	920
New York—continued		
Utility Debt Securitization Authority Restructuring Charge, Electric Revenue,		
5.000%, 6/15/26	$ 500	$ 625
		23,455
North Dakota—0.7%		
Barnes County North Public School District Building Authority, Lease Revenue,		
4.250%, 5/1/27	1,330	1,408
Ohio—2.3%		
New Albany Community Authority, Community Facilities Revenue		
5.000%, 10/1/24	1,250	1,487
Ohio State Juvenile Correction Facilities Project, Lease Revenue,		
5.000%, 10/1/20	465	535
5.000%, 10/1/21	1,080	1,277
5.000%, 10/1/22	1,135	1,376
		4,675
Oklahoma—0.7%		
Oklahoma State Turnpike Authority, Turnpike Revenue, Second Senior Lien,		
5.000%, 1/1/29	1,250	1,444
Oregon—0.8%		
Oregon Facilities Authority, University of Portland Revenue,		
5.000%, 4/1/30	240	290
Oregon, State of, General Obligation,		
5.000%, 5/1/33	1,095	1,372
		1,662
Pennsylvania—3.6%		
Butler County Hospital Authority, Butler Health System Revenue, (Pre-refunded 01/01/17 @100)		
5.000%, 7/1/30	250	298
Pennsylvania Turnpike Commission Authority, Turnpike Revenue Surbordinate Lien,		
5.250%, 12/1/31	2,000	2,333
6.000%, 12/1/34	1,500	1,768
(Pre-refunded 12/1/20 @100)		
6.000%, 12/1/34	250	300
0.000%, 12/1/38	2,000	2,481
		7,180

VIRTUS TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	PAR VALUE	VALUE
South Carolina—0.8%		
Dorchester County, Waterworks & Sewer Revenue, 5.000%, 10/1/28	$ 1,020	$ 1,223
South Carolina Association of Governmental Organizations Educational Facilities Corp., for Pickens School District Lease Revenue, (Pre-refunded 12/1/16 @100) 5.000%, 12/1/24	250	307
		1,530
Tennessee—1.1%		
Chattanooga-Hamilton County Hospital Authority, Erlanger Health System Revenue, 5.000%, 10/1/26	1,000	1,208
Tennessee Housing Development Agency, Residential Finance Program Revenue, 2.050%, 7/1/20	675	687
2.300%, 1/1/21	395	405
		2,300
Texas—12.3%		
Dallas Independent School District General Obligation, (PSF Guaranteed) (Pre-refunded 2/15/18 @100) 5.250%, 2/15/30	1,850	1,959
Forney Independent School District, General Obligation, (PSF Guaranteed) (Pre-refunded 8/15/18 @100) 5.750%, 8/15/33	750	817
(PSF Guaranteed) (Pre-refunded 8/15/18 @100) 6.000%, 8/15/37	2,000	2,188
Harris County Health Facilities Development Corp., Memorial Hermann Healthcare System, (Pre-refunded 12/1/18 @100) 7.250%, 12/1/35	2,525	2,866
Hidalgo County Drain District No 1, General Obligation, (Pre-refunded 3/1/17 @100) 5.000%, 9/1/28	1,000	1,238
La Joya Independent School District, General Obligation, (PSF Guaranteed), 5.000%, 2/15/20	1,000	1,129
North Texas Tollway Authority, Senior Lien Toll Revenue, (Pre-refunded 1/1/17 @100) 5.000%, 1/1/30	400	493
Texas—continued		
Southmost Regional Water Authority, Desalination Plant Project Revenue, (AGM Insured), 5.000%, 9/1/25	$ 1,015	$ 1,202
(AGM Insured), 5.000%, 9/1/23	1,085	1,287
Texas Municipal Gas Acquisition & Supply, Gas Supply Revenue, Corp. I, Senior. Lien, 6.250%, 12/15/26	1,580	2,001
Corp. II, 1.251%, 12/15/16(2)	3,000	2,811
Texas Transportation Commission, General Obligation, 5.000%, 4/1/22	3,250	3,916
Upper Trinity Regional Water District Authority, Regional Treated Supply System Revenue (BAM Insured), 5.000%, 8/1/24	1,340	1,646
Ysleta Independent School District, General Obligation, (PSF Guaranteed), 4.000%, 8/15/25	1,140	1,298
		24,851
Utah—0.2%		
Utah Transit Authority, Sales Tax Revenue, 5.000%, 6/15/25	250	316
Vermont—0.3%		
Burlington, City of, Airport Revenue, (AGM Insured), 5.000%, 7/1/24	200	232
Vermont Educational & Health Buildings Financing Agency, University of Vermont Health Network Revenue, (Pre-refunded 12/1/16 @100) 5.000%, 12/1/35	300	357
		589
Virginia—1.2%		
Riverside Regional Jail Authority, Jail Facility Revenue, (Pre-refunded 1/1/17 @100) 5.000%, 7/1/26	1,250	1,571
Virginia College Building Authority, Marymount University Revenue, 5.000%, 7/1/20[4]	200	218
Marymount University Revenue, 5.000%, 7/1/21[4]	400	442
Virginia—continued		
Marymount University Revenue, 5.000%, 7/1/22[4]	$ 195	$ 218
		2,449
Washington—1.9%		
County of King WA Sewer Revenue (Pre-refunded 7/1/26 @ 100) Series B 5.000%, 7/1/36	1,630	1,999
Washington, State of, General Obligation (Pre-refunded 01/01/17 @100) 5.000%, 7/1/25	1,375	1,757
		3,756
West Virginia—0.2%		
Monongalia County Building Commission, Monongalia Health System Revenue, 5.000%, 7/1/23	400	478
Wisconsin—1.8%		
Public Finance Authority, Waste Management, Inc. Revenue, 2.875%, 5/1/27	250	258
Wisconsin, State of, General Obligation, 5.000%, 5/1/21	1,910	2,245
Public Finance Authority, Renown Regional Medical Center Revenue 5.000%, 6/1/33	1,000	1,187
		3,690
TOTAL MUNICIPAL BONDS (Identified Cost $183,303)		**196,673**
TOTAL LONG TERM INVESTMENTS—97.7% (Identified Cost $183,303)		**196,673**
	SHARES	
SHORT-TERM INVESTMENT—2.2%		
Money Market Mutual Fund—2.2%		
BlackRock Liquidity Funds MuniCash Portfolio – Institutional Shares (seven-day effective yield 0.590%)[5]	4,354,946	4,355
TOTAL SHORT-TERM INVESTMENT (Identified Cost $4,355)		**4,355**
TOTAL INVESTMENTS—99.9% (Identified Cost $187,658)		**201,028**[1]
Other assets and liabilities, net—0.1%		195
NET ASSETS—100.0%		**$201,223**

See Notes to Financial Statements

($ reported in thousands)

Abbreviations:

AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
BAM	Build America Municipal Insured.
NATL	National Public Finance Guarantee Corp.
PSF	Permanent School Fund
XLCA	XL Capital Assurance

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.

(2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2016.

(3) At September 30, 2016, 21.0% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the Insurers concentration exceeds 10% of the Fund's net assets.

(4) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2016, these securities amounted to a value of $1,228 0.6% of net assets.

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

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

	Total Value at September 30, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Debt Securities:			
Municipal Bonds	$196,673	$ —	$196,673
Equity Securities:			
Short-Term Investment	4,355	4,355	—
Total Investments	$201,028	$4,355	$196,673

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

There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2016.

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

VIRTUS WEALTH MASTERS FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
COMMON STOCKS—99.6%		
Consumer Discretionary—33.6%		
Amazon.com, Inc.[2]	519	$ 435
AMC Networks, Inc. Class A[2]	7,978	414
American Eagle Outfitters, Inc.	22,266	398
AutoNation, Inc.[2]	8,611	419
Buckle, Inc. (The)	16,885	406
Cabela's, Inc.[2]	8,184	450
Carnival Corp.	8,950	437
CBS Corp. Class B	8,185	448
Choice Hotels International, Inc.	8,791	396
Columbia Sportswear Co.	7,124	404
Comcast Corp. Class A	6,104	405
Dick's Sporting Goods, Inc.	6,667	378
Dillard's, Inc. Class A	7,071	446
Discovery Communications, Inc. Class C[2]	17,185	452
DISH Network Corp. Class A[2]	7,701	422
DSW, Inc. Class A	19,098	391
Expedia, Inc.	3,799	443
Federal-Mogul Corp.[2]	42,673	410
Fossil Group, Inc.[2]	14,048	390
Gap, Inc. (The)	18,237	406
Garmin Ltd.	8,460	407
Horton (D.R.), Inc.	13,531	409
Hyatt Hotels Corp. Class A[2]	8,066	397
International Speedway Corp. Class A	12,440	416
L Brands, Inc.	5,626	398
Lands' End, Inc.[2][3]	22,769	330
Las Vegas Sands Corp.	7,215	415
Lennar Corp. Class A	9,410	398
Liberty Braves Group Class C[2]	23,632	411
Liberty Broadband Corp. Class C[2]	5,697	407
Liberty Global plc Class C[2]	12,636	418
Liberty Global plc Class C[2]	14,133	396
Liberty Interactive Corp. Class A[2]	22,088	442
Liberty Media Series Class C[2]	14,005	394
Liberty Sirius XM Group Class C[2]	12,332	412
Liberty Tripadvisor Holdings, Class A[2]	19,765	432
Liberty Ventures Class A[2]	10,633	424
Lions Gate Entertainment Corp.	19,575	391
Madison Square Garden Co. (The) Class A[2]	2,359	400
Marriott International, Inc. Class A	5,844	394
Marriott Vacations Worldwide Corp.	5,500	403
Mohawk Industries, Inc.[2]	1,986	398
MSG Networks, Inc. Class A[2]	22,537	419
News Corp. Class A	29,418	411
NIKE, Inc. Class B	7,393	389
Nordstrom, Inc.[3]	8,033	417
Papa John's International, Inc.	5,230	412
Penn National Gaming, Inc.[2]	31,806	432
Penske Automotive Group, Inc.	8,504	410
Ralph Lauren Corp.	4,134	418
Restaurant Brands International, Inc.	8,910	397
Sears Holdings Corp.[2]	34,914	400
Sears Hometown and Outlet Stores, Inc.[2]	78,874	389
Starbucks Corp.	7,586	411
Starz – Liberty Capital Class A[2]	12,985	405
Tesla Motors, Inc.[2]	1,999	408
Consumer Discretionary—continued		
Tronc, Inc.	24,008	$ 405
Twenty-First Century Fox, Inc. Class A	17,085	414
Under Armour, Inc. Class C[2]	11,932	404
Urban Outfitters, Inc.[2]	11,472	396
Viacom, Inc. Class B	11,374	433
Weight Watchers International, Inc.[2]	39,273	405
Wendy's Co. (The)	38,632	417
Wynn Resorts Ltd.	3,980	388
		26,222
Consumer Staples—5.3%		
Boston Beer Co., Inc. (The) Class A[2]	2,714	421
Brown-Forman Corp. Class B	8,726	414
Estee Lauder Cos., Inc. (The) Class A	4,648	412
HRG Group, Inc.[2]	26,702	419
Kraft Heinz Co.(The)	4,665	418
Lancaster Colony Corp.	3,105	410
Monster Beverage Corp.[2]	2,789	410
Nomad Foods Ltd.[2]	34,119	403
PriceSmart, Inc.	4,960	415
Tootsie Roll Industries, Inc.	10,905	402
		4,124
Energy—7.1%		
Archrock, Inc.	34,858	456
Cheniere Energy, Inc.[2]	9,262	404
Chesapeake Energy Corp.[2]	60,838	381
Clayton Williams Energy, Inc.[2]	4,912	420
Continental Resources, Inc.[2]	8,657	450
CVR Energy, Inc.	27,421	378
Exterran Corp.[2]	29,034	455
Hess Corp.	8,724	468
Par Petroleum Corp.[2]	30,374	397
RPC, Inc.[2]	26,560	446
Transocean Ltd.[2][3]	44,770	477
W&T Offshore, Inc.[2]	256,321	451
Western Refining, Inc.	14,541	385
		5,568
Financials—14.3%		
Altisource Portfolio Solutions SA[2]	13,025	422
American Financial Group, Inc.	5,426	407
AmTrust Financial Services, Inc.	15,443	414
Berkley (W.R.) Corp.	7,059	408
Berkshire Hathaway, Inc. Class B[2]	2,799	404
BOK Financial Corp.	6,121	422
Brown & Brown, Inc.	10,898	411
Charles Schwab Corp. (The)	13,168	416
Cohen & Steers, Inc.	9,730	416
Colony Capital, Inc. Class A	22,148	404
Credit Acceptance Corp.[2]	2,070	416
Erie Indemnity Co. Class A	4,079	416
First Citizens BancShares, Inc. Class A	1,470	432
Franklin Resources, Inc.	11,473	408
Gaming and Leisure Properties, Inc.	12,233	409
Financials—continued		
Greenlight Capital Re Ltd. Class A[2]	20,291	$ 415
Hilltop Holdings, Inc.[2]	18,586	417
Leucadia National Corp.	21,424	408
Loews Corp.	10,026	413
Mercury General Corp.	7,425	407
Morningstar, Inc.	5,154	409
National General Holdings Corp.	18,620	414
Ocwen Financial Corp.[2]	115,090	422
PJT Partners, Inc. Class A	16,154	441
Raymond James Financial, Inc.	7,095	413
Third Point Reinsurance Ltd.[2]	33,815	406
WisdomTree Investments, Inc.	39,446	406
		11,176
Health Care—3.7%		
Akorn, Inc.[2]	14,766	402
Bruker Corp.	18,350	416
Cerner Corp.[2]	6,577	406
Danaher Corp.	5,295	415
Halozyme Therapeutics, Inc.[2]	32,970	398
Intrexon Corp.[2][3]	14,592	409
OPKO Health, Inc.[2][3]	38,329	406
		2,852
Industrials—11.7%		
Air Lease Corp.	14,949	427
American Railcar Industries, Inc.	10,388	431
Cintas Corp.	3,571	402
Colfax Corp.[2]	14,192	446
Covanta Holding Corp.	27,680	426
FedEx Corp.	2,357	412
Fortive Corp.	8,031	409
Heartland Express, Inc.	21,789	411
Herc Holdings, Inc.[2]	12,473	420
Hertz Global Holdings, Inc.[2]	8,702	349
Manitowoc Co., Inc. (The)	91,545	438
Manitowoc Foodservice, Inc.[2]	24,229	393
MasTec, Inc.[2]	14,533	432
MSC Industrial Direct Co., Inc. Class A	5,745	422
Navistar International Corp.[2][3]	18,262	418
Rollins, Inc.	14,161	415
Seaspan Corp.	29,929	399
Solarcity Corp.[2][3]	22,447	439
Timken Co. (The)	12,451	438
W.W. Grainger, Inc.	1,873	421
Werner Enterprises, Inc.	17,555	409
XPO Logistics, Inc.[2]	11,495	422
		9,179
Information Technology—11.7%		
Alphabet, Inc. Class C[2]	528	411
Amkor Technology, Inc.[2]	44,532	433
Anixter International, Inc.[2]	6,814	440
CommerceHub, Inc. Series C[2]	27,234	433
eBay, Inc.[2]	12,816	422
EchoStar Corp. Class A[2]	10,222	448
Facebook, Inc. Class A[2]	3,152	404
IAC/InterActiveCorp.	6,663	416
Intuit, Inc.	3,703	407
Marvell Technology Group Ltd.	31,737	421

VIRTUS WEALTH MASTERS FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

($ reported in thousands)

	SHARES	VALUE
Information Technology—continued		
National Instruments Corp.	14,721	$ 418
Oracle Corp.	10,370	407
Paychex, Inc.	6,869	398
PayPal Holdings, Inc.[2]	10,182	417
Pegasystems, Inc.	14,204	419
Rackspace Hosting, Inc.[2]	13,010	412
RealPage, Inc.[2]	15,954	410
salesforce.com, Inc.[2]	5,529	395
SS&C Technologies Holdings, Inc.	12,668	407
Syntel, Inc.	9,503	398
TeleTech Holdings, Inc.	14,136	410
Yahoo!, Inc.[2]	9,284	400
		9,126
Materials—5.4%		
Freeport-McMoRan Copper & Gold, Inc.	38,831	421
Huntsman Corp.	26,176	426
LyondellBasell Industries N.V. Class A	5,242	423
NewMarket Corp.	985	423
Novagold Resources, Inc.[2]	71,383	400
Platform Specialty Products Corp.[2]	47,475	385
Scotts Miracle-Gro Co. (The) Class A	5,043	420
Silgan Holdings, Inc.	8,284	419
Timkensteel Corp.[2]	45,027	470
Materials—continued		
Westlake Chemical Corp.	8,128	$ 435
		4,222
Real Estate—6.8%		
American Homes 4 Rent Class A	19,045	412
Boston Properties, Inc.	2,989	407
Equity Lifestyle Properties, Inc.	5,228	404
Equity Residential	6,506	419
Host Hotels & Resorts, Inc.	25,638	399
Howard Hughes Corp. (The)[2]	3,551	407
Marcus & Millichap, Inc.[2]	16,363	428
Seritage Growth Properties Class A	8,251	418
Simon Property Group, Inc.	1,944	402
Taubman Centers, Inc.	5,538	412
Urban Edge Properties	14,667	413
Vornado Realty Trust	4,036	408
Washington Prime Group, Inc.	33,880	419
		5,348
TOTAL COMMON STOCKS (Identified Cost $66,649)		**77,817**
TOTAL LONG TERM INVESTMENTS—99.6% (Identified Cost $66,649)		**77,817**
SECURITIES LENDING COLLATERAL—4.0%		
INVESCO Trust Short-Term Investments Liquid Assets Portfolio (The) – Institutional Shares (seven-day effective yield 0.390%)[4][5]	3,131,575	$ 3,132
TOTAL SECURITIES LENDING COLLATERAL (Identified Cost $3,132)		**3,132**
TOTAL INVESTMENTS—103.6% (Identified Cost $69,781)		**80,949**[1]
Other assets and liabilities, net—(3.6)%		(2,795)
NET ASSETS—100.0%		**$78,154**

Abbreviations:

Footnote Legend:

(1) Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
(2) Non-income producing.
(3) All or a portion of security is on loan.
(4) Represents security purchased with cash collateral received for securities on loan.
(5) Shares of this fund are publicly offered and its prospectus and annual report are publicly available.

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

	Total Value at September 30, 2016	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	$77,817	$77,817
Securities Lending Collateral	3,132	3,132
Total Investments	$80,949	$80,949

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

There were no transfers between Level 1 and Level 2 related to securities held as of September 30, 2016.

