

SEMIANNUAL REPORT

Virtus Contrarian Value Fund
Virtus Enhanced Core Equity Fund (f/k/a Virtus Growth & Income Fund)*
Virtus Mid-Cap Core Fund
Virtus Mid-Cap Growth Fund
Virtus Quality Large-Cap Value Fund*
Virtus Quality Small-Cap Fund
Virtus Small-Cap Core Fund
Virtus Small-Cap Sustainable Growth Fund
Virtus Strategic Growth Fund
Virtus Tactical Allocation Fund*

September 30, 2016

TRUST NAME: VIRTUS EQUITY TRUST

* *Prospectus and Statement of Additional Information ("SAI") supplements applicable to these Funds appear at the back of this semiannual 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 of Virtus Equity Trust unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, each Fund’s record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:

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

During the period, market volatility was relatively light and performance was positive for many asset classes. Although the U.K.'s "Brexit" vote to leave the European Union triggered a broad selloff in late June, the disruption was short-lived. Calm was restored by better-than-expected second quarter corporate earnings, an improving global economic picture, and reassurance that the world's central banks would continue to provide monetary stimulus.

For the six months ended September 30, 2016, U.S. small-cap stocks surged well ahead of U.S. large-cap stocks, as measured by the 13.18% and 6.40% returns of the Russell 2000[®] Index and S&P 500[®] Index, respectively. Within international equities, emerging markets outperformed their developed peers, with the MSCI Emerging Markets Index (net) up 9.75%, while the MSCI EAFE Index[®] (net) returned 4.88%.

Demand for U.S. Treasuries was steady over the period, driven by foreign investors seeking safe havens and yield in the global negative interest rate environment. The benchmark 10-year U.S. Treasury yielded 1.60% on September 30, 2016 compared with 1.78% on March 31, 2016. For the six 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 2.68%, while non-investment grade bonds rose 11.38%, 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 EQUITY 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 Equity Trust Fund (each, a "Fund"), you may incur two types of costs: (1) transaction costs, including sales charges on purchases of Class A shares and contingent deferred sales charges on Class 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 each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the accompanying table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges or contingent deferred sales charges. Therefore, the second section of the accompanying table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. The calculations assume no

shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

Expense Table

	Beginning Account Value April 1, 2016	Ending Account Value September 30, 2016	Annualized Expense Ratio	Expenses Paid During Period*
Contrarian Value Fund				
Actual				
Class A	\$1,000.00	\$1,099.50	1.43%	\$7.54
Class C	1,000.00	1,095.50	2.18	11.47
Class I	1,000.00	1,101.00	1.18	6.22
Class R6	1,000.00	1,101.50	1.02	5.38
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.89	1.43	7.25
Class C	1,000.00	1,014.12	2.18	11.03
Class I	1,000.00	1,019.15	1.18	5.98
Class R6	1,000.00	1,019.94	1.02	5.18
Enhanced Core Equity Fund				
Actual				
Class A	\$1,000.00	\$1,025.90	1.28%	\$6.50
Class C	1,000.00	1,022.50	2.03	10.29
Class I	1,000.00	1,027.10	1.03	5.23
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.65	1.28	6.48
Class C	1,000.00	1,014.89	2.03	10.25
Class I	1,000.00	1,019.90	1.03	5.22
Mid-Cap Core Fund				
Actual				
Class A	\$1,000.00	\$1,055.30	1.32%	\$6.80
Class C	1,000.00	1,051.90	2.07	10.65
Class I	1,000.00	1,057.00	1.08	5.57
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.45	1.32	6.68
Class C	1,000.00	1,014.69	2.07	10.45
Class I	1,000.00	1,019.65	1.08	5.47
Mid-Cap Growth Fund				
Actual				
Class A	\$1,000.00	\$1,068.00	1.42%	\$7.36
Class B	1,000.00	1,063.60	2.17	11.23
Class C	1,000.00	1,064.10	2.17	11.23
Class I	1,000.00	1,068.70	1.18	6.12
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.95	1.42	7.18
Class B	1,000.00	1,014.19	2.17	10.96
Class C	1,000.00	1,014.19	2.17	10.96
Class I	1,000.00	1,019.15	1.18	5.97
Quality Large-Cap Value Fund				
Actual				
Class A	\$1,000.00	\$1,041.90	1.37%	\$7.01
Class C	1,000.00	1,038.10	2.12	10.83
Class I	1,000.00	1,043.70	1.12	5.74
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.20	1.37	6.93
Class C	1,000.00	1,014.44	2.12	10.71
Class I	1,000.00	1,019.45	1.12	5.67