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

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2016

(Reported in thousands except shares and per share amounts)

	Bond Fund	CA Tax-Exempt Bond	Essential Resources Fund
Assets			
Investment in unaffiliated securities at value[1]	$ 75,965	$ 30,200	$ 4,728
Investments in affiliated securities at value[2]	1,159	—	—
Foreign currency at value[3]	—	—	8
Cash	—	603	73
Receivables			
Investment securities sold	1,537	—	30
Fund shares sold	143	—[5]	—[5]
Receivable from adviser	—	2	—
Dividends and interest receivable	616	384	6
Tax reclaims	—	—	2
Prepaid expenses	26	15	17
Prepaid trustee retainer	2	1	—[5]
Other assets	1	—[5]	—[5]
Total assets	79,449	31,205	4,864
Liabilities			
Cash overdraft	53	—	—
Payables			
Fund shares repurchased	188	37	—
Investment securities purchased	1,255	—	33
Dividend distributions	10	7	—
Investment advisory fees	6	—	—[5]
Distribution and service fees	17	4	—[5]
Administration fees	8	4	—[5]
Transfer agent fees and expenses	18	4	—[5]
Trustees' fees and expenses	1	—[5]	—[5]
Professional fees	31	34	29
Trustee deferred compensation plan	1	—[5]	—[5]
Other accrued expenses	6	2	7
Total liabilities	1,594	92	69
Net Assets	$ 77,855	$ 31,113	$ 4,795
Net Assets Consist of:			
Capital paid in on shares of beneficial interest	$ 80,361	$ 28,754	$ 5,248
Accumulated undistributed net investment income (loss)	108	48	28
Accumulated undistributed net realized gain (loss)	(4,984)	161	(554)
Net unrealized appreciation (depreciation) on investments	2,370	2,150	73
Net Assets	$ 77,855	$ 31,113	$ 4,795
Class A			
Net asset value (net assets/shares outstanding) per share	$ 11.38	$ 12.17	$ 9.03
Maximum offering price per share NAV/(1–2.75%)	$ —	$ 12.51	$ —
Maximum offering price per share NAV/(1–3.75%)	$ 11.82	$ —	$ —
Maximum offering price per share NAV/(1–5.75%)	$ —	$ —	$ 9.58
Shares of beneficial interest outstanding, par value[4], unlimited authorization	3,879,743	1,598,894	18,688
Net Assets	$ 44,136	$ 19,464	$ 169
Class B			
Net asset value (net assets/shares outstanding) and offering price per share	$ 11.07	$ —	$ —
Shares of beneficial interest outstanding, par value[4], unlimited authorization	6,700	—	—
Net Assets	$ 74	$ —	$ —
Class C			
Net asset value (net assets/shares outstanding) and offering price per share	$ 11.12	$ —	$ 8.97
Shares of beneficial interest outstanding, par value[4], unlimited authorization	846,175	—	13,278
Net Assets	$ 9,409	$ —	$ 119
Class I			
Net asset value (net assets/shares outstanding) and offering price per share	$ 11.56	$ 12.15	$ 9.05
Shares of beneficial interest outstanding, par value[4], unlimited authorization	2,097,261	959,075	497,968
Net Assets	$ 24,236	$ 11,649	$ 4,507
[1] Investment in unaffiliated securities at cost	$ 73,575	$ 28,050	$ 4,654
[2] Investment in affiliated securities at cost	$ 1,179	$ —	$ —
[3] Foreign currency at cost	$ —	$ —	$ 8

[4] All Funds with the exception of the Bond Fund have no par value. Bond Fund has a par value of $1.00.
[5] Amount is less than $500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
SEPTEMBER 30, 2016

(Reported in thousands except shares and per share amounts)

	High Yield Fund	Low Duration Income Fund	Low Volatility Equity Fund
Assets			
Investment in unaffiliated securities at value[1]	$ 74,558	$ 398,813	$ 3,692
Investments in affiliated securities at value[2]	352	—	—
Cash	1,560	56	42
Deposits with prime broker	—	—	—[5]
Receivables			
Investment securities sold	594	3,748	—
Fund shares sold	50	2,383	—
Receivable from adviser	—	—	6
Dividends and interest receivable	1,133	1,507	—
Tax reclaims	—	—	—
Prepaid expenses	28	39	19
Prepaid trustee retainer	2	5	—[5]
Other assets	1	5	—[5]
Total assets	78,278	406,556	3,759
Liabilities			
Written options[3]	—	—	2
Payables			
Fund shares repurchased	63	2,035	4
Investment securities purchased	1,526	3,854	—
Foreign capital gain taxes payable	—	—[5]	—
Dividend distributions	27	85	—
Investment advisory fees	24	46	—
Distribution and service fees	16	59	1
Administration fees	8	40	1
Transfer agent fees and expenses	22	59	1
Trustees' fees and expenses	1	5	—[5]
Professional fees	37	33	19
Trustee deferred compensation plan	1	5	—[5]
Other accrued expenses	4	14	1
Total liabilities	1,729	6,235	29
Net Assets	$ 76,549	$ 400,321	$ 3,730
Net Assets Consist of:			
Common stock $0.001 par value	$ —	$ 37	$ —
Capital paid in on shares of beneficial interest	102,896	397,907	3,648
Accumulated undistributed net investment income (loss)	(39)	242	17
Accumulated undistributed net realized gain (loss)	(26,231)	(1,975)	(553)
Net unrealized appreciation (depreciation) on investments	(77)	4,110	618
Net Assets	$ 76,549	$ 400,321	$ 3,730
Class A			
Net asset value (net assets/shares outstanding) per share	$ 4.18	$ 10.90	$ 11.57
Maximum offering price per share NAV/(1–2.25%)	$ —	$ 11.15	$ —
Maximum offering price per share NAV/(1–3.75%)	$ 4.34	$ —	$ —
Maximum offering price per share NAV/(1–5.75%)	$ —	$ —	$ 12.28
Shares of beneficial interest outstanding, par value[4], unlimited authorization	15,406,934	9,361,292	141,101
Net Assets	$ 64,338	$ 102,049	$ 1,633
Class B			
Net asset value (net assets/shares outstanding) and offering price per share	$ 4.06	$ —	$ —
Shares of beneficial interest outstanding, par value[4], unlimited authorization	6,410	—	—
Net Assets	$ 26	$ —	$ —
Class C			
Net asset value (net assets/shares outstanding) and offering price per share	$ 4.11	$ 10.90	$ 11.39
Shares of beneficial interest outstanding, par value[4], unlimited authorization	1,030,260	4,278,336	43,110
Net Assets	$ 4,231	$ 46,642	$ 491
Class I			
Net asset value (net assets/shares outstanding) and offering price per share	$ 4.18	$ 10.90	$ 11.63
Shares of beneficial interest outstanding, par value[4], unlimited authorization	1,902,756	23,088,910	138,084
Net Assets	$ 7,954	$ 251,630	$ 1,606
[1] Investment in unaffiliated securities at cost	$ 74,630	$ 394,703	$ 3,075
[2] Investments in affiliated securities at cost	$ 358	$ —	$ —
[3] Written options premiums received	$ —	$ —	$ 4

[4] All of the Funds with the exception of Low Duration Income have no par value. Low Duration Income Fund has a par value of $0.001.

[5] Amount is less than $500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
SEPTEMBER 30, 2016

(Reported in thousands except shares and per share amounts)

	Multi-Sector Intermediate Bond Fund	Senior Floating Rate Fund	Tax-Exempt Bond Fund	Wealth Masters Fund
Assets				
Investment in unaffiliated securities at value[1][2]	$ 291,017	$ 581,180	$ 201,028	$ 80,949
Investment in affiliated securities at value[3]	9,186	5,999	—	—
Foreign currency at value[4]	—[6]	—	—	—
Cash	—	10,549	—	—
Deposits with prime broker	—	—	—	—
Receivables				
Investment securities sold	4,974	7,082	—	5,921
Fund shares sold	688	804	1,586	70
Dividends and interest receivable	3,663	1,839	2,429	89
Securities lending receivable	—	—	—	23
Prepaid expenses	49	34	22	29
Prepaid trustee retainer	6	11	3	2
Other assets	4	7	3	1
Total assets	309,587	607,505	205,071	87,084
Liabilities				
Cash overdraft	1,324	—	—	4
Payables				
Fund shares repurchased	1,014	1,233	790	226
Investment securities purchased	5,265	25,266	2,854	5,425
Borrowings (Note 13)	—	30,000	—	—
Collateral on securities loaned	—	—	—	3,132
Dividend distributions	142	161	21	—
Investment advisory fees	131	267	45	52
Distribution and service fees	84	139	37	28
Administration fees	30	55	21	8
Transfer agent fees and expenses	60	74	32	19
Trustees' fees and expenses	3	5	2	1
Professional fees	38	47	33	29
Trustee deferred compensation plan	4	7	3	1
Interest payable on line of credit	—	2	—	—
Other accrued expenses	17	70	10	5
Total liabilities	8,112	57,326	3,848	8,930
Net Assets	$ 301,475	$ 550,179	$ 201,223	$ 78,154
Net Assets Consist of:				
Capital stock $0.001 par	$ —	$ —	$ 17	$ —
Capital paid in on shares of beneficial interest	315,097	585,600	187,470	76,368
Accumulated undistributed net investment income (loss)	1,029	(461)	109	286
Accumulated undistributed net realized gain (loss)	(11,530)	(24,224)	258	(9,668)
Net unrealized appreciation (depreciation) on investments	(3,121)	(10,736)	13,369	11,168
Net Assets	$ 301,475	$ 550,179	$ 201,223	$ 78,154
Class A				
Net asset value (net assets/shares outstanding) per share	$ 10.30	$ 9.42	$ 11.55	$ 14.60
Maximum offering price per share NAV/(1–2.75%)	$ —	$ 9.69	$ 11.88	$ —
Maximum offering price per share NAV/(1–3.75%)	$ 10.70	$ —	$ —	$ —
Maximum offering price per share NAV/(1–5.75%)	$ —	$ —	$ —	$ 15.49
Shares of beneficial interest outstanding, par value, unlimited authorization	9,607,763	24,154,279	6,036,574	2,274,099
Net Assets	$ 98,969	$ 227,588	$ 69,711	$ 33,204
Class B				
Net asset value (net assets/shares outstanding) and offering price per share	$ 10.27	$ —	$ —	$ —
Shares of beneficial interest outstanding, par value[5], unlimited authorization	167,259	—	—	—
Net Assets	$ 1,717	$ —	$ —	$ —
Class C				
Net asset value (net assets/shares outstanding) and offering price per share	$ 10.40	$ 9.43	$ 11.55	$ 14.26
Shares of beneficial interest outstanding, par value[5], unlimited authorization	7,247,009	11,856,330	2,323,161	1,739,887
Net Assets	$ 75,350	$ 111,839	$ 26,833	$ 24,816
Class I				
Net asset value (net assets/shares outstanding) and offering price per share	$ 10.31	$ 9.41	$ 11.55	$ 14.66
Shares of beneficial interest outstanding, par value[5], unlimited authorization	11,974,248	22,392,942	9,064,630	1,373,295
Net Assets	$ 123,435	$ 210,752	$ 104,679	$ 20,134
Class R6				
Net asset value (net assets/shares outstanding) and offering price per share	$ 10.31	$ —	$ —	$ —
Shares of beneficial interest outstanding, no par value[5], unlimited authorization	194,426	—	—	—
Net Assets	$ 2,004	$ —	$ —	$ —
[1] Investment in unaffiliated securities at cost	$ 293,984	$ 591,815	$ 187,658	$ 69,781
[2] Market value of securities on loan	$ —	$ —	$ —	$ 3,073
[3] Investment in affiliated securities at cost	$ 9,341	$ 6,100	$ —	$ —
[4] Foreign currency at cost	$ —[6]	$ —	$ —	$ —

[5] All of the Funds with the exception of Tax-Exempt Bond Fund have no par value. Tax-Exempt Bond Fund has a par value of $0.001

[6] Amount is less than $500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS

($ reported in thousands)

	Bond Fund	CA Tax-Exempt Bond	Essential Resources Fund
	Year Ended September 30, 2016	Year Ended September 30, 2016	Year Ended September 30, 2016
Investment Income			
Dividends	$ 40	$ —	$ 106
Dividends from affiliated funds	44	—	—
Interest	3,087	1,217	—[1]
Foreign taxes withheld	—	—	(7)
Total investment income	3,171	1,217	99
Expenses			
Investment advisory fees	346	141	49
Service fees, Class A	114	50	—[1]
Distribution and service fees, Class B	1	—	—
Distribution and service fees, Class C	103	—	1
Administration fees	97	40	5
Transfer agent fees and expenses	125	35	2
Registration fees	63	33	59
Printing fees and expenses	27	9	2
Custodian fees	6	1	25
Professional fees	33	37	36
Trustees' fees and expenses	8	3	1
Miscellaneous expenses	10	4	5
Total expenses	933	353	185
Less expenses reimbursed and/or waived by investment adviser	(244)	(112)	(121)
Earnings credit from custodian	(1)	—	—[1]
Low balance account fees	(2)	—[1]	—
Net expenses	686	241	64
Net investment income (loss)	2,485	976	35
Net Realized and Unrealized Gain (Loss) on Investments			
Net realized gain (loss) on unaffiliated investments	(649)	218	(525)
Net realized gain (loss) on foreign currency transactions	—[1]	—	(2)
Net increase from payment by affiliate[2]	1	—	—
Net change in unrealized appreciation (depreciation) on unaffiliated investments	2,985	522	1,051
Net change in unrealized appreciation (depreciation) on affiliated investments	7	—	—
Net change in unrealized appreciation (depreciation) on foreign currency translation	—[1]	—	—[1]
Net gain (loss) on investments	2,344	740	524
Net increase (decrease) in net assets resulting from operations	$4,829	$1,716	$ 559

[1] Amount is less than $500.
[2] See Note 4I in the Notes to Financial Statements.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS (Continued)

($ reported in thousands)

	High Yield Fund	Low Duration Income Fund	
	Year Ended September 30, 2016	Fiscal Period Ended September 30, 2016[3]	Year Ended December 31, 2015
Investment Income			
Dividends	$ 149	$ 90	$ 7
Dividends from affiliated fund	13	—	—
Interest	4,332	6,724	5,382
Foreign taxes withheld	—	—	—
Total investment income	4,494	6,814	5,389
Expenses			
Investment advisory fees	464	1,408	1,173
Service fees, Class A	150	179	179
Distribution and service fees, Class B	—[1]	—	—
Distribution and service fees, Class C	36	356	394
Distribution fees, Class I	—	—	15
Administration fees	90	322	260
Transfer agent fees and expenses	134	290	261
Registration fees	60	58	67
Printing fees and expenses	21	57	15
Custodian fees	8	10	8
Professional fees	38	38	37
Trustees' fees and expenses	7	24	10
Miscellaneous expenses	11	21	18
Total expenses	1,019	2,763	2,437
Less expenses reimbursed and/or waived by investment adviser	(185)	(906)	(798)
Earnings credit from custodian	(3)	—	—
Low balance account fees	(6)	—[1]	—
Net expenses	825	1,857	1,639
Net investment income (loss)	3,669	4,957	3,750
Net Realized and Unrealized Gain (Loss) on Investments			
Net realized gain (loss) on unaffiliated investments	(1,272)	(74)	(588)
Net realized gain (loss) on foreign currency transactions	—	—	—[1]
Net increase from payments by affiliates[2]	3	—	3
Net change in unrealized appreciation (depreciation) on unaffiliated investments	4,424	6,087	(1,490)
Net change in unrealized appreciation (depreciation) affiliated investments	2	—	—
Net gain (loss) on investments	3,157	6,013	(2,075)
Net increase (decrease) in net assets resulting from operations	$ 6,826	$10,970	$ 1,675

[1] Amount is less than $500.
[2] See Note 4I in the Notes to Financial Statements.
[3] Fund changed its fiscal year-end to September 30 during the period.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS (Continued)

($ reported in thousands)

	Low Volatility Equity Fund	Multi-Sector Intermediate Bond Fund	Senior Floating Rate Fund
	Year Ended September 30, 2016	Year Ended September 30, 2016	Year Ended September 30, 2016
Investment Income			
Dividends	$ 96	$ 212	$ —
Dividends from affiliated fund	—	349	232
Interest	—	17,331	28,795
Total investment income	96	17,892	29,027
Expenses			
Investment advisory fees	45	1,660	3,560
Service fees, Class A	5	251	592
Distribution and service fees, Class B	—	22	—
Distribution and service fees, Class C	11	777	1,216
Administration fees	6	380	747
Transfer agent fees and expenses	6	379	600
Interest expense and fees	—	—	404
Registration fees	44	106	77
Printing fees and expenses	3	72	115
Custodian fees	1	21	20
Professional fees	21	44	62
Trustees' fees and expenses	1	27	46
Miscellaneous expenses	2	35	218
Total expenses	145	3,774	7,657
Less expenses reimbursed and/or waived by investment adviser	(67)	(50)	(38)
Earnings credit from custodian	—[1]	(4)	(24)
Low balance account fees	—	(1)	—[1]
Net expenses	78	3,719	7,595
Net investment income (loss)	18	14,173	21,432
Net Realized and Unrealized Gain (Loss) on Investments			
Net realized gain (loss) on unaffiliated investments	(127)	(5,188)	(14,295)
Net realized gain (loss) on affiliated investments	—	—	(49)
Net realized gain (loss) on foreign currency transactions	—	(23)	(17)
Net realized gain (loss) on written options	(370)	—	—
Net change in unrealized appreciation (depreciation) on unaffiliated investments	609	18,527	15,109
Net change in unrealized appreciation (depreciation) affiliated investments	—	57	75
Net change in unrealized appreciation (depreciation) on foreign currency translations	—	8	—[1]
Net change in unrealized appreciation (depreciation) on written options	(52)	—	—
Net gain (loss) on investments	60	13,381	823
Net increase (decrease) in net assets resulting from operations	$ 78	$27,554	$ 22,255

[1] Amount is less than $500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS (Continued)

($ reported in thousands)

	Tax-Exempt Bond Fund		Wealth Masters Fund
	Fiscal Period Ended September 30, 2016[2]	Year Ended December 31, 2015	Year Ended September 30, 2016
Investment Income			
Dividends	$ 8	$ 1	$ 1,303
Interest	5,089	6,729	—
Security lending, net of fees	—	—	555
Foreign taxes withheld	—	—	(2)
Total investment income	5,097	6,730	1,856
Expenses			
Investment advisory fees	675	878	808
Service fees, Class A	136	191	106
Distribution and service fees, Class C	212	294	287
Distribution fees, Class I	—	15	—
Administration fees	189	238	120
Transfer agent fees and expenses	167	216	152
Registration fees	36	52	60
Printing fees and expenses	36	15	30
Custodian fees	3	3	8
Professional fees	36	36	31
Trustees' fees and expenses	14	9	9
Miscellaneous expenses	13	13	10
Total expenses	1,517	1,960	1,621
Less expenses reimbursed and/or waived by investment adviser	(242)	(304)	(74)
Earnings credit from custodian	—	—	—[1]
Low balance account fees	—[1]	—	—[1]
Total expenses	1,275	1,656	1,547
Net investment income (loss)	3,822	5,074	309
Net Realized and Unrealized Gain (Loss) on Investments			
Net realized gain (loss) on unaffiliated investments	345	67	(4,300)
Net change in unrealized appreciation (depreciation) on unaffiliated investments	1,789	(683)	13,223
Net gain (loss) on investments	2,134	(616)	8,923
Net increase (decrease) in net assets resulting from operations	$5,956	$4,458	$ 9,232

[1] Amount is less than $500.
[2] The Fund changed its fiscal year end to September 30 during the period.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF CHANGES IN NET ASSETS

($ reported in thousands)

	Bond Fund		CA Tax-Exempt Bond	
	Year Ended September 30, 2016	Year Ended September 30, 2015	Year Ended September 30, 2016	Year Ended September 30, 2015
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	$ 2,485	$ 2,691	$ 976	$ 1,095
Net realized gain (loss)	(648)	(1,801)	218	672
Net change in unrealized appreciation (depreciation)	2,992	(1,079)	522	(606)
Increase (decrease) in net assets resulting from operations	4,829	(189)	1,716	1,161
From Distributions to Shareholders				
Net investment income, Class A	(1,355)	(1,481)	(576)	(736)
Net investment income, Class B	(2)	(4)	—	—
Net investment income, Class C	(236)	(188)	—	—
Net investment income, Class I	(650)	(533)	(361)	(396)
Net realized short-term gains, Class A	—	—	(10)	(21)
Net realized short-term gains, Class I	—	—	(6)	(10)
Net realized long-term gains, Class A	—	—	(434)	(706)
Net realized long-term gains, Class I	—	—	(273)	(354)
Return of capital Class A	—	(253)	—	—
Return of capital Class B	—	(1)	—	—
Return of capital Class C	—	(41)	—	—
Return of capital Class I	—	(84)	—	—
Decrease in net assets from distributions to shareholders	(2,243)	(2,585)	(1,660)	(2,223)
From Share Transactions (See Note 6)				
Change in net assets from share transactions, Class A	(5,315)	(3,738)	(567)	(1,030)
Change in net assets from share transactions, Class B	(54)	(102)	—	—
Change in net assets from share transactions, Class C	154	2,882	—	—
Change in net assets from share transactions, Class I	5,985	1,612	587	(53)
Increase (decrease) in net assets from share transactions	770	654	20	(1,083)
Net increase (decrease) in net assets	3,356	(2,120)	76	(2,145)
Net Assets				
Beginning of period	74,499	76,619	31,037	33,182
End of period	$77,855	$74,499	$31,113	$31,037
Accumulated undistributed net investment income (loss) at end of period	$ 108	$ (8)	$ 48	$ 9

See Notes to Financial Statements

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

($ reported in thousands)

	Essential Resources		High Yield Fund	
	Year Ended September 30, 2016	From Inception March 24, 2015 to September 30, 2015	Year Ended September 30, 2016	Year Ended September 30, 2015
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	$ 35	$ 23	$ 3,669	$ 4,606
Net realized gain (loss)	(527)	(26)	(1,269)	(2,049)
Net change in unrealized appreciation (depreciation)	1,051	(978)	4,426	(4,614)
Increase (decrease) in net assets resulting from operations	559	(981)	6,826	(2,057)
From Distributions to Shareholders				
Net investment income, Class A	—[1]	—	(3,093)	(4,183)
Net investment income, Class B	—	—	(2)	(4)
Net investment income, Class C	—	—	(162)	(189)
Net investment income, Class I	(28)	—	(421)	(376)
Net realized short-term gains, Class A	—[1]	—	—	—
Net realized short-term gains, Class C	—[1]	—	—	—
Net realized short-term gains, Class I	(3)	—	—	—
Decrease in net assets from distributions to shareholders	(31)	—	(3,678)	(4,752)
From Share Transactions (See Note 6)				
Change in net assets from share transactions, Class A	69	103	579	(4,168)
Change in net assets from share transactions, Class B	—	—	(15)	(59)
Change in net assets from share transactions, Class C	3	129	378	21
Change in net assets from share transactions, Class I	118	4,826	3,137	(969)
Increase (decrease) in net assets from share transactions	190	5,058	4,079	(5,175)
Net increase (decrease) in net assets	718	4,077	7,227	(11,984)
Net Assets				
Beginning of period	4,077	—	69,322	81,306
End of period	$4,795	$4,077	$76,549	$ 69,322
Accumulated undistributed net investment income (loss) at end of period	$ 28	$ 23	$ (39)	$ (30)

[1] Amount less than $500.