VIRTUS EQUITY 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*
Quality Small-Cap Fund				
Actual				
Class A	\$1,000.00	\$1,057.90	1.32%	\$6.81
Class C	1,000.00	1,053.40	2.07	10.66
Class I	1,000.00	1,059.00	1.08	5.57
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.45	1.32	6.68
Class C	1,000.00	1,014.69	2.07	10.45
Class I	1,000.00	1,019.65	1.08	5.47
Small-Cap Core Fund				
Actual				
Class A	\$1,000.00	\$1,068.10	1.39%	\$7.21
Class C	1,000.00	1,064.20	2.14	11.07
Class I	1,000.00	1,069.30	1.14	5.91
Class R6	1,000.00	1,070.20	1.03	5.35
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.10	1.39	7.03
Class C	1,000.00	1,014.34	2.14	10.81
Class I	1,000.00	1,019.35	1.14	5.77
Class R6	1,000.00	1,019.90	1.03	5.22
Small-Cap Sustainable Growth Fund				
Actual				
Class A	\$1,000.00	\$1,117.80	1.52%	\$8.07
Class C	1,000.00	1,114.20	2.27	12.03
Class I	1,000.00	1,119.20	1.27	6.75
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.45	1.52	7.69
Class C	1,000.00	1,013.69	2.27	11.46
Class I	1,000.00	1,018.70	1.27	6.43
Strategic Growth Fund				
Actual				
Class A	\$1,000.00	\$1,062.80	1.35%	\$6.98
Class B	1,000.00	1,058.40	2.10	10.84
Class C	1,000.00	1,058.40	2.10	10.84
Class I	1,000.00	1,064.20	1.10	5.69
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.30	1.35	6.83
Class B	1,000.00	1,014.54	2.10	10.61
Class C	1,000.00	1,014.54	2.10	10.61
Class I	1,000.00	1,019.55	1.10	5.57
Tactical Allocation Fund				
Actual				
Class A	\$1,000.00	\$1,055.90	1.37%	\$7.06
Class B	1,000.00	1,051.90	2.11	10.85
Class C	1,000.00	1,051.60	2.12	10.90
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,018.20	1.37	6.93
Class B	1,000.00	1,014.49	2.11	10.66
Class C	1,000.00	1,014.44	2.12	10.71

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 for your Fund(s).

* Expenses are equal to the relevant Fund's annualized expense ratio, which is net of waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (183) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period.

VIRTUS EQUITY TRUST
KEY INVESTMENT TERMS
SEPTEMBER 30, 2016 (Unaudited)

American Depositary Receipt (ADR)

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

Bloomberg Barclays U.S. Aggregate Bond Index

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

Bloomberg Barclays U.S. Corporate High Yield Bond Index

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

Exchange-Traded Funds (ETF)

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

MSCI EAFE[®] Index (net)

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

MSCI Emerging Markets Index (net)

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

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 it is not available for direct investment.

S&P 500[®] Index

The S&P 500[®] Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

SPDR[®]

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

Sponsored ADR (American Depositary Receipt)

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

VIRTUS EQUITY TRUST
PORTFOLIO HOLDINGS SUMMARY WEIGHTINGS
SEPTEMBER 30, 2016 (Unaudited)

For each Fund, the following tables present asset allocations within certain sectors as a percentage of total investments as of September 30, 2016.

<u>Contrarian Value Fund</u>	
Materials	29%
Industrials	22
Consumer Discretionary	16
Energy	11
Consumer Staples	8
Utilities	4
Real Estate	4
Other (includes short-term investment and securities lending collateral)	6
Total	<u>100%</u>

<u>Enhanced Core Equity Fund</u>	
Financials	16%
Energy	16
Information Technology	12
Consumer Discretionary	2
Health Care	2
Materials	1
Industrials	1
Other (includes purchased and written options)	50
Total	<u>100%</u>

<u>Mid-Cap Core Fund</u>	
Industrials	22%
Health Care	18
Information Technology	17
Financials	15
Consumer Discretionary	12
Consumer Staples	5
Energy	5
Other (includes securities lending collateral)	6
Total	<u>100%</u>

<u>Mid-Cap Growth Fund</u>	
Information Technology	30%
Consumer Discretionary	23
Health Care	12
Consumer Staples	11
Industrials	8
Financials	7
Energy	5
Other (includes short-term investment and securities lending collateral)	4
Total	<u>100%</u>

<u>Quality Large-Cap Value Fund</u>	
Financials	23%
Health Care	14
Industrials	13
Consumer Staples	13
Energy	10
Consumer Discretionary	9
Information Technology	8
Other	10
Total	<u>100%</u>

<u>Quality Small-Cap Fund</u>	
Information Technology	24%
Industrials	17
Financials	17
Consumer Discretionary	14
Real Estate	7
Consumer Staples	6
Energy	4
Other (includes short-term investment)	11
Total	<u>100%</u>

<u>Small-Cap Core Fund</u>	
Industrials	28%
Information Technology	21
Financials	15
Consumer Discretionary	8
Energy	6
Health Care	5
Consumer Staples	4
Other (includes short-term investment and securities lending collateral)	13
Total	<u>100%</u>

<u>Small-Cap Sustainable Growth Fund</u>	
Information Technology	32%
Industrials	16
Consumer Discretionary	12
Financials	10
Health Care	7
Consumer Staples	6
Materials	3
Other (includes short-term investment and securities lending collateral)	14
Total	<u>100%</u>

<u>Strategic Growth Fund</u>	
Information Technology	35%
Consumer Discretionary	28
Health Care	13
Consumer Staples	12
Energy	6
Industrials	3
Materials	2
Other	1
Total	<u>100%</u>

<u>Tactical Allocation Fund</u>	
Common Stocks	60%
Information Technology	18%
Consumer Discretionary	15
Health Care	7
All Other Sectors in Common Stocks	20
Corporate Bonds and Notes	21
Energy	5
Financials	5
Consumer Discretionary	3
All Other Sectors in Corporate Bonds and Notes	8
Mortgage-Backed Securities	6
Foreign Government Securities	4
Loan Agreements	4
Asset-Backed Securities	2
Other (includes short-term investment)	3
Total	<u>100%</u>