See Notes to Financial Statements

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

($ reported in thousands)

	Low Duration Income Fund		
	Fiscal Period Ended September 30, 2016[1]	Year Ended December 31, 2015	Year Ended December 31, 2014
INCREASE/(DECREASE) IN NET ASSETS			
From Operations			
Net investment income (loss)	$ 4,957	$ 3,750	$ 2,921
Net realized gain (loss)	(74)	(588)	(118)
Net increase in payments by affiliates	—	3	—
Net change in unrealized appreciation (depreciation)	6,087	(1,490)	(685)
Increase (decrease) in net assets resulting from operations	10,970	1,675	2,118
From Distributions to Shareholders			
Net investment income, Class A	(1,288)	(1,241)	(917)
Net investment income, Class C	(375)	(392)	(389)
Net investment income, Class I	(3,052)	(2,021)	(1,607)
Return of capital Class A	—	(182)	—
Return of capital Class C	—	(100)	—
Return of capital Class I	—	(261)	—
Decrease in net assets from distributions to shareholders	(4,715)	(4,197)	(2,913)
From Share Transactions (See Note 6)			
Change in net assets from share transactions, Class A	14,626	11,010	36,290
Change in net assets from share transactions, Class C	1,140	(6,317)	25,981
Change in net assets from share transactions, Class I	97,036	59,540	40,388
Increase (decrease) in net assets from share transactions	112,802	64,233	102,659
Net increase (decrease) in net assets	119,057	61,711	101,864
Net Assets			
Beginning of period	281,264	219,553	117,689
End of period	$400,321	$281,264	$219,553
Accumulated undistributed net investment income (loss) at end of period	$ 242	$ —	$ (70)

[1] The Fund changed its fiscal year-end to September 30 during the period.

See Notes to Financial Statements

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

($ reported in thousands)

	Low Volatility Equity Fund		Multi-Sector Intermediate Bond Fund	
	Year Ended September 30, 2016	Year Ended September 30, 2015	Year Ended September 30, 2016	Year Ended September 30, 2015
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	$ 18	$ 24	$ 14,173	$ 17,003
Net realized gain (loss)	(497)	74	(5,211)	(10,025)
Net change in unrealized appreciation (depreciation)	557	(272)	18,592	(19,678)
Increase (decrease) in net assets resulting from operations	78	(174)	27,554	(12,700)
From Distributions to Shareholders				
Net investment income, Class A	(8)	(7)	(4,295)	(4,622)
Net investment income, Class B	—	—	(79)	(127)
Net investment income, Class C	—	(2)	(2,715)	(2,903)
Net investment income, Class I	(9)	(6)	(5,418)	(6,036)
Net investment income, Class R6	—	—	(81)	(32)
Net realized short-term gains, Class A	(13)	—	—	(226)
Net realized short-term gains, Class B	—	—	—	(8)
Net realized short-term gains, Class C	(9)	—	—	(178)
Net realized short-term gains, Class I	(10)	—	—	(278)
Net realized short-term gains, Class R6	—	—	—	(2)
Net realized long-term gains, Class A	(19)	—	—	(1,292)
Net realized long-term gains, Class B	—	—	—	(50)
Net realized long-term gains, Class C	(13)	—	—	(1,037)
Net realized long-term gains, Class I	(13)	—	—	(1,595)
Net realized long-term gains, Class R6	—	—	—	(—)[1]
Return of capital Class A	—	—	—	(625)
Return of capital Class B	—	—	—	(21)
Return of capital Class C	—	—	—	(491)
Return of capital Class I	—	—	—	(770)
Return of capital Class R6	—	—	—	(5)
Decrease in net assets from distributions to shareholders	(94)	(15)	(12,588)	(20,298)
From Share Transactions (See Note 6)				
Change in net assets from share transactions, Class A	(421)	1,668	(11,062)	(3,826)
Change in net assets from share transactions, Class B	—	—	(1,247)	(2,133)
Change in net assets from share transactions, Class C	(900)	1,188	(12,694)	(3,590)
Change in net assets from share transactions, Class I	8	77	(21,152)	8,043
Change in net assets from share transactions, Class R6	—	—	130	1,885
Increase (decrease) in net assets from share transactions	(1,313)	2,933	(46,025)	379
Net increase (decrease) in net assets	(1,329)	2,744	(31,059)	(32,619)
Net Assets				
Beginning of period	5,059	2,315	332,534	365,153
End of period	$ 3,730	$5,059	$301,475	$332,534
Accumulated undistributed net investment income (loss) at end of period	$ 17	$ 16	$ 1,029	$ (249)

[1] Amount less than $500.

See Notes to Financial Statements

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

($ reported in thousands)

	Senior Floating Rate Fund	
	Year Ended September 30, 2016	Year Ended September 30, 2015
INCREASE/(DECREASE) IN NET ASSETS		
From Operations		
Net investment income (loss)	$ 21,432	$ 30,523
Net realized gain (loss)	(14,361)	(9,938)
Net change in unrealized appreciation (depreciation)	15,184	(16,754)
Increase (decrease) in net assets resulting from operations	22,255	3,831
From Distributions to Shareholders		
Net investment income, Class A	(8,701)	(11,297)
Net investment income, Class C	(3,550)	(5,079)
Net investment income, Class I	(9,212)	(14,848)
Net realized short-term gains, Class A	—	(394)
Net realized short-term gains, Class C	—	(231)
Net realized short-term gains, Class I	—	(540)
Net realized long-term gains, Class A	—	(341)
Net realized long-term gains, Class C	—	(199)
Net realized long-term gains, Class I	—	(463)
Decrease in net assets from distributions to shareholders	(21,463)	(33,392)
From Share Transactions (See Note 6)		
Change in net assets from share transactions, Class A	(41,744)	(15,274)
Change in net assets from share transactions, Class C	(26,952)	(33,299)
Change in net assets from share transactions, Class I	(73,726)	(159,653)
Increase (decrease) in net assets from share transactions	(142,422)	(208,226)
Net increase (decrease) in net assets	(141,630)	(237,787)
Net Assets		
Beginning of period	691,809	929,596
End of period	$ 550,179	$ 691,809
Accumulated undistributed net investment income (loss) at end of period	$ (461)	$ (347)

See Notes to Financial Statements

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

($ reported in thousands)

	Tax-Exempt Bond Fund		
	Fiscal Period Ended September 30, 2016[2]	Year Ended December 31, 2015	Year Ended December 31, 2014
INCREASE/(DECREASE) IN NET ASSETS			
From Operations			
Net investment income (loss)	$ 3,822	$ 5,074	$ 5,308
Net realized gain (loss)	345	67	1,214
Net change in unrealized appreciation (depreciation)	1,789	(683)	8,491
Increase (decrease) in net assets resulting from operations	5,956	4,458	15,013
From Distributions to Shareholders			
Net investment income, Class A	(1,394)	(1,938)	(2,408)
Net investment income, Class C	(385)	(525)	(595)
Net investment income, Class I	(2,087)	(2,479)	(2,459)
Net realized short-term gains, Class A	—[1]	—	—
Net realized short-term gains, Class C	—[1]	—	—
Net realized short-term gains, Class I	—[1]	—	—
Net realized long-term gains, Class A	—	(57)	(4)
Net realized long-term gains, Class C	—	(23)	(2)
Net realized long-term gains, Class I	—	(69)	(4)
Decrease in net assets from distributions to shareholders	(3,866)	(5,091)	(5,472)
From Share Transactions (See Note 6)			
Change in net assets from share transactions, Class A	(5,512)	(5,220)	(13,624)
Change in net assets from share transactions, Class C	(3,808)	(530)	723
Change in net assets from share transactions, Class I	12,807	4,697	(392)
Increase (decrease) in net assets from share transactions	3,487	(1,053)	(13,293)
Net increase (decrease) in net assets	5,577	(1,686)	(3,752)
Net Assets			
Beginning of period	195,646	197,332	201,084
End of period	$201,223	$195,646	$197,332
Accumulated undistributed net investment income (loss) at end of period	$ 109	$ 152	$ 22

[1] Amount is less than $500.
[2] The Fund changed its fiscal year end to September 30 during the period.

See Notes to Financial Statements

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

($ reported in thousands)

	Wealth Masters Fund	
	Year Ended September 30, 2016	Year Ended September 30, 2015
INCREASE/(DECREASE) IN NET ASSETS		
From Operations		
Net investment income (loss)	$ 309	$ 378
Net realized gain (loss)	(4,300)	(563)
Net change in unrealized appreciation (depreciation)	13,223	(10,130)
Increase (decrease) in net assets resulting from operations	9,232	(10,315)
From Distributions to Shareholders		
Net investment income, Class A	(112)	(184)
Net investment income, Class C	(3)	—
Net investment income, Class I	(137)	(252)
Net realized short-term gains, Class A	(666)	(1,046)
Net realized short-term gains, Class C	(438)	(622)
Net realized short-term gains, Class I	(391)	(869)
Net realized long-term gains, Class A	(231)	(20)
Net realized long-term gains, Class C	(152)	(12)
Net realized long-term gains, Class I	(136)	(17)
Decrease in net assets from distributions to shareholders	(2,266)	(3,022)
From Share Transactions (See Note 6)		
Change in net assets from share transactions, Class A	(23,994)	4,094
Change in net assets from share transactions, Class C	(11,563)	7,353
Change in net assets from share transactions, Class I	(14,030)	(12,645)
Increase (decrease) in net assets from share transactions	(49,587)	(1,198)
Net increase (decrease) in net assets	(42,621)	(14,535)
Net Assets		
Beginning of period	120,775	135,310
End of period	$ 78,154	$120,775
Accumulated undistributed net investment income (loss) at end of period	$ 286	$ 229

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss)[2]	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Return of Capital	Total Distributions	Payment from Affiliate	Change in Net Asset Value	Net Asset Value, End of Period	Total Return[1]	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets[8]	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements)[8]	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Bond Fund																	
Class A																	
10/1/15 to 9/30/16	$11.02	0.36	0.33	0.69	(0.33)	—	—	(0.33)	—[5]	0.36	$11.38	6.38%[11]	$44,136	0.86%[10][12]	1.18%	3.28%	64%
10/1/14 to 9/30/15	11.43	0.40	(0.43)	(0.03)	(0.32)	—	(0.06)	(0.38)	—	(0.41)	11.02	(0.26)	48,064	0.85	1.12	3.55	64
10/1/13 to 9/30/14	11.21	0.47	0.22	0.69	(0.47)	—	—	(0.47)	—	0.22	11.43	6.18	53,603	0.85	1.10	4.08	38
10/1/12 to 9/30/13	11.61	0.43	(0.41)	0.02	(0.42)	—	—	(0.42)	—	(0.40)	11.21	0.17	57,286	0.85	1.07	3.75	107
10/1/11 to 9/30/12	10.96	0.35	0.67	1.02	(0.37)	—	—	(0.37)	—	0.65	11.61	9.34	67,804	0.85	1.02	3.12	210
Class B																	
10/1/15 to 9/30/16	$10.74	0.27	0.31	0.58	(0.25)	—	—	(0.25)	—[5]	0.33	$11.07	5.47%[11]	$ 74	1.61%[10][12]	1.92%	2.54%	64%
10/1/14 to 9/30/15	11.14	0.31	(0.41)	(0.10)	(0.24)	—	(0.06)	(0.30)	—	(0.40)	10.74	(0.91)	126	1.60	1.86	2.82	64
10/1/13 to 9/30/14	10.95	0.37	0.20	0.57	(0.38)	—	—	(0.38)	—	0.19	11.14	5.27	233	1.60	1.84	3.34	38
10/1/12 to 9/30/13	11.34	0.33	(0.38)	(0.05)	(0.34)	—	—	(0.34)	—	(0.39)	10.95	(0.50)	401	1.60	1.82	2.95	107
10/1/11 to 9/30/12	10.71	0.27	0.64	0.91	(0.28)	—	—	(0.28)	—	0.63	11.34	8.48	727	1.60	1.77	2.43	210
Class C																	
10/1/15 to 9/30/16	$10.78	0.27	0.32	0.59	(0.25)	—	—	(0.25)	—[5]	0.34	$11.12	5.54%[11]	$ 9,409	1.61%[10][12]	1.93%	2.52%	64%
10/1/14 to 9/30/15	11.19	0.30	(0.41)	(0.11)	(0.24)	—	(0.06)	(0.30)	—	(0.41)	10.78	(1.00)	8,853	1.60	1.87	2.74	64
10/1/13 to 9/30/14	10.99	0.37	0.21	0.58	(0.38)	—	—	(0.38)	—	0.20	11.19	5.34	6,315	1.60	1.85	3.33	38
10/1/12 to 9/30/13	11.38	0.34	(0.39)	(0.05)	(0.34)	—	—	(0.34)	—	(0.39)	10.99	(0.51)	6,825	1.60	1.82	2.99	107
10/1/11 to 9/30/12	10.75	0.26	0.65	0.91	(0.28)	—	—	(0.28)	—	0.63	11.38	8.55	8,756	1.60	1.77	2.36	210
Class I																	
10/1/15 to 9/30/16	$11.19	0.40	0.33	0.73	(0.36)	—	—	(0.36)	—[5]	0.37	$11.56	6.63%[11]	$24,236	0.61%[10][12]	0.93%	3.51%	64%
10/1/14 to 9/30/15	11.59	0.43	(0.42)	0.01	(0.35)	—	(0.06)	(0.41)	—	(0.40)	11.19	0.08	17,456	0.60	0.87	3.78	64
10/1/13 to 9/30/14	11.37	0.50	0.21	0.71	(0.49)	—	—	(0.49)	—	0.22	11.59	6.35	16,468	0.60	0.85	4.33	38
10/1/12 to 9/30/13	11.76	0.47	(0.41)	0.06	(0.45)	—	—	(0.45)	—	(0.39)	11.37	0.49	22,037	0.60	0.82	3.98	107
10/1/11 to 9/30/12	11.10	0.39	0.66	1.05	(0.39)	—	—	(0.39)	—	0.66	11.76	9.64	29,527	0.60	0.77	3.39	210
CA Tax-Exempt Bond Fund																	
Class A																	
10/1/15 to 9/30/16	$12.14	0.37	0.29	0.66	(0.36)	(0.27)	—	(0.63)	—	0.03	$12.17	5.56%	$19,464	0.86%[12]	1.22%	3.03%	21%
10/1/14 to 9/30/15	12.51	0.39	0.03	0.42	(0.40)	(0.39)	—	(0.79)	—	(0.37)	12.14	3.44	19,978	0.85	1.18	3.16	24
10/1/13 to 9/30/14	12.10	0.43	0.64	1.07	(0.42)	(0.24)	—	(0.66)	—	0.41	12.51	9.16	21,729	0.85	1.11	3.49	7
10/1/12 to 9/30/13	12.96	0.43	(0.68)	(0.25)	(0.43)	(0.18)	—	(0.61)	—	(0.86)	12.10	(2.12)	22,612	0.85	1.04	3.39	22
10/1/11 to 9/30/12	12.30	0.46	0.68	1.14	(0.48)	—	—	(0.48)	—	0.66	12.96	9.40	28,803	0.85	1.04	3.65	16
Class I																	
10/1/15 to 9/30/16	$12.12	0.40	0.29	0.69	(0.39)	(0.27)	—	(0.66)	—	0.03	$12.15	5.83%	$11,649	0.61%[12]	0.97%	3.28%	21%
10/1/14 to 9/30/15	12.49	0.42	0.03	0.45	(0.43)	(0.39)	—	(0.82)	—	(0.37)	12.12	3.71	11,059	0.60	0.93	3.41	24
10/1/13 to 9/30/14	12.09	0.45	0.64	1.09	(0.45)	(0.24)	—	(0.69)	—	0.40	12.49	9.36	11,453	0.60	0.83	3.74	7
10/1/12 to 9/30/13	12.95	0.46	(0.68)	(0.22)	(0.46)	(0.18)	—	(0.64)	—	(0.86)	12.09	(1.88)	26,026	0.60	0.79	3.65	22
10/1/11 to 9/30/12	12.29	0.49	0.68	1.17	(0.51)	—	—	(0.51)	—	0.66	12.95	9.68	28,639	0.60	0.79	3.90	16

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

VIRTUS OPPORTUNITIES TRUST
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss)[2]	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Payment from Affiliate	Change in Net Asset Value	Net Asset Value, End of Period	Total Return[1]	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets[8]	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements)[9]	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Essential Resources Fund																
Class A																
10/1/15 to 9/30/16	$ 8.04	0.04	1.00	1.04	(0.04)	(0.01)	(0.05)	—	0.99	$9.03	12.93%	$ 169	1.67%[10][12]	4.30%	0.51%	88%
3/24/15[6] to 9/30/15	10.00	0.03	(1.99)	(1.96)	—	—	—	—	(1.96)	8.04	(19.60)[4]	84	1.65[3]	6.26[3]	0.66[3]	48[4]
Class C																
10/1/15 to 9/30/16	$ 8.01	(0.02)	0.99	0.97	—	(0.01)	(0.01)	—	0.96	$8.97	12.07%	$ 119	2.41%[10][12]	5.12%	(0.19)%	88%
3/24/15[6] to 9/30/15	10.00	(—)[5]	(1.99)	(1.99)	—	—	—	—	(1.99)	8.01	(19.90)[4]	104	2.40[3]	7.26[3]	(0.10)[3]	48[4]
Class I																
10/1/15 to 9/30/16	$ 8.05	0.07	1.00	1.07	(0.06)	(0.01)	(0.07)	—	1.00	$9.05	13.27%	$ 4,507	1.41%[10][12]	4.14%	0.83%	88%
3/24/15[6] to 9/30/15	10.00	0.05	(2.00)	(1.95)	—	—	—	—	(1.95)	8.05	(19.50)[4]	3,889	1.40[3]	5.98[3]	0.93[3]	48[4]
High Yield Fund																
Class A																
10/1/15 to 9/30/16	$ 3.98	0.21	0.20	0.41	(0.21)	—	(0.21)	—[5]	0.20	$4.18	10.59%[11]	$64,338	1.15%[10][12]	1.42%	5.15%	81%
10/1/14 to 9/30/15	4.35	0.22	(0.36)	(0.14)	(0.23)	—	(0.23)	—	(0.37)	3.98	(3.39)	60,951	1.15	1.32	5.26	94
10/1/13 to 9/30/14	4.27	0.24	0.08	0.32	(0.24)	—	(0.24)	—	0.08	4.35	7.53	71,042	1.15	1.31	5.55	82
10/1/12 to 9/30/13	4.28	0.26	(0.01)	0.25	(0.26)	—	(0.26)	—	(0.01)	4.27	5.98	80,155	1.15	1.31	6.05	100
10/1/11 to 9/30/12	3.85	0.28	0.44	0.72	(0.29)	—	(0.29)	—	0.43	4.28	19.19	98,701	1.15	1.31	6.82	92
Class B																
10/1/15 to 9/30/16	$ 3.88	0.17	0.19	0.36	(0.18)	—	(0.18)	—[5]	0.18	$4.06	9.52%[11]	$ 26	1.90%[10][12]	2.16%	4.40%	81%
10/1/14 to 9/30/15	4.24	0.19	(0.35)	(0.16)	(0.20)	—	(0.20)	—	(0.36)	3.88	(3.96)	41	1.90	2.07	4.54	94
10/1/13 to 9/30/14	4.17	0.21	0.07	0.28	(0.21)	—	(0.21)	—	0.07	4.24	6.68	106	1.90	2.07	4.80	82
10/1/12 to 9/30/13	4.19	0.23	(0.02)	0.21	(0.23)	—	(0.23)	—	(0.02)	4.17	5.06	131	1.90	2.05	5.31	100
10/1/11 to 9/30/12	3.77	0.24	0.44	0.68	(0.26)	—	(0.26)	—	0.42	4.19	18.46	307	1.90	2.06	6.07	92
Class C																
10/1/15 to 9/30/16	$ 3.92	0.17	0.20	0.37	(0.18)	—	(0.18)	—[5]	0.19	$4.11	9.68%[11]	$ 4,231	1.90%[10][12]	2.17%	4.40%	81%
10/1/14 to 9/30/15	4.28	0.19	(0.35)	(0.16)	(0.20)	—	(0.20)	—	(0.36)	3.92	(3.93)	3,705	1.90	2.07	4.52	94
10/1/13 to 9/30/14	4.21	0.21	0.07	0.28	(0.21)	—	(0.21)	—	0.07	4.28	6.60	4,038	1.90	2.07	4.79	82
10/1/12 to 9/30/13	4.23	0.23	(0.02)	0.21	(0.23)	—	(0.23)	—	(0.02)	4.21	5.00	3,302	1.90	2.06	5.31	100
10/1/11 to 9/30/12	3.80	0.25	0.44	0.69	(0.26)	—	(0.26)	—	0.43	4.23	18.59	2,944	1.90	2.07	6.07	92
Class I																
10/1/15 to 9/30/16	$ 3.98	0.21	0.21	0.42	(0.22)	—	(0.22)	—[5]	0.20	$4.18	10.86%[11]	$ 7,954	0.90%[10][12]	1.16%	5.38%	81%
10/1/14 to 9/30/15	4.35	0.23	(0.36)	(0.13)	(0.24)	—	(0.24)	—	(0.37)	3.98	(3.15)	4,625	0.90	1.07	5.53	94
10/1/13 to 9/30/14	4.27	0.26	0.07	0.33	(0.25)	—	(0.25)	—	0.08	4.35	7.80	6,120	0.90	1.07	5.80	82
10/1/12 to 9/30/13	4.28	0.27	(0.01)	0.26	(0.27)	—	(0.27)	—	(0.01)	4.27	6.25	5,812	0.90	1.05	6.37	100
8/8/12[6] to 9/30/12	4.23	0.04	0.06	0.10	(0.05)	—	(0.05)	—	0.05	4.28	2.37[4]	102	0.90[3]	1.08[3]	6.86[3]	92[4]