VIRTUS CONTRARIAN VALUE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—98.9%			Materials—30.5%			SECURITIES LENDING COLLATERAL—1.4%		
Consumer Discretionary—16.9%			Alcoa, Inc.	919,270	\$ 9,321	INVESCO Trust Short-Term		
Big Lots, Inc.	102,570	\$ 4,897	Allegheny Technologies, Inc. ⁽³⁾	339,140	6,128	Investments Liquid Assets		
Johnson Controls International plc	133,653	6,219	Ball Corp.	94,570	7,750	Portfolio (The) –		
Macy's, Inc.	132,850	4,922	Crown Holdings, Inc. ⁽²⁾	149,590	8,540	Institutional Shares		
Mattel, Inc.	82,240	2,490	Dow Chemical Co. (The)	127,140	6,590	(seven-day effective yield		
Target Corp.	131,650	9,042	FMC Corp.	123,470	5,969	0.390%) ⁽⁴⁾⁽⁵⁾	3,082,925	\$ 3,083
TJX Cos., Inc. (The)	111,350	8,327	International Paper Co.	131,416	6,305			
		<u>35,897</u>	Owens-Illinois, Inc. ⁽²⁾	557,150	10,246	TOTAL SECURITIES LENDING COLLATERAL		
			Sealed Air Corp.	90,990	4,169	(Identified Cost \$3,083)		3,083
					<u>65,018</u>			
Consumer Staples—8.8%			Real Estate—3.9%			TOTAL INVESTMENTS—105.5%		
ConAgra Foods, Inc.	246,630	11,619	Weyerhaeuser Co.	259,510	8,289	(Identified Cost \$158,184)		224,570⁽¹⁾
Koninklijke Ahold Delhaize N.V. Sponsored ADR ⁽²⁾	310,126	7,024				Other assets and liabilities, net—(5.5)%		(11,790)
		<u>18,643</u>				NET ASSETS—100.0%		\$212,780
Energy—11.2%			Utilities—4.5%					
Devon Energy Corp.	182,420	8,047	Dominion Resources, Inc.	130,650	9,703			
Occidental Petroleum Corp.	89,610	6,534						
ONEOK, Inc.	179,640	9,232	TOTAL COMMON STOCKS					
		<u>23,813</u>	(Identified Cost \$144,047)		210,433			
Industrials—23.1%			TOTAL LONG TERM INVESTMENTS—98.9%					
Emerson Electric Co.	118,139	6,440	(Identified Cost \$144,047)		210,433			
HD Supply Holdings, Inc. ⁽²⁾	228,570	7,310	SHORT-TERM INVESTMENT—5.2%					
Herc Holdings, Inc. ⁽²⁾	27,773	936	Money Market Mutual Fund—5.2%					
Hertz Global Holdings, Inc. ⁽²⁾	135,030	5,423	JPMorgan U.S. Government					
Owens Corning, Inc.	108,750	5,806	Money Market Fund –					
Raytheon Co.	67,020	9,124	Institutional Shares					
Republic Services, Inc.	159,012	8,022	(seven-day effective yield					
SPX Flow, Inc. ⁽²⁾	15,824	489	0.360%) ⁽⁵⁾	11,053,934	11,054			
USG Corp. ⁽²⁾	213,530	5,520						
		<u>49,070</u>	TOTAL SHORT-TERM INVESTMENT					
			(Identified Cost \$11,054)		11,054			

Abbreviation:
ADR American 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⁾ 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 the prospectus and annual report are publicly available.

Country Weightings[†]	
United States	94%
Netherlands	3
Ireland	3
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
Equity Securities:		
Common Stocks	\$210,433	\$210,433
Securities Lending Collateral	3,083	3,083
Short-Term Investment	11,054	11,054
Total Investments	\$224,570	\$224,570

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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.