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VIRTUS OPPORTUNITIES TRUST
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	Net Asset Value, Beginning of Period	Net Investment Income (Loss)[2]	Net Realized and Unrealized Gain/(Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Return of Capital	Total Distributions	Payment from Affiliate	Change in Net Asset Value	Net Asset Value, End of Period	Total Return[1]	Net Assets, End of Period (in thousands)	Ratio of Net Operating Expenses to Average Net Assets[8]	Ratio of Gross Operating Expenses to Average Net Assets[8]	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
Low Duration Income Fund																	
Class A																	
1/1/16 to 9/30/16[14]	$10.70	0.15	0.20	0.35	(0.15)	—	—	(0.15)	—	0.20	$10.90	3.25%[4]	$102,049	0.76%[3][12]	1.12%[3]	1.89%[3]	38%[4]
1/1/15 to 12/31/15	10.82	0.19	(0.09)	0.10	(0.19)	—	(0.03)	(0.22)	—[5]	(0.12)	10.70	0.89[11]	85,666	0.75	1.12	1.77	56
1/1/14 to 12/31/14	10.83	0.22	(0.01)	0.21	(0.22)	—	—	(0.22)	—	(0.01)	10.82	1.94	75,456	0.92[7]	1.11	2.02	58
1/1/13 to 12/31/13	10.96	0.21	(0.13)	0.08	(0.21)	—	—	(0.21)	—	(0.13)	10.83	0.76	39,436	0.95	1.14	1.93	51
1/1/12 to 12/31/12	10.54	0.23	0.41	0.64	(0.22)	—	—	(0.22)	—	0.42	10.96	6.14	28,266	0.96[12]	1.20	2.12	87[13]
1/1/11 to 12/31/11	10.51	0.28	0.03	0.31	(0.28)	—	—	(0.28)	—	0.03	10.54	2.99	15,145	0.95	1.13	2.62	47
Class C																	
1/1/16 to 9/30/16[14]	$10.70	0.09	0.19	0.28	(0.08)	—	—	(0.08)	—	0.20	$10.90	2.67%[4]	$ 46,642	1.51%[3][12]	1.87%[3]	1.15%[3]	38%[4]
1/1/15 to 12/31/15	10.82	0.11	(0.10)	0.01	(0.10)	—	(0.03)	(0.13)	—[5]	(0.12)	10.70	0.13[11]	44,621	1.50	1.86	1.02	56
1/1/14 to 12/31/14	10.84	0.14	(0.02)	0.12	(0.14)	—	—	(0.14)	—	(0.02)	10.82	1.08	51,303	1.68[7]	1.87	1.28	58
1/1/13 to 12/31/13	10.97	0.13	(0.13)	—	(0.13)	—	—	(0.13)	—	(0.13)	10.84	0.01	25,463	1.70	1.89	1.17	51
1/1/12 to 12/31/12	10.54	0.15	0.42	0.57	(0.14)	—	—	(0.14)	—	0.43	10.97	5.44	20,156	1.71[12]	1.95	1.38	87[13]
1/1/11 to 12/31/11	10.51	0.20	0.03	0.23	(0.20)	—	—	(0.20)	—	0.03	10.54	2.23	13,761	1.70	1.88	1.86	47
Class I																	
1/1/16 to 9/30/16[14]	$10.70	0.17	0.20	0.37	(0.17)	—	—	(0.17)	—	0.20	$10.90	3.44%[4]	$251,630	0.52%[3][12]	0.87%[3]	2.15%[3]	38%[4]
1/1/15 to 12/31/15	10.81	0.22	(0.09)	0.13	(0.21)	—	(0.03)	(0.24)	—[5]	(0.11)	10.70	1.24[11]	150,977	0.50	0.88	2.03	56
1/1/14 to 12/31/14	10.83	0.25	(0.02)	0.23	(0.25)	—	—	(0.25)	—	(0.02)	10.81	2.10	92,794	0.68[7]	0.91	2.27	58
1/1/13 to 12/31/13	10.96	0.24	(0.13)	0.11	(0.24)	—	—	(0.24)	—	(0.13)	10.83	1.02	52,790	0.70	0.94	2.18	51
1/1/12 to 12/31/12	10.54	0.26	0.41	0.67	(0.25)	—	—	(0.25)	—	0.42	10.96	6.40	29,513	0.73[12]	0.99	2.40	87[13]
1/1/11 to 12/31/11	10.51	0.31	0.03	0.34	(0.31)	—	—	(0.31)	—	0.03	10.54	3.25	65,206	0.70	0.93	2.91	47
Low Volatility Equity Fund																	
Class A																	
10/1/15 to 9/30/16	$11.45	0.05	0.28	0.33	(0.04)	(0.17)	—	(0.21)	—	0.12	$11.57	2.82%	$ 1,633	1.56%[10][12]	2.98%	0.46%	10%
10/1/14 to 9/30/15	11.71	0.08	(0.30)	(0.22)	(0.04)	—	—	(0.04)	—[5]	(0.26)	11.45	(1.88)[11]	2,055	1.55	2.70	0.64	1
10/1/13 to 9/30/14	10.24	0.06	1.50	1.56	(0.09)	—	—	(0.09)	—	1.47	11.71	15.23	485	1.55	6.15	0.56	3
6/11/13[6] to 9/30/13	10.00	0.06	0.18	0.24	—	—	—	—	—	0.24	10.24	2.40[4]	136	1.55[3]	7.66[3]	2.00[3]	0
Class C																	
10/1/15 to 9/30/16	$11.32	(0.04)	0.28	0.24	—	(0.17)	—	(0.17)	—	0.07	$11.39	2.05%	$ 491	2.31%[10][12]	3.64%	(0.39)%	10%
10/1/14 to 9/30/15	11.64	0.01	(0.31)	(0.30)	(0.02)	—	—	(0.02)	—[5]	(0.32)	11.32	(2.61)[11]	1,423	2.30	3.47	0.04	1
10/1/13 to 9/30/14	10.21	(0.02)	1.50	1.48	(0.05)	—	—	(0.05)	—	1.43	11.64	14.47	291	2.30	6.72	(0.19)	3
6/11/13[6] to 9/30/13	10.00	0.03	0.18	0.21	—	—	—	—	—	0.21	10.21	2.10[4]	130	2.30[3]	8.49[3]	0.99[3]	0
Class I																	
10/1/15 to 9/30/16	$11.50	0.09	0.27	0.36	(0.06)	(0.17)	—	(0.23)	—	0.13	$11.63	3.08%	$ 1,606	1.32%[10][12]	2.78%	0.80%	10%
10/1/14 to 9/30/15	11.73	0.09	(0.27)	(0.18)	(0.05)	—	—	(0.05)	—[5]	(0.23)	11.50	(1.57)[11]	1,581	1.30	2.62	0.79	1
10/1/13 to 9/30/14	10.25	0.07	1.51	1.58	(0.10)	—	—	(0.10)	—	1.48	11.73	15.45	1,539	1.30	5.32	0.67	3
6/11/13[6] to 9/30/13	10.00	0.07	0.18	0.25	—	—	—	—	—	0.25	10.25	2.50[4]	1,332	1.30[3]	7.51[3]	2.23[3]	0

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Multi-Sector Intermediate Bond Fund																	
Class A																	
10/1/15 to 9/30/16	$ 9.76	0.47	0.49	0.96	(0.42)	—	—	(0.42)	—	0.54	$10.30	10.15%	$ 98,969	1.14%[10][12]	1.15%	4.80%	60%
10/1/14 to 9/30/15	10.70	0.49	(0.85)	(0.36)	(0.40)	(0.13)	(0.05)	(0.58)	—[5]	(0.94)	9.76	(3.41)[11]	104,833	1.10	1.10	4.81	66
10/1/13 to 9/30/14	10.77	0.54	0.11	0.65	(0.52)	(0.20)	—	(0.72)	—	(0.07)	10.70	6.18	119,423	1.11	1.11	5.00	54
10/1/12 to 9/30/13	11.15	0.57	(0.28)	0.29	(0.55)	(0.12)	—	(0.67)	—	(0.38)	10.77	2.59	184,524	1.10	1.10	5.13	77
10/1/11 to 9/30/12	10.24	0.62	0.93	1.55	(0.64)	—	—	(0.64)	—	0.91	11.15	15.51	196,554	1.13	1.13	5.73	76
Class B																	
10/1/15 to 9/30/16	$ 9.73	0.39	0.50	0.89	(0.35)	—	—	(0.35)	—	0.54	$10.27	9.36%	$ 1,717	1.88%[10][12]	1.90%	4.04%	60%
10/1/14 to 9/30/15	10.67	0.41	(0.84)	(0.43)	(0.33)	(0.13)	(0.05)	(0.51)	—[5]	(0.94)	9.73	(4.14)[11]	2,868	1.85	1.85	4.01	66
10/1/13 to 9/30/14	10.74	0.46	0.11	0.57	(0.44)	(0.20)	—	(0.64)	—	(0.07)	10.67	5.40	5,360	1.86	1.86	4.26	54
10/1/12 to 9/30/13	11.12	0.49	(0.28)	0.21	(0.47)	(0.12)	—	(0.59)	—	(0.38)	10.74	1.83	7,603	1.85	1.85	4.39	77
10/1/11 to 9/30/12	10.22	0.54	0.92	1.46	(0.56)	—	—	(0.56)	—	0.90	11.12	14.59	9,974	1.88	1.88	5.02	76
Class C																	
10/1/15 to 9/30/16	$ 9.85	0.40	0.50	0.90	(0.35)	—	—	(0.35)	—	0.55	$10.40	9.34%	$ 75,350	1.88%[10][12]	1.90%	4.04%	60%
10/1/14 to 9/30/15	10.79	0.42	(0.85)	(0.43)	(0.33)	(0.13)	(0.05)	(0.51)	—[5]	(0.94)	9.85	(4.11)[11]	84,099	1.85	1.85	4.06	66
10/1/13 to 9/30/14	10.86	0.47	0.10	0.57	(0.44)	(0.20)	—	(0.64)	—	(0.07)	10.79	5.33	96,072	1.86	1.86	4.25	54
10/1/12 to 9/30/13	11.23	0.49	(0.27)	0.22	(0.47)	(0.12)	—	(0.59)	—	(0.37)	10.86	1.90	104,591	1.85	1.85	4.39	77
10/1/11 to 9/30/12	10.31	0.54	0.94	1.48	(0.56)	—	—	(0.56)	—	0.92	11.23	14.65	108,595	1.88	1.88	4.98	76
Class I																	
10/1/15 to 9/30/16	$ 9.77	0.50	0.49	0.99	(0.45)	—	—	(0.45)	—	0.54	$10.31	10.42%	$123,435	0.88%[10][12]	0.90%	5.04%	60%
10/1/14 to 9/30/15	10.71	0.52	(0.85)	(0.33)	(0.43)	(0.13)	(0.05)	(0.61)	—[5]	(0.94)	9.77	(3.17)[11]	138,956	0.85	0.85	5.06	66
10/1/13 to 9/30/14	10.77	0.57	0.12	0.69	(0.55)	(0.20)	—	(0.75)	—	(0.06)	10.71	6.54	144,298	0.86	0.86	5.24	54
10/1/12 to 9/30/13	11.15	0.60	(0.28)	0.32	(0.58)	(0.12)	—	(0.70)	—	(0.38)	10.77	2.85	86,387	0.85	0.85	5.38	77
10/1/11 to 9/30/12	10.24	0.64	0.93	1.57	(0.66)	—	—	(0.66)	—	0.91	11.15	15.80	74,847	0.88	0.88	5.93	76
Class R6																	
10/1/15 to 9/30/16	$ 9.77	0.50	0.50	1.00	(0.46)	—	—	(0.46)	—	0.54	$10.31	10.50%	$ 2,004	0.81%[10][12]	0.83%	5.12%	60%
11/14/14[6] to 9/30/15	10.67	0.46	(0.81)	(0.35)	(0.37)	(0.13)	(0.05)	(0.55)	—[5]	(0.90)	9.77	(3.31)[4][11]	1,778	0.76	0.77[3]	5.12[3]	66

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Senior Floating Rate Fund																
Class A																
10/1/15 to 9/30/16	$ 9.36	0.34	0.06	0.40	(0.34)	—	(0.34)	—	0.06	$ 9.42	4.42%	$227,588	1.23%[9][10][12]	1.24%	3.67%	48%
10/1/14 to 9/30/15	9.72	0.38	(0.32)	0.06	(0.39)	(0.03)	(0.42)	—[5]	(0.36)	9.36	0.53[11]	268,596	1.20[9]	1.20	3.94	34
10/1/13 to 9/30/14	9.79	0.37	(0.07)	0.30	(0.37)	—	(0.37)	—	(0.07)	9.72	3.08	294,617	1.18[9]	1.18	3.79	77
10/1/12 to 9/30/13	9.79	0.42	0.04	0.46	(0.46)	(—)[5]	(0.46)	—	—	9.79	4.84	386,113	1.21[9]	1.21	4.29	68
10/1/11 to 9/30/12	9.28	0.49	0.49	0.98	(0.47)	—	(0.47)	—	0.51	9.79	10.75	256,397	1.23[9]	1.23	5.06	56
Class C																
10/1/15 to 9/30/16	$ 9.37	0.27	0.06	0.33	(0.27)	—	(0.27)	—	0.06	$ 9.43	3.63%	$111,839	1.98%[9][10][12]	1.99%	2.92%	48%
10/1/14 to 9/30/15	9.73	0.31	(0.33)	(0.02)	(0.31)	(0.03)	(0.34)	—[5]	(0.36)	9.37	(0.22)[11]	138,478	1.95[9]	1.95	3.19	34
10/1/13 to 9/30/14	9.81	0.30	(0.08)	0.22	(0.30)	—	(0.30)	—	(0.08)	9.73	2.20	177,485	1.93[9]	1.93	3.04	77
10/1/12 to 9/30/13	9.80	0.35	0.05	0.40	(0.39)	(—)[5]	(0.39)	—	0.01	9.81	4.15	182,667	1.96[9]	1.96	3.51	68
10/1/11 to 9/30/12	9.29	0.41	0.50	0.91	(0.40)	—	(0.40)	—	0.51	9.80	9.92	95,078	1.98[9]	1.98	4.31	56
Class I																
10/1/15 to 9/30/16	$ 9.35	0.36	0.06	0.42	(0.36)	—	(0.36)	—	0.06	$ 9.41	4.69%	$210,752	0.97%[9][10][12]	0.98%	3.91%	48%
10/1/14 to 9/30/15	9.71	0.40	(0.32)	0.08	(0.41)	(0.03)	(0.44)	—[5]	(0.36)	9.35	0.78[11]	284,735	0.95[9]	0.95	4.20	34
10/1/13 to 9/30/14	9.79	0.40	(0.09)	0.31	(0.39)	—	(0.39)	—	(0.08)	9.71	3.23	457,494	0.93[9]	0.93	4.06	77
10/1/12 to 9/30/13	9.78	0.43	0.07	0.50	(0.49)	(—)[5]	(0.49)	—	0.01	9.79	5.21	381,791	0.96[9]	0.96	4.41	68
10/1/11 to 9/30/12	9.27	0.51	0.49	1.00	(0.49)	—	(0.49)	—	0.51	9.78	11.04	94,193	0.98[9]	0.98	5.31	56
Tax-Exempt Bond Fund																
Class A																
1/1/16 to 9/30/16[14]	$11.43	0.22	0.12	0.34	(0.22)	—	(0.22)	—	0.12	$11.55	3.00%[4]	$ 69,711	0.87%[3][12]	1.03%[3]	2.53%[3]	9%[4]
1/1/15 to 12/31/15	11.46	0.30	(0.03)	0.27	(0.29)	(0.01)	(0.30)	—	(0.03)	11.43	2.39	74,418	0.85	1.00	2.60	10
1/1/14 to 12/31/14	10.91	0.31	0.56	0.87	(0.32)	—[5]	(0.32)	—	0.55	11.46	7.94	79,906	0.85	0.99	2.73	22
1/1/13 to 12/31/13	11.62	0.30	(0.71)	(0.41)	(0.30)	—	(0.30)	—	(0.71)	10.91	(3.48)	89,303	0.85	0.98	2.66	29
1/1/12 to 12/31/12	11.10	0.30	0.52	0.82	(0.30)	—	(0.30)	—	0.52	11.62	7.45	143,397	0.87[12]	1.00	2.61	35
1/1/11 to 12/31/11	10.38	0.39	0.74	1.13	(0.41)	—	(0.41)	—	0.72	11.10	10.98	107,873	0.81	0.98	3.62	59
Class C																
1/1/16 to 9/30/16[14]	$11.43	0.15	0.13	0.28	(0.16)	—	(0.16)	—	0.12	$11.55	2.42%[4]	$ 26,833	1.61%[3][12]	1.78%[3]	1.78%[3]	9%[4]
1/1/15 to 12/31/15	11.46	0.21	(0.03)	0.18	(0.20)	(0.01)	(0.21)	—	(0.03)	11.43	1.62	30,316	1.60	1.75	1.85	10
1/1/14 to 12/31/14	10.92	0.22	0.55	0.77	(0.23)	—[5]	(0.23)	—	0.54	11.46	7.13	30,967	1.60	1.74	1.98	22
1/1/13 to 12/31/13	11.63	0.22	(0.72)	(0.50)	(0.21)	—	(0.21)	—	(0.71)	10.92	(4.29)	28,845	1.60	1.73	1.92	29
1/1/12 to 12/31/12	11.10	0.21	0.54	0.75	(0.22)	—	(0.22)	—	0.53	11.63	6.74	39,792	1.62[12]	1.75	1.86	35
1/1/11 to 12/31/11	10.38	0.31	0.74	1.05	(0.33)	—	(0.33)	—	0.72	11.10	10.15	28,641	1.54	1.70	2.91	59
Class I																
1/1/16 to 9/30/16[14]	$11.43	0.24	0.12	0.36	(0.24)	—	(0.24)	—	0.12	$11.55	3.19%[4]	$104,679	0.62%[3][12]	0.78%[3]	2.78%[3]	9%[4]
1/1/15 to 12/31/15	11.46	0.33	(0.03)	0.30	(0.32)	(0.01)	(0.33)	—	(0.03)	11.43	2.64	90,912	0.60	0.77	2.85	10
1/1/14 to 12/31/14	10.91	0.34	0.56	0.90	(0.35)	—[5]	(0.35)	—	0.55	11.46	8.30	86,459	0.60	0.79	2.98	22
1/1/13 to 12/31/13	11.62	0.33	(0.71)	(0.38)	(0.33)	—	(0.33)	—	(0.71)	10.91	(3.33)	82,936	0.60	0.77	2.88	29
1/1/12 to 12/31/12	11.10	0.33	0.52	0.85	(0.33)	—	(0.33)	—	0.52	11.62	7.72	162,094	0.62[12]	0.79	2.84	35
1/1/11 to 12/31/11	10.38	0.41	0.74	1.15	(0.43)	—	(0.43)	—	0.72	11.10	11.36	94,228	0.57	0.77	3.78	59

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

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss)[2]	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return[1]	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets[8]	Ratio of Gross Expenses to Average Net Assets[8]	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
Wealth Masters Fund															
Class A															
10/1/15 to 9/30/16	$13.25	0.07	1.55	1.62	(0.03)	(0.24)	(0.27)	1.35	$14.60	12.44%	$33,204	1.46%[10][12]	1.54%	0.53%	30%
10/1/14 to 9/30/15	14.50	0.05	(0.98)	(0.93)	(0.05)	(0.27)	(0.32)	(1.25)	13.25	(6.74)	54,109	1.45	1.46	0.36	51
10/1/13 to 9/30/14	13.12	0.02	1.37	1.39	—	(0.01)	(0.01)	1.38	14.50	10.67	55,881	1.45	1.46	0.11	62
10/1/12 to 9/30/13	10.22	(0.01)	3.05	3.04	(0.09)	(0.05)	(0.14)	2.90	13.12	30.09	5,169	1.45	3.29	(0.10)	22
9/5/12[6] to 9/30/12	10.00	0.01	0.21	0.22	—	—	—	0.22	10.22	2.20[4]	106	1.45[3]	44.72[3]	0.78[3]	26[4]
Class C															
10/1/15 to 9/30/16	$13.02	(0.03)	1.51	1.48	—	(0.24)	(0.24)	1.24	$14.26	11.56%	$24,816	2.21%[10][12]	2.29%	(0.22)%	30%
10/1/14 to 9/30/15	14.32	(0.06)	(0.97)	(1.03)	—	(0.27)	(0.27)	(1.30)	13.02	(7.41)	34,171	2.20	2.21	(0.39)	51
10/1/13 to 9/30/14	13.04	(0.09)	1.38	1.29	—	(0.01)	(0.01)	1.28	14.32	9.90	30,511	2.20	2.22	(0.65)	62
10/1/12 to 9/30/13	10.21	(0.08)	3.03	2.95	(0.07)	(0.05)	(0.12)	2.83	13.04	29.11	1,742	2.20	4.41	(0.66)	22
9/5/12[6] to 9/30/12	10.00	(—)[5]	0.21	0.21	—	—	—	0.21	10.21	2.10[4]	107	2.20[3]	45.67[3]	0.04[3]	26[4]
Class I															
10/1/15 to 9/30/16	$13.30	0.08	1.58	1.66	(0.06)	(0.24)	(0.30)	1.36	$14.66	12.75%	$20,134	1.21%[10][12]	1.29%	0.61%	30%
10/1/14 to 9/30/15	14.56	0.09	(1.00)	(0.91)	(0.08)	(0.27)	(0.35)	(1.26)	13.30	(6.53)	32,495	1.20	1.21	0.62	51
10/1/13 to 9/30/14	13.14	0.05	1.39	1.44	(0.01)	(0.01)	(0.02)	1.42	14.56	10.96	48,918	1.20	1.20	0.33	62
10/1/12 to 9/30/13	10.22	0.06	3.01	3.07	(0.10)	(0.05)	(0.15)	2.92	13.14	30.37	44,813	1.20	4.64	0.52	22
9/5/12[6] to 9/30/12	10.00	0.01	0.21	0.22	—	—	—	0.22	10.22	2.20[4]	818	1.20[3]	44.40[3]	1.04[3]	26[4]

Footnote Legend

(1) Sales charges, where applicable, are not reflected in the total return calculation.
(2) Computed using average shares outstanding.
(3) Annualized.
(4) Not annualized.
(5) Amount is less than $0.005 per share.
(6) Inception date.
(7) Due to a change in expense ratio, the ratio shown is a blended expense ratio.
(8) The Funds will also indirectly bear their prorated share of expenses of the underlying funds in which they invest. Such expenses are not included in the calculation of this ratio.
(9) The Fund is currently under its expense limitation.
(10) Earnings credits from the custodian were not material, as reflected in the Statements of Operations and had no impact on the Financial Highlights.
(11) Payment from affiliate had no impact on total return.
(12) Net expense ratio includes extraordinary proxy expenses.
(13) Portfolio turnover calculation excludes security transactions that were distributed as a result of a redemption-in-kind.
(14) The Fund changed its fiscal-year-end to September 30 during the period.

VIRTUS OPPORTUNITIES TRUST
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1. Organization

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

As of the date of this report, 31 funds of the Trust are offered for sale, of which ten (each a "Fund") are reported in this annual report.

Each Fund's investment objective is outlined in each Fund's summary page.

There is no guarantee that a Fund will achieve its objective.

All of the Funds offer Class A shares and Class C shares with the exception of the CA Tax-Exempt Bond Fund which does not offer Class C shares. All of the Funds offer Class I shares. Class B shares are no longer available for purchase by new or existing shareholders, except for existing shareholders through Qualifying Transactions. For information regarding Qualifying Transactions, refer to each Fund's prospectus. The Multi-Sector Intermediate Bond Fund also offers Class R6 shares.

Class A shares of Low Duration Income Fund are sold with a front-end sales charge of 2.25% with some exceptions. Class A shares of the CA Tax-Exempt Bond Fund, Senior Floating Rate Fund and Tax-Exempt Bond Fund are sold with a front-end sales charge of up to 2.75% with some exceptions. Class A shares of the Bond Fund, High Yield Fund, and Multi-Sector Intermediate Bond Fund are sold with a front-end sales charge of up to 3.75% with some exceptions. Class A shares of the Essential Resources, Low Volatility Equity and Wealth Masters Funds are sold with a front-end sales charge of up to 5.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Funds when redeemed; however, a 0.50% – 1% contingent deferred sales charge ("CDSC") may be imposed on certain redemptions made within a certain period following purchases on which a finder's fee has been paid. The period for which such CDSC applies for the Funds is 18 months. The CDSC period begins on the last day of the month preceding the month in which the purchase was made.

Class B shares were generally sold with a CDSC, which declines from 5% to zero depending on the period of time the shares are held. Class C shares are generally sold with a 1% CDSC, applicable if redeemed within one year of purchase. Class R6 and Class I shares are sold without a front-end sales charge or CDSC.

Class R6 shares are only available to participants in employer-sponsored retirement plans, such as 401(k) plans, profit-sharing plans, defined benefit plans and other employer-directed plans. Class R6 shares do not carry sales commissions or pay Rule 12b-1 fees. No compensation, administrative payments, sub-transfer agency payments or service payments are paid to brokers or other entities from fund assets or the Distributor's or an affiliate's resources on sales of or investments in Class R6 Shares.

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

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

Note 2. Significant Accounting Policies

The significant accounting policies consistently followed by the Trust in the preparation of its financial statements are summarized below and for derivatives, included in Note 3 below. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and those differences could be significant.

A. Security Valuation

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

Each Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The Funds' policy is to recognize transfers between levels at the end of the reporting period.

- Level 1 – quoted prices in active markets for identical securities (security types generally include listed equities).
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 – prices determined using significant unobservable inputs (including the Valuation Committee's own assumptions in determining the fair value of investments).

A description of the valuation techniques applied to a Fund's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

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

Certain non-U.S. securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that non-U.S. markets close (where the security is principally traded) and the time that a Fund calculates its net asset value ("NAV") (at the close of regular trading on the 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, are illiquid, or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

Listed derivatives, such as treasury futures, that are actively traded are valued based on quoted prices from the exchange and are categorized as Level 1 in the hierarchy. Over-the-counter derivative contracts, which include forward currency contracts and equity-linked instruments, do not require material subjectivity as pricing inputs are observed from actively quoted markets and are categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds are valued at NAV. Investments in closed-end funds are valued as of the close of regular trading on the NYSE each business day. Both are categorized as Level 1 in the hierarchy.

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

B. Security Transactions and Investment Income

Security transactions are recorded on the trade date. Realized gains and losses from sales of securities are determined on the identified cost basis. Dividend income is recognized on the ex-dividend date or, in the case of certain foreign securities, as soon as a Fund is notified. Interest income is recorded on the accrual basis. Each Fund amortizes premiums and accretes discounts using the effective interest method. Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds.

Dividend income from REIT investments is recorded using management's estimate of the income included in distributions received from the REIT investments. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts.

C. Income Taxes

Each Fund is treated as a separate taxable entity. It is the intention of each Fund to comply with the requirements of Subchapter M of the Internal Revenue Code and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes or excise taxes has been made.

Certain Funds may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Each Fund will accrue such taxes and recoveries as applicable based upon current interpretations of the tax rules and regulations that exist in the markets in which it invests.

Management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. As of September 30, 2016, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2013 forward (with limited exceptions).

D. Distributions to Shareholders

Distributions are recorded by each Fund on the ex-dividend date. For the Bond Fund, CA Tax-Exempt Fund, High Yield Fund, Low Duration Income Fund, Multi-Sector Intermediate Bond Fund, Senior Floating Rate Fund and Tax-Exempt Bond Fund income distributions are declared and recorded daily and distributed monthly. Income and capital gain distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. These differences may include the treatment of non-taxable dividends, market premium and discount, non-deductible expenses, expiring capital loss carryovers, foreign currency gain or loss, gain or loss on futures contracts, partnerships, operating losses and losses deferred due to wash sales. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest.

E. Expenses

Expenses incurred together by a 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 a Fund bears directly, the shareholders of a Fund indirectly bear the pro rata expenses of the underlying mutual funds in which the Fund invests.

F. Foreign Currency Translation

Non-U.S. investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the foreign currency exchange rate effective at the end of the reporting period. Cost of investments is translated at the currency exchange rate effective at the trade date. The gain or loss resulting from a change in currency exchange rates between the trade and settlement date of a portfolio transaction is treated as a gain or loss on foreign currency. Likewise, the gain or loss resulting from a change in currency exchange rates between the date income is accrued and the date it is paid is treated as a gain or loss on foreign currency. The Funds do not isolate that portion of the 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)

Certain Funds may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a Fund to purchase or sell a security at a future date (ordinarily up to 90 days later). When-issued or forward commitments enable a Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. Each Fund records when-issued and delayed delivery securities on the trade date. Each Fund maintains collateral for the securities purchased. Securities purchased on a when-issued or delayed delivery basis begin earning interest on the settlement date.

H. Interest-Only and Principal-Only Securities

Certain Funds may invest in stripped mortgage-backed securities. Stripped mortgage-backed securities represent a participation in, or are secured by, or payable from, mortgage loans on real property, and may be structured in classes with rights to receive varying proportions of principal and interest. Stripped mortgage-backed securities include interest-only securities (IOs) which receive all of the interest, and principal-only securities (POs) which receive all of the principal. The market value of these securities is highly sensitive to changes in interest rates and a rapid (slow) rate of principal payments may have an adverse (positive) effect on yield to maturity. Payments received for IOs are included in interest income. Because principal will not be received at the maturity of an IO, adjustments are made to the book value of the security on a daily basis until maturity and these adjustments are also included in interest income. Payments received for POs are treated as reductions to the cost and par value of the securities. Any pay down gains or losses associated with the payments received are included in interest income. If the underlying mortgage assets are greater than anticipated payments of principal, a Fund may fail to recoup some or all of its initial investment in these securities.

I. Loan Agreements

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

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

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

At September 30, 2016, all loan agreements held by the Funds are assignment loans.

J. Securities Lending
($ reported in thousands)

Certain Funds may loan securities to qualified brokers through an agreement with Brown Brothers Harriman (“BBH”), as a third party lending agent. Under the terms of agreement, a Fund doing so is required to maintain collateral with a market value not less than 100% of the market value of loaned securities. Collateral is adjusted daily in connection with changes in the market value of securities on loan. Collateral may consist of cash and securities issued by the U.S. Government or its agencies. Cash collateral is invested in a short-term money market fund. Dividends earned on the collateral and premiums paid by the broker are recorded as income by a Fund net of fees and rebates charged by BBH for its services as securities lending agent and in connection with this securities lending program. Lending portfolio securities involves a risk of delay in the recovery of the loaned securities or in the declining value of the collateral.

At September 30, 2016, the Wealth Masters Fund had securities on loan with a market value of $3,073 and cash collateral of $3,132.

K. Earnings Credit and Interest

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

Note 3. Derivative Financial Instruments and Transactions

($ reported in thousands)

Disclosures about derivative instruments and hedging activities are intended to enable investors to understand how and why a Fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect a fund's results of operations and financial position. Summarized below are such disclosures and accounting policies for each specific type of derivative instrument used by certain Funds.

A. Options contracts

An options contract provides the purchaser with the right, but not the obligation, to buy (call option) or sell (put option) a financial instrument at an agreed upon price. Certain Funds may purchase or write both put and call options on portfolio securities. The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund uses options contracts to hedge against changes in the values of equities.

When a Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When a Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. Holdings of the Fund designated to cover outstanding written options are noted in the Schedules of Investments. Purchased options are reported as an asset within "Investment securities at value" in the Statement of Assets and Liabilities. Options written are reported as a liability within "Written options outstanding at value". Changes in value of the purchased option is included in "Net change in unrealized appreciation/(depreciation) on investments" in the Statement of Operations. Changes in value of written options is included in "Net change in unrealized appreciation/(depreciation) on written options".

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

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

The Low Volatility Equity Fund invested in writing index call options and buying call options on VIX futures. Both are used as techniques for limiting the volatility of the Fund's portfolio.

The Fund had transactions in written call options for the period ended September 30, 2016 as follows:

Written call options	Number of contracts	Premium received
Written Options outstanding at September 30, 2015	25	$ 92
Options written	293	465
Options closed	(275)	(463)
Options expired	(26)	(90)
Options exercised	—	—
Written Options outstanding at September 30, 2016	17	$ 4

The following is a summary of the Fund's option contracts which have a primary risk exposure to equity contracts as of September 30, 2016:

Statements of Assets and Liabilities	
Assets: Purchased call options at value	$ 4[1]
Liabilities: Written options	(2)
Net asset (liability) balance	$ 2

Statements of Operations	
Net realized gain (loss) on purchased options	$(116)[2]
Net realized gain (loss) on written options	(370)
Net change in unrealized appreciation (depreciation) on purchased options	(3)[3]
Net change in unrealized appreciation (depreciation) on written options	(52)
Total realized and unrealized gain (loss) on purchased and written options	$(541)

[1] Amount included in Investment in unaffiliated securities at value.
[2] Amount included in Net realized gain (loss) on unaffiliated investments.
[3] Amount included in net change in unrealized appreciation (depreciation) on unaffiliated investments.

For the period ended September 30, 2016, the average daily premiums paid by the Fund for purchased call options were $9, and the average daily premiums received for written call options by the Fund were $41.

Note 4. Investment Advisory Fees and Related Party Transactions

($ reported in thousands except as noted)

A. Adviser

Virtus Investment Advisers, Inc. (the "Adviser"), an indirect wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the adviser to the Trust. The Adviser manages the Funds' investment programs and general operations of the Funds, including oversight of the Funds' subadvisers.

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

Essential Resources Fund	1.10%
Tax-Exempt Bond Fund	0.45

	First $1 Billion	$1+ Billion
Bond Fund	0.45%	0.40%
Wealth Masters Fund	0.85	0.80

	First $1 Billion	$1+ Billion through $2 Billion	$2+ Billion
CA Tax-Exempt Bond Fund	0.45%	0.40%	0.35%
High Yield Fund	0.65	0.60	0.55
Low Duration Income Fund	0.55	0.50	0.45
Multi-Sector Intermediate Bond Fund	0.55	0.50	0.45
Senior Floating Rate Fund	0.60	0.55	0.50

	First $2 Billion	$2+ Billion through $4 Billion	$4+ Billion
Low Volatility Equity Fund	0.95%	0.90%	0.85%

During the period covered by these financial statements, the Bond Fund, High Yield Fund, Multi-Sector Intermediate Fund, and the Senior Floating Rate Fund invested a portion of its assets in Virtus 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 Credit Opportunities Fund. For the period covered by these financial statements, the waiver amounted to $5, $2, $50, and $38, respectively. These waivers are in addition to the expense limitation and/or fee waiver covered elsewhere in these financial statements and are included in the Statements of Operations in "expenses reimbursed and/or waived by the investment adviser".

B. Subadvisers

The subadvisers manage the investments of each Fund for which they are paid a fee by the Adviser. The subadvisers and the Fund(s) they serve are as follows:

Fund	Subadviser	Fund	Subadviser
Bond Fund	NF[1]	Low Volatility Equity Fund	Rampart[4]
CA Tax-Exempt Bond Fund	NF[1]	Multi-Sector Intermediate Bond Fund	NF[1]
Essential Resources Fund	KBI[3]	Senior Floating Rate Fund	NF[1]
High Yield Fund	NF[1]	Tax-Exempt Bond Fund	NF[1]
Low Duration Income Fund	NF[1]	Wealth Masters Fund	Horizon[2]

[1] Newfleet Asset Management, LLC, an indirect wholly-owned subsidiary of Virtus ("NF")
[2] Horizon Asset Management, LLC ("Horizon")
[3] KBI Global Investors (North America) Ltd. ("KBI")
[4] Rampart Investment Management Company, LLC ("Rampart")

C. Expense Limits and Fee Waivers

The Adviser has contractually agreed to limit certain Funds' total operating expenses (excluding dividend and interest expenses, taxes, brokerage commissions, extraordinary expenses and acquired fund fees and expenses), so that such expenses do not exceed the percentages of the applicable Fund's average daily net asset values as listed below.

	Class A	Class B	Class C	Class I	Through Date
Bond Fund	0.85%	1.60%	1.60%	0.60%	1/31/17
CA Tax-Exempt Bond Fund	0.85	—	—	0.60	1/31/17
Essential Resources Fund	1.65	—	2.40	1.40	1/31/17
High Yield Fund	1.15	1.90	1.90	0.90	1/31/17
Low Duration Income Fund	0.75	—	1.50	0.50	4/30/17
Low Volatility Equity Fund	1.55	—	2.30	1.30	1/31/17
Senior Floating Rate Fund[1]	1.20	—	1.95	0.95	1/31/17
Tax-Exempt Bond Fund	0.85	—	1.60	0.60	4/30/17
Wealth Masters Fund	1.45	—	2.20	1.20	1/31/17

[1] Excluding leverage expenses, if any.

D. Expense Recapture

For certain Funds, the Adviser may recapture operating expenses waived or reimbursed under these arrangements within three years after the date on which such waiver or reimbursement occurred. A Fund must pay its ordinary operating expenses before the Adviser is entitled to any reimbursement and must remain in compliance with any applicable expense limitations or, if none, the expense limitation in effect at the time of the waiver or reimbursement. All or a portion of the following Adviser reimbursed expenses may be recaptured as follows:

	Fiscal Year Ended			
	2017	2018	2019	Total
Bond Fund	$197	$204	$239	$ 640
CA Tax-Exempt Bond Fund	103	110	112	325
Essential Resources Fund	—	113	121	234
High Yield Fund	150	146	183	479
Low Duration Income Fund	276	783	906	1,965
Low Volatility Equity Fund	81	55	67	203
Tax-Exempt Bond Fund	269	290	242	801
Wealth Masters Fund	8	14	74	96

E. Distributor

VP Distributors, LLC ("VP Distributors"), an indirect wholly owned subsidiary of Virtus, serves as the distributor of each Fund's shares and has advised the Funds that for the fiscal year (the "period") ended September 30, 2016, it retained net commissions of $28 for Class A shares and deferred sales charges of $30, $0 and $25 for Class A shares, Class B shares, and Class C shares respectively.

In addition, each Fund pays VP Distributors distribution and/or service fees under a 12b-1 plan as a percentage of the average daily net assets of each respective class at the annual rates of 0.25% for Class A shares, 1.00% for Class B shares and 1.00% for Class C shares; Class I shares and Class R6 shares are not subject to a 12b-1 plan. Prior to its elimination on February 26, 2015, VP Distributors was also entitled to a service fee under a Shareholder Services Plan for Class I shares of the Low Duration Income Fund and Tax-Exempt Bond Fund, at a rate of 0.05% of the average daily net assets, of such class of the Low Duration Income Fund and Tax-Exempt Bond Funds; however VP Distributors had waived such fee prior to its elimination, so each Fund's Class I shares did not pay such fee during the fiscal year ended December 31, 2015.

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

F. Administrator and Transfer Agent

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

For the period ended September 30, 2016, the Funds incurred administration fees totaling $1,591 which are included in the Statements of Operations.

For the period ended September 30, 2016, the Funds incurred transfer agent fees totaling $1,774 which are included in the Statements of Operations. A portion of these fees are paid to outside entities that also provide services to the Trust.

G. Affiliated Shareholders

At September 30, 2016, Virtus and its affiliates and the retirement plans of Virtus and its affiliates held shares of certain Funds which may be redeemed at any time that aggregated to the following:

	Shares	Aggregate Net Asset Value
Essential Resources Fund		
Class A	10,055	$ 91
Class C	10,007	90
Class I	483,600	4,377
Low Duration Income Fund		
Class I	344,459	3,754
Low Volatility Equity Fund		
Class A	10,289	119
Class C	10,197	116
Class I	134,208	1,561
Multi-Sector Intermediate Bond Fund		
Class R6	10,363	107
Senior Floating Rate Fund		
Class I	475,774	4,487

H. Investments in Affiliates

A summary of the total long-term and short-term purchases and sales of an affiliated fund, Virtus Credit Opportunities Fund, during the period ended September 30, 2016 is as follows:

	Value, beginning of period	Purchases	Sales Proceeds	Value, end of period	Dividend Income	Distributions of Realized Gains
Bond Fund	$1,143	$ 9	$ —	$1,159	$ 44	$—
High Yield Fund	342	8	—	352	13	—
Multi-Sector Intermediate Bond Fund	9,058	70	—	9,186	349	—
Senior Floating Rate Fund	7,502	51	1,579	5,999	232	—

The Funds do not invest in the underlying fund for the purpose of exercising management or control; however the investments made by one or more Funds within each Fund's principal investment strategies may represent a significant portion of the underlying fund's net assets. At September 30, 2016 the Multi-Sector Intermediate Bond Fund was the owner of record of approximately 10% of the Virtus Credit Opportunities Fund.

I. Payment from Affiliate

During the period the Adviser reimbursed certain funds for losses. These amounts are included in payments by affiliates in the Statements of Operations. There was no impact on the total return.

J. Trustee Compensation

The Trust provides a deferred compensation plan for its Trustees who receive compensation from the Trust. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Trust, and then, to the extent permitted by the 1940 Act, in turn, may be invested in the shares of affiliated or unaffiliated mutual funds selected by the participating Trustees. Investments in such instruments are included in "Other Assets" on the Statement of Assets and Liabilities at September 30, 2016.