See Notes to Financial Statements

VIRTUS ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—26.6%			Financials—continued			Real Estate—0.5%		
Consumer Discretionary—2.4%			KeyCorp	31,448	\$ 383	CBRE Group, Inc. Class A ⁽²⁾	14,448	\$ 404
BorgWarner, Inc.	10,696	\$ 376	Legg Mason, Inc.	11,487	385	Host Hotels & Resorts, Inc.	26,559	414
Delphi Automotive plc	5,881	419	Lincoln National Corp.	9,988	469			818
Harman International Industries, Inc.	5,079	429	MetLife, Inc.	9,638	428	Telecommunication Services—0.2%		
Horton (D.R.), Inc.	10,992	332	Moody's Corp.	3,340	362	Level 3 Communications, Inc. ⁽²⁾	7,333	340
Lennar Corp. Class A	7,238	307	Morgan Stanley	14,643	469	TOTAL COMMON STOCKS		
Netflix, Inc. ⁽²⁾	3,737	368	Navient Corp.	27,486	398	(Identified Cost \$40,274)		
News Corp. Class A	25,797	361	Northern Trust Corp.	5,538	376	EXCHANGE-TRADED FUNDS⁽⁴⁾—72.7%		
Royal Caribbean Cruises Ltd.	5,120	384	Principal Financial Group, Inc.	8,786	453	Energy Select Sector SPDR Fund	175,884	12,419
Under Armour, Inc. Class A ⁽²⁾	8,048	311	Prudential Financial, Inc.	5,410	442	Financial Select Sector SPDR Fund	632,522	12,208
Wynn Resorts Ltd.	4,241	413	Regions Financial Corp.	43,698	431	Technology Select Sector SPDR Fund	271,671	12,980
		3,700	State Street Corp.	5,705	397	Vanguard S&P 500 ETF ⁽³⁾	379,828	75,468
			SunTrust Banks, Inc.	8,881	389	TOTAL EXCHANGE-TRADED FUNDS		
			Unum Group	10,401	367	(Identified Cost \$109,203)		
			Zions Bancorp	13,765	427	CONTRACTS		
					13,045	PURCHASED OPTIONS—0.1%		
Energy—7.7%						Call Options—0.0%		
Anadarko Petroleum Corp.	8,798	557	Health Care—1.6%			S&P 500 [®] Index expiration		
Apache Corp.	9,022	576	Alexion Pharmaceuticals, Inc. ⁽²⁾	2,708	332	10/5/16 strike price \$2,290	178	—
Baker Hughes, Inc.	7,491	378	Celgene Corp. ⁽²⁾	3,252	340	S&P 500 [®] Index expiration		
Chesapeake Energy Corp. ⁽²⁾	113,353	711	Endo International plc ⁽²⁾	18,554	374	10/7/16 strike price \$2,295	338	2
Cimarex Energy Co.	3,115	419	Illumina, Inc. ⁽²⁾	2,026	368	S&P 500 [®] Index expiration		
Concho Resources, Inc. ⁽²⁾	3,357	461	Mallinckrodt plc ⁽²⁾	5,033	351	10/12/16 strike price		
ConocoPhillips	9,458	411	Regeneron Pharmaceuticals, Inc. ⁽²⁾	869	349	\$2,275	216	—
Devon Energy Corp.	12,707	561	Vertex Pharmaceuticals, Inc. ⁽²⁾	4,087	357	S&P 500 [®] Index expiration		
Diamond Offshore Drilling, Inc. ⁽²⁾	18,788	331			2,471	10/14/16 strike price	401	6
EOG Resources, Inc.	4,001	387				\$2,280		8
FMC Technologies, Inc. ⁽²⁾	14,844	440	Industrials—0.8%			Put Options—0.1%		
Halliburton Co.	8,452	379	American Airlines Group, Inc.	9,453	346	S&P 500 [®] Index expiration		
Helmerich & Payne, Inc.	6,292	424	Ryder System, Inc.	5,945	392	10/5/16 strike price \$1,995	178	—
Hess Corp.	8,049	432	United Rentals, Inc. ⁽²⁾	5,495	431	S&P 500 [®] Index expiration		
Kinder Morgan, Inc.	18,168	420			1,169	10/7/16 strike price \$2,040	338	12
Marathon Oil Corp.	36,625	579	Information Technology—3.4%			S&P 500 [®] Index expiration		
Marathon Petroleum Corp.	10,373	421	Autodesk, Inc. ⁽²⁾	5,461	395	10/12/16 strike price		
Murphy Oil Corp.	17,834	542	Broadcom Ltd.	2,181	376	\$2,025	216	15
Newfield Exploration Co. ⁽²⁾	9,942	432	Citrix Systems, Inc. ⁽²⁾	4,155	354	S&P 500 [®] Index expiration		
Noble Energy, Inc.	11,349	406	Cognizant Technology Solutions Corp. Class A ⁽²⁾	6,023	287	10/14/16 strike price	401	6
ONEOK, Inc.	8,679	446	First Solar, Inc. ⁽²⁾	10,064	398	\$2,040		50
Pioneer Natural Resources Co.	2,004	372	Hewlett Packard Enterprise Co.	15,374	350			77
Southwestern Energy Co. ⁽²⁾	24,602	341	HP, Inc.	23,781	369	TOTAL PURCHASED OPTIONS		
Tesoro Corp.	4,719	375	Micron Technology, Inc. ⁽²⁾	29,805	530	(Premiums Paid \$158)		
Transocean Ltd. ⁽²⁾	45,815	488	Qorvo, Inc. ⁽²⁾	7,939	443	TOTAL LONG TERM INVESTMENTS—99.4%		
Williams Cos., Inc. (The)	25,011	769	salesforce.com, Inc. ⁽²⁾	4,463	318	(Identified Cost \$149,635)		
		12,058	Seagate Technology plc	12,009	463	TOTAL INVESTMENTS, BEFORE WRITTEN		
Financials—8.4%			Skyworks Solutions, Inc.	6,067	462	OPTIONS—99.4%		
Affiliated Managers Group, Inc. ⁽²⁾	3,274	474	Western Digital Corp.	9,864	577	(Identified Cost \$149,635)		
Ameriprise Financial, Inc.	4,038	403			5,322			
Bank of America Corp.	27,114	424	Materials—1.6%					
Bank of New York Mellon Corp. (The)	8,989	358	Alcoa, Inc. ⁽²⁾	36,205	367			
BlackRock, Inc.	976	354	FMC Corp.	7,431	359			
Capital One Financial Corp.	5,152	370	Freemport-McMoRan, Inc.	54,938	597			
Charles Schwab Corp. (The)	14,853	469	LyondellBasell Industries N.V. Class A ⁽²⁾	4,418	356			
Citigroup, Inc.	9,199	434	Owens-Illinois, Inc. ⁽²⁾	20,036	368			
Citizens Financial Group, Inc.	14,575	360	Westrock Co.	8,057	391			
Comerica, Inc.	8,767	415			2,438			
E*Trade Financial Corp. ⁽²⁾	17,625	513						
Fifth Third Bancorp	20,269	415						
Franklin Resources, Inc.	9,883	352						
Goldman Sachs Group, Inc. (The)	2,159	348						
Huntington Bancshares, Inc.	35,903	354						
Invesco Ltd.	14,781	462						
JPMorgan Chase & Co.	5,462	364						