Note 5. Purchases and Sales of Securities

($ reported in thousands)

Purchases and sales of securities (excluding U.S. Government and agency securities, short-term securities and written options) during the period ended September 30, 2016, were as follows:

	Purchases	Sales
Bond Fund	$ 34,669	$ 36,134
CA Tax-Exempt Bond	6,325	7,522
Essential Resources Fund	3,981	3,832
High Yield Fund	61,083	55,031
Low Duration Income Fund	179,460	90,834
Low Volatility Equity Fund	452	2,336
Multi-Sector Intermediate Bond Fund	170,535	214,798
Senior Floating Rate Fund	293,880	427,236
Tax-Exempt Bond Fund	26,711	18,160
Wealth Masters Fund	28,593	79,590

Purchases and sales of long term U.S. Government and agency securities for the Funds during the period ended September 30, 2016, were as follows:

	Purchases	Sales
Bond Fund	$14,311	$11,739
Low Duration Income Fund	80,066	33,395
Multi-Sector Intermediate Bond Fund	11,001	13,160

Note 6. Capital Share Transactions
(reported in thousands)

Transactions in shares of capital stock, during the periods ended as indicated below, were as follows:

	Bond Fund				CA Tax-Exempt Bond Fund			
	Year Ended September 30, 2016		Year Ended September 30, 2015		Year Ended September 30, 2016		Year Ended September 30, 2015	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A								
Sale of shares	195	$ 2,159	248	$ 2,789	53	$ 647	245	$ 3,076
Reinvestment of distributions	104	1,157	128	1,443	69	828	95	1,156
Shares repurchased	(780)	(8,631)	(707)	(7,970)	(168)	(2,042)	(432)	(5,262)
Net Increase / (Decrease)	(481)	$ (5,315)	(331)	$ (3,738)	(46)	$ (567)	(92)	$ (1,030)
Class B								
Sale of shares	—[1]	$ —[2]	—	$ —[2]	—	$ —	—	$ —
Reinvestment of distributions	—[1]	2	—[1]	4	—	—	—	—
Shares repurchased	(5)	(56)	(10)	(106)	—	—	—	—
Net Increase / (Decrease)	(5)	$ (54)	(10)	$ (102)	—	$ —	—	$ —
Class C								
Sale of shares	567	$ 6,059	1,066	$ 11,856	—	$ —	—	$ —
Reinvestment of distributions	19	202	17	190	—	—	—	—
Shares repurchased	(560)	(6,107)	(827)	(9,164)	—	—	—	—
Net Increase / (Decrease)	26	$ 154	256	$ 2,882	—	$ —	—	$ —
Class I								
Sale of shares	1,001	$ 11,191	429	$ 4,917	247	$ 3,008	66	$ 807
Reinvestment of distributions	56	630	52	600	53	637	64	753
Shares repurchased	(519)	(5,836)	(342)	(3,905)	(254)	(3,058)	(133)	(1,613)
Net Increase / (Decrease)	538	$ 5,985	139	$ 1,612	46	$ 587	(3)	$ (53)

	Essential Resources Fund				High Yield Fund			
	Year Ended September 30, 2016		From Inception March 23, 2015 to September 30, 2015		Year Ended September 30, 2016		Year Ended September 30, 2015	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A								
Sale of shares	8	$ 69	10	$ 103	1,752	$ 7,051	11,578	$ 49,167
Reinvestment of distributions	—[1]	—[2]	—	—	644	2,578	824	3,485
Shares repurchased	—	—	—	—	(2,294)	(9,050)	(13,440)	(56,820)
Net Increase / (Decrease)	8	$ 69	10	$ 103	102	$ 579	(1,038)	$ (4,168)
Class B								
Sale of shares	—	$ —	—	$ —	—	$ —[2]	1	$ 4
Reinvestment of distributions	—	—	—	—	—[1]	2	1	3
Shares repurchased	—	—	—	—	(4)	(17)	(16)	(66)
Net Increase / (Decrease)	—	$ —	—	$ —	(4)	$ (15)	(14)	$ (59)
Class C								
Sale of shares	1	$ 8	13	$ 129	372	$ 1,482	349	$ 1,452
Reinvestment of distributions	—[1]	—[2]	—	—	39	153	41	172
Shares repurchased	(1)	(5)	—[1]	—[2]	(326)	(1,257)	(388)	(1,603)
Net Increase / (Decrease)	—[1]	$ 3	13	$ 129	85	$ 378	2	$ 21
Class I								
Sale of shares	101	$ 862	485	$ 4,847	2,307	$ 9,282	815	$ 3,498
Reinvestment of distributions	4	31	—	—	103	413	87	367
Shares repurchased	(90)	(775)	(2)	(19)	(1,669)	(6,558)	(1,148)	(4,834)
Net Increase / (Decrease)	15	$ 118	483	$ 4,826	741	$ 3,137	(246)	$ (969)

[1] Amount is less than 500.
[2] Amount is less than $500.

	Low Duration Income Fund					
	Fiscal Period Ended September 30, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	3,603	$ 38,896	3,576	$ 38,617	5,969	$ 64,993
Reinvestment of distributions	110	1,190	122	1,317	78	845
Shares repurchased	(2,357)	(25,460)	(2,669)	(28,924)	(2,710)	(29,548)
Net Increase / (Decrease)	1,356	$ 14,626	1,029	$ 11,010	3,337	$ 36,290
Class C						
Sale of shares	1,363	$ 14,668	2,142	$ 23,100	4,749	$ 51,623
Reinvestment of distributions	28	307	35	383	27	295
Shares repurchased	(1,282)	(13,835)	(2,751)	(29,800)	(2,383)	(25,937)
Net Increase / (Decrease)	109	$ 1,140	(574)	$ (6,317)	2,393	$ 25,981
Class I						
Sale of shares	15,127	$ 163,364	11,692	$ 126,118	6,140	$ 66,872
Reinvestment of distributions	214	2,320	181	1,955	127	1,386
Shares repurchased	(6,365)	(68,648)	(6,345)	(68,533)	(2,558)	(27,870)
Net Increase / (Decrease)	8,976	$ 97,036	5,528	$ 59,540	3,709	$ 40,388

	Low Volatility Equity Fund				Multi-Sector Intermediate Bond Fund			
	Year Ended September 30 2016		Year Ended September 30, 2015		Year Ended September 30, 2016		Year Ended September 30, 2015	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A								
Sale of shares	25	$ 289	171	$ 2,056	1,400	$ 13,704	2,970	$ 30,801
Reinvestment of distributions	3	40	1	7	383	3,779	565	5,794
Shares repurchased	(67)	(750)	(34)	(395)	(2,914)	(28,545)	(3,956)	(40,421)
Net Increase / (Decrease)	(39)	$ (421)	138	$ 1,668	(1,131)	$ (11,062)	(421)	$ (3,826)
Class B								
Sale of shares	—	$ —	—	$ —	—[1]	$ —[2]	3	$ 36
Reinvestment of distributions	—	—	—	—	8	77	19	196
Shares repurchased	—	—	—	—	(135)	(1,324)	(230)	(2,365)
Net Increase / (Decrease)	—	$ —	—	$ —	(127)	$ (1,247)	(208)	$ (2,133)
Class C								
Sale of shares	19	$ 216	140	$ 1,648	1,047	$ 10,368	2,225	$ 23,203
Reinvestment of distributions	2	23	—[1]	2	213	2,115	337	3,489
Shares repurchased	(103)	(1,139)	(39)	(462)	(2,552)	(25,177)	(2,927)	(30,282)
Net Increase / (Decrease)	(82)	$ (900)	101	$ 1,188	(1,292)	$ (12,694)	(365)	$ (3,590)
Class I								
Sale of shares	—[1]	$ 2	6	$ 71	6,322	$ 61,665	7,369	$ 75,867
Reinvestment of distributions	3	32	1	6	433	4,269	657	6,736
Shares repurchased	(2)	(26)	—	—	(9,006)	(87,086)	(7,278)	(74,560)
Net Increase / (Decrease)	1	$ 8	7	$ 77	(2,251)	$ (21,152)	748	$ 8,043
Class R6								
Sale of shares	—	$ —	—	$ —	33	$ 329	183	$ 1,906
Reinvestment of distributions	—	—	—	—	8	81	5	40
Shares repurchased	—	—	—	—	(29)	(280)	(6)	(61)
Net Increase / (Decrease)	—	$ —	—	$ —	12	$ 130	182	$ 1,885

[1] Amount is less than 500.
[2] Amount is less than $500.

	Senior Floating Rate Fund			
	Year Ended September 30, 2016		Year Ended September 30, 2015	
	SHARES	AMOUNT	SHARES	AMOUNT
Class A				
Sale of shares	1,242	$ 11,489	5,295	$ 51,097
Reinvestment of distributions	895	8,271	1,177	11,287
Shares repurchased	(6,679)	(61,504)	(8,090)	(77,658)
Net Increase / (Decrease)	(4,542)	$ (41,744)	(1,618)	$ (15,274)
Class C				
Sale of shares	759	$ 7,026	1,575	$ 15,160
Reinvestment of distributions	330	3,056	483	4,636
Shares repurchased	(4,010)	(37,034)	(5,520)	(53,095)
Net Increase / (Decrease)	(2,921)	$ (26,952)	(3,462)	$ (33,299)
Class I				
Sale of shares	9,465	$ 87,241	9,564	$ 91,910
Reinvestment of distributions	690	6,376	1,206	11,564
Shares repurchased	(18,214)	(167,343)	(27,432)	(263,127)
Net Increase / (Decrease)	(8,059)	$ (73,726)	(16,662)	$ (159,653)

	Tax-Exempt Bond Fund					
	Fiscal Period Ended September 30, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	494	$ 5,709	920	$ 10,518	1,272	$ 14,392
Reinvestment of distributions	104	1,200	152	1,730	183	2,067
Shares repurchased	(1,074)	(12,421)	(1,533)	(17,468)	(2,663)	(30,083)
Net Increase / (Decrease)	(476)	$ (5,512)	(461)	$ (5,220)	(1,208)	$ (13,624)
Class C						
Sale of shares	259	$ 2,996	576	$ 6,588	756	$ 8,588
Reinvestment of distributions	28	322	41	465	43	484
Shares repurchased	(617)	(7,126)	(666)	(7,583)	(739)	(8,349)
Net Increase / (Decrease)	(330)	$ (3,808)	(49)	$ (530)	60	$ 723
Class I						
Sale of shares	2,773	$ 32,072	1,916	$ 21,874	2,664	$ 30,145
Reinvestment of distributions	161	1,868	191	2,180	173	1,952
Shares repurchased	(1,827)	(21,133)	(1,696)	(19,357)	(2,889)	(32,489)
Net Increase / (Decrease)	1,107	$ 12,807	411	$ 4,697	(52)	$ (392)

	Wealth Masters Fund			
	Year Ended September 30, 2016		Year Ended September 30, 2015	
	SHARES	AMOUNT	SHARES	AMOUNT
Class A				
Sale of shares	312	$ 4,201	1,889	$ 28,329
Reinvestment of distributions	74	981	82	1,205
Shares repurchased	(2,195)	(29,176)	(1,740)	(25,440)
Net Increase / (Decrease)	(1,809)	$ (23,994)	231	$ 4,094
Class C				
Sale of shares	200	$ 2,581	1,134	$ 16,676
Reinvestment of distributions	40	520	39	567
Shares repurchased	(1,124)	(14,664)	(680)	(9,890)
Net Increase / (Decrease)	(884)	$ (11,563)	493	$ 7,353
Class I				
Sale of shares	600	$ 8,275	1,346	$ 20,069
Reinvestment of distributions	47	630	74	1,097
Shares repurchased	(1,717)	(22,935)	(2,336)	(33,811)
Net Increase / (Decrease)	(1,070)	$ (14,030)	(916)	$ (12,645)

Note 7. 10% Shareholders

As of September 30, 2016, certain Funds had individual shareholder account(s) and/or omnibus shareholder account(s) (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of each such Fund as detailed below:

	% of Shares Outstanding	Number of Accounts
Bond Fund	22%	2
CA-Tax Exempt Bond Fund	33	1
Essential Resources Fund	91	1*
Low Duration Income Fund	27	2
Low Volatility Equity Fund	69	2
Multi-Sector Intermediate Bond Fund	11	1
Senior Floating Rate Fund	35	2
Tax-Exempt Bond Fund	11	1
Wealth Masters Fund	18	1

* Includes affiliated shareholder account(s)

Note 8. Credit Risk and Asset Concentration

In countries with limited or developing markets, investments may present greater risks than in more developed markets and the prices of such investments may be volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of these investments and the income they generate, as well as a Fund's ability to repatriate such amounts.

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

Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that the market may fluctuate for other reasons, and there is no assurance that the insurance company will meet its obligations. Insured securities have been identified in the Schedule of Investments. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Funds.

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

At September 30, 2016, the following Funds held securities issued by various companies in specific sectors or countries as detailed below:

Fund	Sector	Percentage of Total Investments
Essential Resources Fund	Industrials	27%
Wealth Masters Fund	Consumer Discretionary	32

Note 9. Indemnifications

Under the Trust's organizational documents, its Trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Funds. Each Trustee has also entered into an indemnification agreement with the Trust. In addition, in the normal course of business, the Funds enter into contracts that provide a variety of indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds and that have not occurred. However, the Funds have not had prior claims or losses pursuant to these arrangements and expect the risk of loss to be remote.

Note 10. Federal Income Tax Information

($ reported in thousands)

At September 30, 2016, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Funds were as follows:

Fund	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)
Bond Fund	$ 74,772	$ 2,662	$ (310)	$ 2,352
CA Tax-Exempt Bond Fund	28,050	2,171	(21)	2,150
Essential Resources Fund	4,817	213	(302)	(89)
High Yield Fund	75,161	2,440	(2,691)	(251)
Low Duration Income Fund	394,737	4,605	(529)	4,076
Low Volatility Equity Fund Securities	3,076	616	—	616
Low Volatility Equity Fund Options	(2)	—	—	—
Multi-Sector Intermediate Bond Fund	303,468	9,897	(13,162)	(3,265)
Senior Floating Rate Fund	599,139	4,255	(16,215)	(11,960)
Tax-Exempt Bond Fund	187,658	13,783	(413)	13,370
Wealth Masters Fund	76,169	8,669	(3,889)	4,780

Certain Funds have capital loss carryovers available to offset future realized capital gains, through the indicated expiration dates shown below:

	2017	2018	No Expiration		Total	
	Short-Term	Short-Term	Short-Term	Long-Term	Short-Term	Long-Term
Bond Fund	$ 3,149	$ —	$ 590	$ 858	$ 3,739	$ 858
Essential Resources Fund	—	—	37	—	37	—
High Yield Fund	13,758	9,151	936	1,348	23,845	1,348
Low Duration Income Fund	1,168	—	128	644	1,296	644
Low Volatility Equity Fund	—	—	96	145	96	145
Multi-Sector Intermediate Bond Fund	—	—	3,254	3,906	3,254	3,906
Senior Floating Rate Fund	—	—	3,474	9,164	3,474	9,164
Wealth Masters Fund	—	—	—	36	—	36

The Trust may not realize the benefit of these losses to the extent each Fund does not realize gains on investments prior to the expiration of the capital loss carryovers.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses recognized for tax years beginning after December 22, 2010 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

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

Fund	Late Year Ordinary Losses Deferred	Late Year Ordinary Losses Recognized	Capital Loss Deferred	Capital Loss Recognized
Bond Fund	$—	$—	$ 386	$1,302
Essential Resources Fund	—	—	356	—
High Yield Fund	—	—	1,023	2,043
Low Duration Income Fund	—	—	—	140
Low Volatility Equity Fund	—	—	310	—
Multi-Sector Intermediate Bond Fund	—	—	4,369	6,431
Senior Floating Rate Fund	—	—	11,582	9,748
Tax-Exempt Bond Fund	—	—	—	86
Wealth Masters Fund	—	—	3,244	—

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

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Undistributed Tax-Exempt Income
Bond Fund	$ 125	$ —	$ —
CA Tax-Exempt Bond Fund	—	161	48
Essential Resources Fund	29	—	—
High Yield Fund	120	—	—
Low Duration Income Fund	242	—	—
Low Volatility Equity Fund	16	—	—
Multi-Sector Intermediate Bond Fund	1,172	—	—
Senior Floating Rate Fund	758	—	—
Tax-Exempt Bond Fund	—	258	109
Wealth Masters Fund	286	—	—

For the period ended September 30, 2016, the CA Tax-Exempt Bond Fund and the Tax-Exempt Bond Fund distributed $936 and $3,842 of exempt interest dividends, respectively.

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.

	2016				2015				
	Tax Exempt Income	Ordinary income	Long-Term Capital Gains	Total	Tax Exempt Income	Ordinary income	Long-Term Capital Gains	Tax Return of Capital	Total
Bond Fund	$ —	$ 2,243	$ —	$ 2,243	$ —	$ 2,207	$ —	$ 379	$ 2,586
CA Tax-Exempt Bond Fund	936	18	706	1,660	1,130	33	1,061	—	2,224
Essential Resources Fund	—	31	—[1]	31	—	—	—	—	—
High Yield Fund	—	3,678	—	3,678	—	4,752	—	—	4,752
Low Duration Income Fund	—	4,715	—	4,715	—	3,654	—	543	4,197
Low Volatility Equity Fund	—	49	45	94	—	15	—	—	15
Multi-Sector Intermediate Bond Fund	—	12,588	—	12,588	—	14,411	3,975	1,912	20,298
Senior Floating Rate Fund	—	21,463	—	21,463	—	32,389	1,003	—	33,392
Tax-Exempt Bond Fund	3,842	24	—	3,866	4,923	19	149	—	5,091
Wealth Masters Fund	—	1,747	519	2,266	—	2,974	48	—	3,022

[1] Amount is less than $500.

Note 11. Reclassification of Capital Accounts
($ reported in thousands)

For financial reporting purposes, book basis capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Permanent reclassifications can arise from differing treatment of certain income and gain transactions, nondeductible current year net operating losses, expiring capital loss carryovers and investments in passive foreign investment companies. The reclassifications have no impact on the net assets or net asset value of the Funds. As of September 30, 2016, the Funds 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)
Bond Fund	$—	$(126)	$126
CA Tax-Exempt Bond Fund	—	—	—
Essential Resources Fund	—	(2)	2
High Yield Fund	—	—	—
Low Duration Income Fund	—	—	—
Low Volatility Equity Fund	—	—	—
Multi-Sector Intermediate Bond Fund	—	(304)	304
Senior Floating Rate Fund	—	(84)	84
Tax-Exempt Bond Fund	—	—	—
Wealth Masters Fund	—	—	—

[1] Amount less than $500.

Note 12. Regulatory Matters and Litigation

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

On February 20, 2015, a putative class action complaint (*In re Virtus Investment Partners, Inc. Securities Litigation; formerly styled as Tom Cummins v. Virtus Investment Partners Inc. et al.*) alleging violation of the federal securities laws was filed by an individual shareholder against Virtus and certain of its officers (the "defendants") in the United States District Court for the Southern District of New York. On August 21, 2015, the lead plaintiff filed a Consolidated Class Action Complaint (the "Consolidated Complaint") amending the originally filed complaint and adding the Trust as a defendant. The Consolidated Complaint was purportedly filed on behalf of all purchasers of Virtus common stock between January 25, 2013 and May 11, 2015 (the "Class Period"). The Consolidated Complaint alleges that during the Class Period, the defendants disseminated materially false and misleading statements and concealed material adverse facts relating to certain funds previously subadvised by F-Squared Investments, Inc. and/or its affiliates ("F-Squared"). The plaintiff seeks to recover unspecified damages. A motion to dismiss the Consolidated Complaint was filed on behalf of the defendants on October 21, 2015. Pursuant to an Opinion & Order ("Order") filed on July 1, 2016, the court granted in part and denied in part the defendants' motion to dismiss. Although the Order narrows the scope of the claims asserted, claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder survive the motion. The defendants filed an Answer to the Consolidated Complaint on August 5, 2016. Virtus and its affiliates, including the Adviser, believe that the suit is without merit and intend to defend it vigorously. The Trust believes that the risk of loss to the Funds 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 Funds.

On May 8, 2015, a putative class action complaint (*Mark Youngers v. Virtus Investment Partners, Inc. et al.*) alleging violations of certain provisions of the federal securities laws was filed in the United States District Court for the Central District of California. The complaint, which was purportedly filed on behalf of purchasers of certain Virtus Funds previously subadvised by F-Squared between May 8, 2010 and December 22, 2014, inclusive (the "Class Period"), alleged claims against Virtus, certain Virtus officers and affiliates (including the Adviser, Euclid Advisors LLC ("Euclid") and VP Distributors, LLC), the trustees and certain officers of the Trust, and certain other parties (the "defendants"). The complaint alleges that during the Class Period the defendants disseminated materially false and misleading statements and concealed or omitted material facts necessary to make the statements made not misleading. On October 1, 2015, the plaintiff filed a First Amended Class Action Complaint which, among other things, added a derivative claim for breach of fiduciary duty on behalf of the Trust. On October 19, 2015, the United States District Court for the Central District of California entered an order transferring the action to the Southern District of New York. On January 4, 2016, Plaintiffs filed a Second Amended Complaint. Motions to dismiss were filed on behalf of Virtus, its officers and affiliates and the independent trustees on February 1, 2016. An Opinion & Order ("Order") granting in part and denying in part the defendants' motions to dismiss was issued on July 1, 2016. The Order dismissed all claims against the Adviser, Euclid, the independent trustees and certain of the other individual defendants and narrowed the claims asserted against the remaining defendants. The remaining defendants filed an Answer to the Second Amended Complaint on August 5, 2016. The defendants filed a motion to certify an interlocutory appeal of the July 1, 2016 order to the Court of Appeals for the Second Circuit on August 26, 2016. Oral argument on the motion is scheduled for October 7, 2016. Virtus and its affiliates, including the Adviser, believe that the suit has no basis in law or fact and intend to defend it vigorously. The Trust believes that the risk of loss to the Funds 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 Funds.

Note 13. Borrowings

($ reported in thousands)

On June 29, 2016, the Funds as well as other funds of the Trust (with the exception of the Senior Floating Rate Fund) renewed a $50,000 secured line of Credit. The Credit Agreement (the "Agreement") is with a commercial bank (the "Bank") that allows the Funds to manage large unexpected redemptions and trade fails, up to a limit of one-third or one-fifth of each Fund's total net assets in accordance with the Agreement. The agreement has a term of 364 days and is renewable by the Funds with the Bank's consent. Interest is charged at the higher of the LIBOR (London Interbank Offered Rate) or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Funds and other funds that are parties are individually, and not jointly, liable for their particular advances, if any, under the line of credit. The Bank has the ability to require repayment of outstanding borrowings under the Agreement upon certain circumstances such as an event of default.

No Funds made borrowings during the period and no Fund had any outstanding borrowings as of September 30, 2016.