See Notes to Financial Statements

VIRTUS ENHANCED CORE EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	<u>CONTRACTS</u>	<u>VALUE</u>		<u>CONTRACTS</u>	<u>VALUE</u>
WRITTEN OPTIONS—(0.2)%			Put Options—continued		
Call Options—0.0%			S&P 500 [®] Index expiration		
S&P 500 [®] Index expiration			10/12/16 strike price		
10/5/16 strike price \$2,230	178	\$ (1)	\$2,075	216	\$ (36)
S&P 500 [®] Index expiration			S&P 500 [®] Index expiration		
10/7/16 strike price \$2,235	338	(3)	10/14/16 strike price	401	(118)
S&P 500 [®] Index expiration			\$2,090		(212)
10/12/16 strike price \$2,225	216	(7)			
S&P 500 [®] Index expiration			TOTAL WRITTEN OPTIONS		
10/14/16 strike price \$2,230	401	(18)	(Premiums Received \$419)		(241)⁽¹⁾
		<u>(29)</u>			
Put Options—(0.2)%			TOTAL INVESTMENTS, NET OF WRITTEN		
S&P 500 [®] Index expiration			OPTIONS—99.2%		
10/5/16 strike price \$2,055	178	(4)	(Identified Cost \$149,216)		154,280
S&P 500 [®] Index expiration			Other assets and liabilities, net—0.8%		1,263
10/7/16 strike price \$2,100	338	(54)			
			NET ASSETS—100.0%		<u>\$155,543</u>

Abbreviations:

ETF Exchange-Traded Fund
SPDR S&P Depository 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⁾ All or a portion of the security is segregated as collateral for written options.

⁽⁴⁾ Shares of this fund are publicly offered and the 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	\$ 41,361	\$ 41,361
Exchange-Traded Funds	113,075	113,075
Purchased Options	85	85
Total Investments before Written Options	<u>\$154,521</u>	<u>\$154,521</u>
Liabilities:		
Equity Securities:		
Written Options	<u>\$ (241)</u>	<u>\$ (241)</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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.