On April 30, 2012, the Senior Floating Rate Fund entered into a Credit Agreement (the "Agreement") with a commercial bank (the "Bank") that allows the Fund to borrow cash from the Bank, up to a limit of $125,000. Borrowings under the Agreement are collateralized by investments of the Fund. Interest is charged at LIBOR (London Interbank Offered Rate) plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. Total commitment fees paid and accrued for the period ended September 30, 2016, were $197 and are included in interest expense and fees on the Statement of Operations. The Agreement is renewable by the Fund with the Bank's consent. The Agreement can also be converted to a 364 day fixed term facility, one time at the Fund's option. The Bank has the ability to require repayment of outstanding borrowings under the Agreement upon certain circumstances such as an event of default. From October 1, 2015 to September 30, 2016, the average daily borrowings under the Agreement and the weighted daily average interest rate were $24,124 and 1.222%, respectively. At September 30, 2016, the Fund had $30,000 in such outstanding borrowings with an interest rate of 1.374%.

Note 14. Illiquid and Restricted Securities

Investments are generally considered illiquid if they cannot be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by a Fund. Additionally, the following information is also considered in determining liquidity: the frequency of trades and quotes for the investment, whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price, the extent of market making activity in the investment and the nature of the market for investment. Illiquid securities are footnoted as such at the end of each Fund's Schedule of Investments where applicable. However, a portion of such footnoted securities could be liquid where it is determined that some, though not all, of the position could be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the applicable Fund.

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

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

The following Funds held securities considered to be illiquid at September 30, 2016:

Fund	Aggregate Value	% of Fund's net assets
Bond Fund	$ 324	0.42%
High Yield Fund	262	0.34
Multi-Sector Intermediate Bond Fund	1,355	0.45
Senior Floating Rate Fund	5,117	0.93

None of the securities referenced in this table are restricted.

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

Note 15. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued, and has determined that there the following subsequent events require recognition or disclosure in the financial statements.

Effective November 3, 2016, the Virtus Bond Fund, Virtus High Yield Fund and Virtus Senior Floating Rate Fund began offering Class R6 Shares.

Effective November 1, 2016, the expense limits applicable to Virtus High Yield Fund (as discussed in Note 4C) have changed. The new limits are set forth in the Prospectus Supplement for that Fund dated November 1, 2016, in the back of this Shareholder Report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Virtus Bond Fund, Virtus CA Tax-Exempt Bond Fund, Virtus Essential Resources Fund, Virtus High Yield Fund, Virtus Low Duration Bond Fund, Virtus Low Volatility Equity Fund, Virtus Multi-Sector Intermediate Bond Fund, Virtus Senior Floating Rate Fund, Virtus Tax-Exempt Bond Fund, and Virtus Wealth Masters Fund (constituting funds within Virtus Opportunities Trust, hereafter referred to as the "Funds") at September 30, 2016, the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2016 by correspondence with the custodian, brokers, and transfer agent of the investee funds, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
November 22, 2016

VIRTUS OPPORTUNITIES TRUST
TAX INFORMATION NOTICE
SEPTEMBER 30, 2016
(Unaudited)

For the fiscal year ended September 30, 2016, the Funds make the following disclosures for federal income tax purposes. Below is listed the percentages, or the maximum amount allowable, of its ordinary income dividends ("QDI") to qualify for the lower tax rates applicable to individual shareholders, and the percentage of ordinary income dividends earned by the Funds which qualifies for the dividends received deduction ("DRD") for corporate shareholders. The Funds designate the amounts below as long-term capital gains dividends ("LTCG") ($ reported in thousands), or if subsequently different, the amounts will be designated in the next annual report. The actual percentage for the calendar year will be designated in year-end tax statements.

Fund	QDI	DRD	LTCG
Bond Fund	0%	0%	$ —
CA Tax-Exempt Bond Fund	—	—	214
Essential Resources Fund	100	58	—
High Yield Fund	—	—	—
Low Duration Income Fund	—	—	—
Low Volatility Equity Fund	100	100	—
Multi-Sector Intermediate Bond Fund	—	—	—
Senior Floating Rate Fund	—	—	—
Tax-Exempt Bond Fund	—	—	258
Wealth Masters Fund	100	100	10

For federal income tax purposes, 100% and 99% of the income dividends paid by the CA Tax-Exempt Bond Fund and the Tax-Exempt Bond Fund, respectively qualify as exempt-interest dividends.

For the period ended September 30, 2016, the Essential Resources Fund (the "Fund") recognized $79 ($ reported in thousands) of foreign source income on which the Fund paid foreign taxes of $7 ($ reported in thousands). This information is being furnished to you pursuant to notice requirements of Section 853(a) and 855(d) of the Internal Revenue Code, as amended and the Treasury Regulations thereunder.

CONSIDERATION OF SUBADVISORY AGREEMENTS FOR VIRTUS EMERGING MARKETS EQUITY INCOME FUND AND VIRTUS ESSENTIAL RESOURCES FUND BY THE BOARD OF TRUSTEES

The Board of Trustees (the "Board") of Virtus Opportunities Trust (the "Trust") is responsible for the consideration and approval of advisory and subadvisory agreements for the Trust. As further discussed below, at meetings held on January 26, 2016, and February 23-24, 2016, the Board, including a majority of the Trustees who are not interested persons of the Trust as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (such Act, the "1940 Act" and such Trustees, the "Independent Trustees"), considered and approved interim and new subadvisory agreements (together, the "Subadvisory Agreements") with Kleinwort Benson Investors International, Ltd. ("KBII" or the "Subadviser"), subadviser to the Virtus Emerging Markets Equity Income Fund and Virtus Essential Resources Fund (each a "Fund" and collectively, the "Funds").

KBII has served as the subadviser to each Fund since inception, and the Board previously approved subadvisory agreements with KBII (the "Old Subadvisory Agreements") in 2014 and 2015. On January 13, 2016, Oddo & Cie, a French financial services group based primarily in Europe, ("Oddo") acquired in excess of 25% of the outstanding shares of BHF Kleinwort Benson SA ("BHFKB"), an indirect parent of KBII. Under the 1940 Act, an acquisition of more than 25% of the voting shares of a company is generally considered to be a change in control. As the indirect parent company of KBII, a change in control at BHFKB also causes a change in control at KBII. Under the 1940 Act, when a change in control occurs, affected subadvisory agreements automatically terminate. In order to continue utilizing KBII as a subadviser, at a telephonic meeting held on January 26, 2016, the Board approved an interim subadvisory agreement (the "Interim Subadvisory Agreement") effective January 13, 2016, with the proviso that such agreement may not continue for a period of more than 150 days from the termination event or the date on which a new subadvisory agreement is entered into. At an in-person meeting held on February 23-24, 2016, the Board then approved the new investment subadvisory agreement (the "New Subadvisory Agreement") with KBII. The New Subadvisory Agreement was approved by shareholders on May 26, 2016.

In considering the approval of the Interim Subadvisory Agreement and the New Subadvisory Agreement (collectively, the "Subadvisory Agreements"), the Board requested and evaluated information provided by Virtus Investment Advisers, Inc. ("VIA" or the "Adviser") and the Subadviser which, in the Board's view, constituted information necessary for the Board to form a judgment as to whether the approval of the Subadvisory Agreements would be in the best interests of each applicable Fund and its respective shareholders. The Board also considered information furnished throughout the year at regular Board meetings with respect to the services provided by VIA and already provided by the Subadviser for the Funds, including quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from the Subadviser.

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

Basis for the Board's Recommendation

In making its determination with respect to the Interim Subadvisory Agreement, the Board took into account that it was approving an agreement of limited duration and that the Board would have an opportunity to consider a new subadvisory agreement at a meeting to be scheduled in the near future. The Board noted that the New Subadvisory Agreement would be submitted to shareholders for approval. The Board also took into consideration that the terms of Interim Subadvisory Agreement were substantially identical to the terms of the Old Subadvisory Agreements, including that there was no change in the compensation to be paid thereunder. The Board noted that the key difference between the Old Subadvisory Agreements and the Interim Subadvisory Agreement resulted from compliance with a regulatory requirement that interim advisory agreements have a limited term. The Board also considered that the Subadviser had been managing the Funds since they commenced operations, and that the Subadviser had stated that there would be no change in the scope or quality of services to be provided by it as a result of the change in control. Based on all of the foregoing considerations, the Board, including the Independent Trustees, determined that approval of the Interim Subadvisory Agreement with KBII was in the best interests of each Fund and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Interim Subadvisory Agreement with respect to each Fund.

In making its determination with respect to the New Subadvisory Agreement, the Board considered various factors, including:

- Nature, extent, and quality of the services to be provided by the Subadviser. The Trustees received in advance of the meeting information in the form of an extensive questionnaire completed by the Subadviser concerning a number of topics, including its investment philosophy, resources, operations and compliance structure. The Trustees noted that the Subadviser would continue to provide portfolio management, compliance with each Fund's investment policies and procedures, compliance with applicable securities laws, and assurances thereof. The Trustees reviewed biographical information for the portfolio managers who would provide services under the New Subadvisory Agreement and had done so under the Old Subadvisory Agreements and the Interim Subadvisory Agreement, and noted the breadth and depth of experience of the portfolio managers. In considering the approval of the New Subadvisory Agreement, the Trustees considered the Subadviser's investment management process, including (a) the experience, capability and integrity of the Subadviser's management and other personnel committed by the Subadviser to each Fund; (b) the quality and commitment of the Subadviser's regulatory and legal compliance policies, procedures and systems; and (c) the Subadviser's brokerage and trading practices. The Board concluded that the nature, extent and quality of the services to be provided by the Subadviser to the Funds was reasonable.
- Investment Performance. The Board considered performance reports and discussions at Board meetings throughout the year, as well as data furnished in connection with the consideration of the New Subadvisory Agreement. The Board noted that the Emerging Markets Equity Income Fund had underperformed its benchmark for the 1- and 3-year periods, and considered the Subadviser's explanation for the underperformance. The Board also noted that the Essential Resources Fund had a limited performance history, but that the Fund had outperformed its benchmark since its inception in March of 2015. After reviewing these and related factors, the Board concluded that the Subadviser's overall performance was satisfactory.
- Subadvisory Fee. The Board took into account that each Fund's subadvisory fees are paid by the Adviser and not by the Funds, so that the Funds' shareholders would not be directly impacted by those fees. The Board also noted that the fees under the New Subadvisory Agreement would be unchanged from those in the Old Subadvisory Agreements and the Interim Subadvisory Agreement. The Board concluded that the proposed subadvisory fees were fair and reasonable in light of services to be provided by the Subadviser and all factors considered.

- Profitability and economies of scale. In considering the expected profitability to the Subadviser of its relationship with the Funds, the Board noted that the fees under the New Subadvisory Agreement would be paid by the Adviser out of the advisory fees that it receives under its Advisory Agreement and not by the Funds The Board also noted that there was no change to the subadvisory fee under the New Subadvisory Agreement. In considering the reasonableness of the fees payable by VIA to the Subadviser, the Board relied on the ability of VIA to negotiate the New Subadvisory Agreement and the fees thereunder at arm's length. For each of the above reasons, the Board concluded that the profitability to the Subadviser and its affiliates from its relationship with the Funds was not a material factor in approval of the New Subadvisory Agreement.
- Other Benefits. The Board considered other benefits that may be realized by the Subadviser and its affiliates from its relationship with the Funds and concluded that there were no other direct benefits to the Subadviser in providing investment advisory services to each Fund, other than the fees to be earned although there may be certain indirect benefits gained, including to the extent that serving the Funds could provide the opportunity to provide advisory services to additional portfolios of the Trust or certain reputational benefits.

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

RESULTS OF SHAREHOLDER MEETING
VIRTUS OPPORTUNITIES TRUST
MAY 19, 2016 (Unaudited)

At a special meeting of shareholders of all series of Virtus Equity Trust, Virtus Insight Trust and Virtus Opportunities Trust, held on May 19, 2016, shareholders of Virtus Opportunities Trust (the "Trust") voted on the following proposals:

	Number of Eligible Votes:		
Proposal 1.	**FOR**	**AGAINST**	**ABSTAIN**
To elect six Trustees to serve on the Board of Trustees until the next meeting of shareholders at which Trustees are elected.			
George R. Aylward	1,145,056,198.477	24,756,597.221	0
Thomas J. Brown	1,144,160,222.050	25,652,573.650	0
Donald C. Burke	1,145,758,834.912	24,053,960.790	0
Roger A. Gelfenbien	1,144,297,795.833	25,514,999.865	0
John R. Mallin	1,144,938,076.292	24,874,719.410	0
Hassell H. McClellan	1,143,864,433.134	25,948,362.566	0

Shareholders of the Trust voted to approve the above proposal.

	Number of Eligible Votes:		
Proposal 2.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to permit Virtus Investment Advisers, Inc., as the investment adviser to all the Funds, to hire and replace subadvisers or to modify subadvisory agreements without shareholder approval.			
Virtus CA Tax Exempt Bond Fund	1,258,194.893	91,895.368	41,271.245
Virtus Emerging Markets Debt Fund	3,015,152.206	198.283	0
Virtus Emerging Markets Equity Income Fund	3,672,832.400	0	0
Virtus Emerging Markets Opportunities Fund	620,793,093.034	25,302,093.728	9,306,937.262
Virtus Emerging Markets Small-Cap Fund	494,281.793	0	0
Virtus Essential Resources Fund	504,931.913	0	0
Virtus Foreign Opportunities Fund	27,726,679.250	666,663.374	564,703.507
Virtus Greater European Opportunities Fund	818,457.900	37,502.974	15,676.215
Virtus International Small-Cap Fund	3,074,638.276	5,991.041	10,261.000
Virtus International Wealth Masters Fund	518,044.295	0	0
Virtus Low Duration Income Fund	10,449,114.393	779,684.940	311,840.943
Virtus Multi-Sector Intermediate Bond Fund	11,147,670.008	724,253.699	406,427.672
Virtus Multi-Sector Short Term Bond Fund	618,834,424.483	21,316,032.964	14,819,955.463

Shareholders of the Funds listed above voted to approve the above proposal.

	Number of Eligible Votes:		
Proposal 6.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to amend the fundamental restrictions of the Fundamental Restriction Funds with respect to loans.			
Virtus Foreign Opportunities Fund	27,568,524.708	741,409.046	648,118.377
Virtus Multi-Sector Short Term Bond Fund	615,281,810.614	22,749,361.497	16,939,237.795

Shareholders of the Funds listed above voted to approve the above proposal.

RESULTS OF SHAREHOLDER MEETING
VIRTUS OPPORTUNITIES TRUST
MAY 26, 2016 (Unaudited)

At a special meeting of shareholders of Virtus Emerging Markets Equity Income Fund and Virtus Essential Resources Fund (collectively, the "Funds"), each a series of Virtus Opportunities Trust, held on May 26, 2016, shareholders voted on the following proposal:

	Number of Eligible Votes:		
	FOR	AGAINST	ABSTAIN
To approve a new subadvisory agreement between Virtus Investment Advisers, Inc., the Funds' Investment Adviser, and Kleinwort Benson Investors International, Ltd., the Funds' Subadviser.			
Virtus Emerging Markets Equity Income Fund	3,697,072.869	0	0
Virtus Essential Resources Fund	506,647.913	0	0

Shareholders of the Funds voted to approve the above proposal.

RESULTS OF SHAREHOLDER MEETING
VIRTUS OPPORTUNITIES TRUST
JUNE 16, 2016 (Unaudited)

At a special meeting of shareholders of Virtus Bond Fund, Virtus Global Infrastructure Fund, Virtus Global Real Estate Securities Fund, Virtus High Yield Fund, Virtus International Real Estate Securities Fund and Virtus Senior Floating Rate Fund (each a "Fund"), held on June 16, 2016, shareholders of each Fund voted on the following proposal:

	Number of Eligible Votes:		
Proposal 2.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to permit Virtus Investment Advisers, Inc., as the investment adviser to all the Funds, to hire and replace subadvisers or to modify subadvisory agreements without shareholder approval.			
Virtus Bond Fund	3,027,478.512	194,272.268	147,040.417
Virtus Global Infrastructure Fund	3,636,950.694	307,905.417	172,360.145
Virtus Global Real Estate Securities Fund	1,661,823.911	122,802.243	36,355.685
Virtus High Yield Fund	6,737,350.870	765,216.446	446,105.991
Virtus International Real Estate Securities Fund	2,728,863.703	48,714.840	63,894.599
Virtus Senior Floating Rate Fund	30,432,212.381	775,729.890	326,306.209

Shareholders of the Funds listed above voted to approve the above proposal.

RESULTS OF SHAREHOLDER MEETING
VIRTUS OPPORTUNITIES TRUST
JULY 18, 2016 (Unaudited)

At a special meeting of shareholders of Virtus Global Equity Trend Fund, Virtus Global Opportunities Fund, Virtus Herzfeld Fund, Virtus International Equity Fund, Virtus Low Volatility Equity Fund, Virtus Real Estate Securities Fund, Virtus Sector Trend Fund, Virtus Wealth Masters Fund, Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Tax-Exempt Bond Fund, held on July 18, 2016, shareholders of the Funds voted on the following proposals:

	Number of Eligible Votes:		
Proposal 2.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to permit Virtus Investment Advisers, Inc., as the investment adviser to all the Funds, to hire and replace subadvisers or to modify subadvisory agreements without shareholder approval.			
Virtus Global Equity Trend Fund	2,071,338.688	221,721.989	61,016.655
Virtus Global Opportunities Fund	6,475,669.315	399,601.579	221,211.057
Virtus Herzfeld Fund	2,285,754.412	134,756.871	89,510.278
Virtus International Equity Fund	347,976.498	45,434.960	4,980.529
Virtus Low Volatility Equity Fund	234,510.520	7,334.000	90,835.796
Virtus Real Estate Securities Fund	14,196,247.698	691,146.713	476,502.196
Virtus Sector Trend Fund	14,380,526.646	1,274,297.224	1,097,176.679
Virtus Wealth Masters Fund	2,759,756.937	182,003.481	154,822.394
Virtus Alternatives Diversifier Fund	2,054,425.037	135,901.800	177,500.739
Virtus Equity Trend Fund	47,080,228.694	3,814,318.119	2,960,680.324
Virtus Multi-Asset Trend Fund	7,428,521.065	660,946.728	521,389.418
Virtus Tax-Exempt Bond Fund	7,423,225.114	802,129.342	492,588.498

Shareholders of Virtus Global Equity Trend Fund, Virtus Global Opportunities Fund, Virtus Herzfeld Fund, Virtus International Equity Fund, Virtus Low Volatility Equity Fund, Virtus Real Estate Securities Fund, Virtus Sector Trend Fund and Virtus Wealth Masters Fund voted to approve the above proposal. Shareholders of Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Tax-Exempt Bond Fund did not approve the above proposal.

	Number of Eligible Votes:		
Proposal 6.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to amend the fundamental restrictions of the Fundamental Restriction Funds with respect to loans.			
Virtus Sector Trend Fund	14,250,883.760	1,251,197.022	1,249,922.768
Virtus Real Estate Securities Fund	13,928,178.018	864,726.603	570,992.984

Shareholders of Virtus Sector Trend Fund voted to approve the above proposal. Shareholders of Virtus Real Estate Securities Fund did not approve the above proposal.

	Number of Eligible Votes:		
Proposal 7.	**FOR**	**AGAINST**	**ABSTAIN**
To approve a proposal to amend the fundamental restrictions of the Fundamental Restriction Funds with respect to loans.			
Virtus Multi-Sector Short Term Bond Fund	238,431,276.605	411,212,271.419	20,011,935.573
Virtus Real Estate Securities Fund	9,635,396.247	5,113,977.185	614,521.174
Virtus Sector Trend Fund	9,706,807.226	5,648,494.88	1,396,703.437

Shareholders of the Funds listed above did not approve the above proposal.

FUND MANAGEMENT TABLES
(UNAUDITED)

Information pertaining to the trustees and officers of the Trust as of September 30, 2016, is set forth below. The statement of additional information (SAI) includes additional information about the trustees and is available without charge, upon request, by calling (800) 243-1574. The address of each individual, unless otherwise noted, is 100 Pearl Street, Hartford, CT 06103-4506. There is no stated term of office for trustees of the Trust.

Independent Trustees

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Thomas J. Brown YOB: 1945 Elected: 2016 65 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2011), Virtus Variable Insurance Trust (9 portfolios); Director (since 2010), D'Youville Senior Care Center; and Director (since 2005), VALIC Company Funds (49 portfolios).
Burke, Donald C. YOB: 1961 Elected: 2016 69 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios), Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Director (since 2014) closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director, Avista Corp. (energy company) (since 2011); Trustee, Goldman Sachs Fund Complex (2010 to 2014); and Director, BlackRock Luxembourg and Cayman Funds (2006 to 2010).
Roger A. Gelfenbien YOB: 1943 Elected: 2016 65 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (since 1999), USAllianz Variable Insurance Product Trust (42 portfolios).
John R. Mallin YOB: 1950 Elected: 2016 65 Portfolios	Partner/Attorney (since 2003), McCarter & English LLP (law firm), Real Property Practice Group; and Member (since 2014), Counselors of Real Estate. Trustee (since 2016), Virtus Mutual Fund Complex (52 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); Director (since 2013), Horizon, Inc. (non-profit); and Trustee (since 1999), Virtus Variable Insurance Trust (9 portfolios).
McClellan, Hassell H. YOB: 1945 Elected: 2015 65 Portfolios	Retired (since 2013); and Professor (1984 to 2013), Wallace E. Carroll School of Management, Boston College. Trustee (since 2016), Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2015), Virtus Mutual Fund Complex (52 portfolios); and Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); Trustee, Virtus Variable Insurance Trust (9 portfolios) (since 2008); and Trustee, John Hancock Fund Complex (since 2000) (collectively, 228 portfolios).
McLoughlin, Philip YOB: 1946 Elected: 1999 74 Portfolios	Retired. Director and Chairman (since 2016), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Trustee and Chairman (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Trustee/Director and Chairman (since 2011), Virtus Closed-End Funds (3 funds); Chairman and Trustee (since 2003), Virtus Variable Insurance Trust (9 portfolios); Director (since 1995), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director (since 1991) and Chairman (since 2010), Lazard World Trust Fund (closed-end investment firm in Luxembourg); and Trustee (since 1989) and Chairman (since 2002), Virtus Mutual Fund Complex (52 portfolios).
McNamara, Geraldine M. YOB: 1951 Elected: 2001 69 Portfolios	Retired. Trustee (since 2016) Virtus Alternative Solutions Trust (4 portfolios); Trustee (since 2015), Virtus Variable Insurance Trust (9 portfolios); Director (since 2003), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); and Trustee (since 2001), Virtus Mutual Fund Complex (52 portfolios).
Oates, James M. YOB: 1946 Elected: 2000 70 Portfolios	Managing Director (since 1994), Wydown Group (consulting firm). Director (since 2016), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios); Trustee/Director (since 2013), Virtus Closed-End Funds (3 funds); Trustee (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Chairman and Trustee (since 2005), John Hancock Fund Complex (228 portfolios); Director (2002 to 2014), New Hampshire Trust Company; Chairman (since 2000), Emerson Investment Management, Inc.; Non-Executive Chairman (2000 to 2014), Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services) Chairman and Director (1999 to 2014), Connecticut River Bank; Director (since 1996), Stifel Financial; and Trustee (since 1987), Virtus Mutual Fund Complex (52 portfolios).
Segerson, Richard E. YOB: 1948 Elected: 2000 65 Portfolios	Retired; and Managing Director (1998 to 2013), Northway Management Company. Trustee (since 2016) Virtus Alternative Solutions Trust (4 portfolios) and Virtus Variable Insurance Trust (9 portfolios); and Trustee (since 1983), Virtus Mutual Fund Complex (52 portfolios).
Verdonck, Ferdinand L.J. YOB: 1942 Elected: 2005 65 Portfolios	Vice Chairman (since 2014), Affirmed Therapeutics (biotechnology); Director (1998 to 2015), The J.P. Morgan Continental European Investment Trust; Director (2005 to 2013), Galapagos N.V. (biotechnology); Director (1998 to 2015) Groupe SNEF; and Mr. Verdonck is also a director of several non-U.S. companies. Trustee (since 2016) Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (4 portfolios); and Trustee (since 2002), Virtus Mutual Fund Complex (52 portfolios).

FUND MANAGEMENT TABLES (Continued)
(UNAUDITED)

Interested Trustee

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

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Aylward, George R.* Trustee and President YOB: 1964 Elected: 2006 70 Portfolios	Director, President and Chief Executive Officer (since 2008), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions with Virtus affiliates (since 2005). Chairman and Trustee (since 2015), Virtus ETF Trust II; Trustee and President (since 2013), Virtus Alternative Solutions Trust (4 portfolios); Director (since 2013), Virtus Global Funds, PLC (2 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Trustee and President (since 2011), Virtus Closed-End Funds (3 funds); Trustee (since 2006), Virtus Mutual Funds (52 portfolios); and Director, President and Chief Executive Officer (since 2006), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.

Officers of the Trust Who Are Not Trustees

Name, Address and Year of Birth	Position(s) Held with Trust and Length of Time Served	Principal Occupation(s) During Past 5 Years
Bradley, W. Patrick YOB: 1972	Executive Vice President (since 2016); Senior Vice President (2013 to 2016); Vice President (2011 to 2013); Chief Financial Officer and Treasurer (since 2006).	Executive Vice President, Fund Services (since 2016), Senior Vice President, Fund Services (2010 to 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2004), Virtus Variable Insurance Trust; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006), Virtus Mutual Fund Complex; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer (Chief Financial Officer) (since 2007), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2011), Virtus Closed-End Funds; Vice President and Assistant Treasurer (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Director (since 2013), Virtus Global Funds, PLC; and Executive Vice President (since 2016), Senior Vice President, Chief Financial Officer and Treasurer (2013 to 2016), Virtus Alternative Solutions Trust.
Carr, Kevin J. YOB: 1954	Senior Vice President (since 2013); Vice President (2005 to 2013); Chief Legal Officer, Counsel and Secretary (since 2005).	Senior Vice President (since 2009), Vice President, Counsel and Secretary (2008 to 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2005) with Virtus affiliates; Senior Vice President (since 2013), Vice President (2005 to 2013), Chief Legal Officer, Counsel and Secretary (since 2005), Virtus Mutual Fund Complex; Senior Vice President (2013 to 2014), Vice President (2012 to 2013) and Assistant Secretary (since 2012), Secretary and Chief Legal Officer (2005 to 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Assistant Secretary (since 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2010 to 2013), Virtus Variable Insurance Trust; Vice President and Assistant Secretary (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Senior Vice President and Assistant Secretary (2013 to 2014), Vice President and Assistant Secretary (2012 to 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2011 to 2012), Virtus Closed-End Funds; and Assistant Secretary (since 2013), Virtus Alternative Solutions Trust.
Engberg, Nancy J. YOB: 1956	Vice President and Chief Compliance Officer since 2011.	Vice President (since 2008) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Vice President and Chief Compliance Officer (since 2011), Virtus Mutual Fund Complex; Vice President (since 2010) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Vice President and Chief Compliance Officer (since 2011), Virtus Closed-End Funds; Vice President and Chief Compliance Officer (since 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Vice President and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Chief Compliance Officer (since 2015), ETFis Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II.
Waltman, Francis G. YOB: 1962	Executive Vice President (since 2013); Senior Vice President (2008-2013).	Executive Vice President, Product Development (since 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2013), Senior Vice President (2008 to 2013), Virtus Mutual Fund Complex; Executive Vice President (since 2013), Senior Vice President (2010 to 2013), Virtus Variable Insurance Trust; Executive Vice President (since 2013), Senior Vice President (2011 to 2013), Virtus Closed-End Funds; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust.

Virtus Bond Fund, Virtus High Yield Fund, and Virtus Senior Floating Rate Fund, each a series of Virtus Opportunities Trust

Supplement dated November 1, 2016 to the Summary Prospectuses dated January 28, 2016, as supplemented, and the Virtus Opportunities Trust Statutory Prospectus, dated January 28, 2016, as supplemented

Important Notice to Investors

As of November 1, 2016, Virtus Bond Fund, Virtus High Yield Fund and Virtus Senior Floating Rate Fund are offering Class R6 Shares, in addition to the share classes already offered by the funds. Additionally, Virtus High Yield Fund has increased its expense reimbursement arrangement, effective November 1, 2016. Accordingly, the funds' prospectuses are hereby amended to add the following disclosure.

Virtus Bond Fund

The cover page of the statutory prospectus is hereby revised by replacing the row showing ticker symbols for the fund's share classes with the row shown below:

	A	B	C	I	R6	T
Virtus Bond Fund	SAVAX	SAVBX	SAVCX	SAVYX	VBFRX	

The tables under "Fees and Expenses" in the fund's summary prospectus and the summary section of the statutory prospectus are hereby revised to add the Class R6 column and to revise the associated footnotes as shown below:

Shareholder Fees *(fees paid directly from your investment)*	Class R6
Maximum Sales Charge (load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Sales Charge (load) (as a percentage of the lesser of purchase price or redemption proceeds)	None

Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*	Class R6
Management Fee	0.45%
Distribution and Shareholder Servicing (12b-1) Fees	None
Other Expenses	0.36%[b]
Acquired Fund Fees and Expenses	0.01%
Total Annual Fund Operating Expenses[c]	0.82%
Less: Fee Waiver and/or Expense Reimbursement[d]	(0.27%)
Total Annual Fund Operating Expenses After Expense Reimbursement[c][d]	0.55%

[b] Estimated for current fiscal year, as annualized.

[c] The Total Annual Fund Operating Expenses do not correlate to the ratio of expenses to average net assets appearing in the Financial Highlights tables, which tables reflect only the operating expenses of the fund and do not include acquired fund fees and expenses.

[d] The fund's investment adviser has contractually agreed to limit the fund's total operating expenses (excluding dividend and interest expenses, taxes, brokerage commissions, extraordinary expenses and acquired fund fees and expenses) so that such expenses do not exceed 0.85% for Class A Shares, 1.60% for Class B Shares, 1.60% for Class C Shares, 0.60% for Class I Shares and 0.54% for Class R6 Shares through January 31, 2017. Following the contractual period, the adviser may discontinue these expense reimbursement arrangements at any time. Under certain conditions, the adviser may recapture operating expenses reimbursed under these arrangements for a period of three years following the time such reimbursement occurred.

The Example table is hereby revised to add the Class R6 row as shown below:

	Share Status	1 Year	3 Years	5 Years	10 Years
Class R6	Sold or Held	$56	$235	$429	$988

Virtus High Yield Fund

The cover page of the statutory prospectus is hereby revised by replacing the row showing ticker symbols for the fund's share classes with the row shown below:

	A	B	C	I	R6	T
Virtus High Yield Fund	PHCHX	PHCCX	PGHCX	PHCIX	VRHYX	

The tables under "Fees and Expenses" in the fund's summary prospectus and the summary section of the statutory prospectus are hereby revised to reflect the new expense reimbursement arrangements, to add the Class R6 column and to revise the associated footnotes:

Shareholder Fees *(fees paid directly from your investment)*	Class A	Class B	Class C	Class I	Class R6
Maximum Sales Charge (load) Imposed on Purchases (as a percentage of offering price)	3.75%	None	None	None	None
Maximum Sales Charge (load) (as a percentage of the lesser of purchase price or redemption proceeds)	None	5.00%[a]	1.00%[a]	None	None

Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*	Class A	Class B	Class C	Class I	Class R6
Management Fees	0.65%	0.65%	0.65%	0.65%	0.65%
Distribution and Shareholder Servicing (12b-1) Fees	0.25%	1.00%	1.00%	None	None
Other Expenses	0.42%	0.42%	0.42%	0.42%	0.36%[b]
Acquired Fund Fees and Expenses	0.01%	0.01%	0.01%	0.01%	0.01%
Total Annual Fund Operating Expenses[c]	1.33%	2.08%	2.08%	1.08%	1.02%
Less: Expense Reimbursement[d]	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
Total Annual Fund Operating Expenses After Expense Reimbursement[c][d]	1.01%	1.76%	1.76%	0.76%	0.70%

[a] The maximum deferred sales charge is imposed on Class B Shares redeemed during the first year; thereafter, it decreases 1% annually to 2% during the fourth and fifth years and to 0% after the fifth year. The deferred sales charge is imposed on Class C Shares redeemed during the first year only.

[b] Estimated for current fiscal year, as annualized.

[c] The Total Annual Fund Operating Expenses do not correlate to the ratio of expenses to average net assets appearing in the Financial Highlights tables, which tables reflect only the operating expenses of the fund and do not include acquired fund fees and expenses.

[d] The fund's investment adviser has contractually agreed to limit the fund's total operating expenses (excluding dividend and interest expenses, taxes, brokerage commissions, extraordinary expenses and acquired fund fees and expenses) so that such expenses do not exceed 1.00% for Class A Shares, 1.75% for Class B Shares, 1.75% for Class C Shares, 0.75% for Class I Shares and 0.69% for Class R6 Shares through January 31, 2017. Following the contractual period, the adviser may discontinue these expense reimbursement arrangements at any time. Under certain conditions, the adviser may recapture operating expenses reimbursed under these arrangements for a period of three years following the time such reimbursement occurred.

Under "Fees and Expenses, the "Example" table is hereby replaced with the following:

	Share Status	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Class A	Sold or Held	$474	$750	$1,047	$1,890
Class B	Sold	$579	$821	$1,089	$2,193
	Held	$179	$621	$1,089	$2,193
Class C	Sold	$279	$621	$1,089	$2,385
	Held	$179	$621	$1,089	$2,385
Class I	Sold or Held	$ 78	$312	$ 564	$1,288
Class R6	Sold or Held	$ 72	$293	$ 532	$1,219

Virtus Senior Floating Rate Fund

The cover page of the statutory prospectus is hereby revised by replacing the row showing ticker symbols for the fund's share classes with the row shown below:

	A	**B**	**C**	**I**	**R6**	**T**
Virtus Senior Floating Rate Fund	PSFRX		PFSRX	PSFIX	VRSFX	

The tables under "Fees and Expenses" in the fund's summary prospectus and the summary section of the statutory prospectus, are hereby revised to add the Class R6 column and to revise the associated footnote as shown below:

Shareholder Fees *(fees paid directly from your investment)*	Class R6
Maximum Sales Charge (load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Sales Charge (load) (as a percentage of the lesser of purchase price or redemption proceeds)	None

Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*	Class R6
Management Fee	0.60%
Distribution and Shareholder Servicing (12b-1) Fees	None
Other Expenses	0.29%[b]
Total Annual Fund Operating Expenses	0.89%

[b] Estimated for current fiscal year, as annualized.

The Example table is hereby revised to add the Class R6 row as shown below:

	Share Status	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Class R6	Sold or Held	$91	$284	$493	$1,096

All Funds

In the first table in the section "More Information About Fund Expenses" on page 128 of the statutory prospectus, the rows corresponding to the funds are hereby replaced with the following.

	Class A Shares	Class B Shares	Class C Shares	Class I Shares	Class R6 Shares	Class T Shares	Through Date
Virtus Bond Fund	0.85%	1.60%	1.60%	0.60%	0.54%	N/A	January 31, 2017
Virtus High Yield Fund	1.00%	1.75%	1.75%	0.75%	0.69%	N/A	January 31, 2017
Virtus Senior Floating Rate Fund*	1.20%	N/A	1.95%	0.95%	0.89%	N/A	January 31, 2017

In the second table in the section "More Information About Fund Expenses" on page 129 of the statutory prospectus, the rows corresponding to the funds are hereby replaced and an associated footnote has been added.

	Class A Shares	Class B Shares	Class C Shares	Class I Shares	Class R6 Shares	Class T Shares
Virtus Bond Fund	0.86%	1.61%	1.61%	0.61%	0.55%	N/A
Virtus High Yield Fund**	1.16%	1.91%	1.91%	0.91%	0.85%***	N/A
Virtus Senior Floating Rate Fund*	1.20%	N/A	1.95%	0.95%	0.89%	N/A

** Rates shown reflect prior expense reimbursement arrangements.
*** Estimated based on then existing share classes.

Under "What are the classes and how do they differ?" on page 202 of the statutory prospectus, the table in this section is hereby amended to read "None" in the column entitled "Class R6" for Virtus Bond Fund, Virtus High Yield Fund and Virtus Senior Floating Rate Fund.

The Class R6 Shares subheading under "What arrangement is best for you?" on pages 202-204 of the statutory prospectus is hereby amended to read:

Class R6 Shares (Virtus Bond Fund, Virtus Emerging Markets Opportunities Fund, Virtus Equity Trend Fund, Virtus Foreign Opportunities Fund, Virtus Global Real Estate Securities Fund, Virtus High Yield Fund, Virtus International Small-Cap Fund, Virtus Multi-Sector Intermediate Bond Fund, Virtus MultiSector Short Term Bond Fund, Virtus Real Estate Securities Fund and Virtus Senior Floating Rate Fund only).

Investors should retain this supplement with the Prospectuses for future reference.

Virtus Emerging Markets Equity Income Fund and Virtus Essential Resources Fund, each a series of Virtus Opportunities Trust

Supplement dated September 13, 2016 to the Summary and Statutory Prospectuses and Statement of Additional Information ("SAI"), each dated January 28, 2016, as supplemented

Important Notice to Investors

Effective September 1, 2016, the subadviser to the above-named funds changed its name from Kleinwort Benson Investors International, Ltd. to **KBI Global Investors (North America) Ltd.** Accordingly, all references to the subadviser's previous name in each fund's summary prospectus, the statutory prospectus and SAI are hereby changed to reflect the subadviser's new name, KBI Global Investors (North America) Ltd. and references to the defined term "KBII" are hereby changed to "KBIGI (North America)." Also, KBIGI (North America)'s affiliate, Kleinwort Benson Investors Dublin Ltd., has changed its name to KBI Global Investors Ltd. Accordingly, all references to that entity's previous name in each fund's summary prospectus, the statutory prospectus and SAI are hereby changed to reflect its new name, KBI Global Investors Ltd.

Investors should retain this supplement with the Prospectuses and SAI for future reference.

Virtus Low Volatility Equity Fund,
a series of Virtus Opportunities Trust

Supplement dated September 7, 2016 to the Summary and
Statutory Prospectuses dated January 28, 2016

IMPORTANT NOTICE TO INVESTORS

Effective September 7, 2016, Michael Davis and Warun Kumar are added as portfolio managers of the fund. Accordingly, the disclosure under "Portfolio Management" in the summary prospectuses and in the summary section of the statutory prospectus is hereby revised to read:

> ***Michael Davis,*** a Portfolio Manager at Rampart is a manager of the fund. Mr. Davis has served as a Portfolio Manager of the fund since September 2016.
> ***Brendan R. Finneran,*** Portfolio Manager and Trader at Rampart, is a manager of the fund. Mr. Finneran has served as a Portfolio Manager of the fund since June 2013.
> ***Robert F. Hofeman, Jr.,*** Portfolio Manager and Trader at Rampart, is a manager of the fund. Mr. Hofeman has served as a Portfolio Manager of the fund since June 2013.
> ***Warun Kumar,*** Chief Investment Officer and Portfolio Manager at Rampart, is a manager of the fund. Mr. Kumar has served as a Portfolio Manager of the fund since September 2016.

In the section "Portfolio Management" on page 188 of the statutory prospectus, the table under the subheading "Rampart" is hereby replaced with the following:

Virtus Low Volatility Equity Fund	Michael Davis (since September 2016) Brendan R. Finneran (since June 2013) Robert F. Hofeman, Jr. (since June 2013) Warun Kumar (since September 2016)

The narrative under the referenced table is hereby amended by adding the following biographical information for Mr. Davis and Mr. Kumar:

Michael Davis. Mr. Davis is Portfolio Manager at Rampart (since September 2016) and at VIA (since 2014) and has over 15 years of experience in the financial services industry, including investment management and capital markets. Prior to joining Virtus in 2014, he was a founding partner of Varick Asset Management, an independent alternative manager focused on the development of innovative portfolio solutions and investment strategies. Before forming Varick, Mr. Davis worked in the institutional asset management division of Barclays Capital, focused on quantitative and derivative-based investment strategies. Prior to Barclays, he worked in the derivative structuring group at Lehman Brothers. Mr. Davis started his career at Merrill Lynch in the asset-backed finance business.

Warun Kumar. Mr. Kumar is Chief Investment Officer and Portfolio Manager at Rampart (since October 2015), and Portfolio Manager at Virtus Alternative Investment Advisers, Inc., an affiliate of VIA (since May 2014). Before joining Virtus, Mr. Kumar was founder and managing partner of Varick Asset Management, an independent alternative manager focused on the development of innovative portfolio solutions and investment strategies for high net worth investors and institutional clients (2010 to 2014). Prior to forming Varick, Mr. Kumar was the U.S. head of Barclays Capital Fund Solutions, where he led the investment committee and managed business expansion throughout the Americas (2007 to 2010). Mr. Kumar's investment management career began at Volaris Advisors, where he was a partner and headed the derivative advisory business. In addition to these roles, Mr. Kumar has held senior positions in the capital markets divisions of Lehman Brothers and Robertson Stephens, and was a founding partner of Sigma Advisors, an alternative investment advisory firm. Mr. Kumar began his financial services career in 1993 as a member of JP Morgan's equity derivatives business.

All other disclosure concerning the fund, including fees and expenses, remains unchanged from the prospectuses dated January 28, 2016.

Investors should retain this supplement with the Prospectuses for future reference.

VIRTUS OPPORTUNITIES TRUST
101 Munson Street
Greenfield, MA 01301-9668

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

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

Investment Adviser
Virtus Investment Advisers, Inc.
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Hartford, CT 06103-4506

Principal Underwriter
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100 Pearl Street
Hartford, CT 06103-4506

Administrator and Transfer Agent
Virtus Fund Services, LLC
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Custodian
JPMorgan Chase Bank, NA
1 Chase Manhattan Plaza
New York, NY 10005-1401

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
2001 Market Street
Philadelphia, PA 19103-7042

How to Contact Us

Mutual Fund Services	1-800-243-1574
Adviser Consulting Group	1-800-243-4361
Website	**Virtus.com**

Important Notice to Shareholders
The Securities and Exchange Commission has modified mailing regulations for semiannual and annual shareholder fund reports to allow mutual fund companies to send a single copy of these reports to shareholders who share the same mailing address. If you would like additional copies, please call Mutual Fund Services at 1-800-243-1574.

VIRTUS
MUTUAL FUNDS

P.O. Box 9874
Providence, RI 02940-8074

For more information about Virtus Mutual Funds, please call your financial representative, or contact us at **1-800-243-1574** or **Virtus.com**.