See Notes to Financial Statements

VIRTUS MID-CAP CORE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—98.3%								
Consumer Discretionary—12.5%			Health Care—continued				SECURITIES LENDING COLLATERAL—2.9%	
Ross Stores, Inc.	31,844	\$ 2,047	West Pharmaceutical Services, Inc.	14,800	\$ 1,103		INVESCO Trust Short-Term Investments Liquid Assets Portfolio (The) – Institutional Shares (seven-day effective yield 0.390%) ⁽⁴⁾⁽⁵⁾	1,566,685 \$ 1,567
Sally Beauty Holdings, Inc. ⁽²⁾	58,475	1,502	Zoetis, Inc.	42,204	2,195			
TripAdvisor, Inc. ⁽²⁾	25,374	1,603			9,933			
Wynn Resorts Ltd.	17,522	1,707						
		6,859	Industrials—22.1%				TOTAL SECURITIES LENDING COLLATERAL (Identified Cost \$1,567)	1,567
			AMETEK, Inc.	39,850	1,904		TOTAL INVESTMENTS—101.2%	
Consumer Staples—5.6%			Equipax, Inc.	10,329	1,390		(Identified Cost \$50,129)	55,453⁽¹⁾
Church & Dwight Co., Inc.	23,328	1,118	Exponent, Inc.	27,810	1,420		Other assets and liabilities, net—(1.2)%	(649)
Monster Beverage Corp. ⁽²⁾	13,163	1,933	Graco, Inc.	20,805	1,540			
		3,051	Nordson Corp.	19,237	1,917		NET ASSETS—100.0%	\$54,804
			Rockwell Collins, Inc.	18,568	1,566			
Energy—4.8%			WABCO Holdings, Inc. ⁽²⁾	21,055	2,390			
Core Laboratories N.V.	13,105	1,472			12,127			
Dril-Quip, Inc. ⁽²⁾	21,155	1,179	Information Technology—17.4%				Footnote Legend:	
		2,651	Amphenol Corp. Class A	33,833	2,196		⁽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.	
Financials—15.0%			Aspen Technology, Inc. ⁽²⁾	40,942	1,916		⁽²⁾ Non-income producing.	
Bank of The Ozarks, Inc.	49,550	1,902	Broadridge Financial Solutions, Inc.	27,780	1,883		⁽³⁾ All or a portion of security is on loan.	
First Financial Bancshares, Inc. ⁽³⁾	43,585	1,588	Intuit, Inc.	14,981	1,648		⁽⁴⁾ Represents security purchased with cash collateral received for securities on loan.	
Moody's Corp.	10,295	1,115	Skyworks Solutions, Inc.	25,110	1,912		⁽⁵⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.	
RLI Corp.	23,739	1,623			9,555			
Signature Bank ⁽²⁾	16,554	1,961	Materials—2.8%					
		8,189	International Flavors & Fragrances, Inc.	10,639	1,521			
Health Care—18.1%								
Cooper Cos, Inc. (The)	9,698	1,739	TOTAL COMMON STOCKS (Identified Cost \$48,562)		53,886			
DENTSPLY SIRONA, Inc.	33,323	1,980	TOTAL LONG TERM INVESTMENTS—98.3%					
Edwards Lifesciences Corp. ⁽²⁾	12,443	1,500	(Identified Cost \$48,562)		53,886			
Globus Medical, Inc. Class A ⁽²⁾	62,750	1,416						

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	\$53,886	\$53,886
Securities Lending Collateral	1,567	1,567
Total Investments	\$55,453	\$55,453

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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

See Notes to Financial Statements

VIRTUS QUALITY LARGE-CAP VALUE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—99.2%			Industrials—12.8%		
Consumer Discretionary—9.0%			3M Co.		
Las Vegas Sands Corp.	16,507	\$ 950	Honeywell International, Inc.	12,520	\$ 2,206
Lowe's Cos., Inc.	37,862	2,734	Illinois Tool Works, Inc.	19,088	2,226
TJX Cos., Inc. (The)	28,157	2,105	Waste Management, Inc.	16,206	1,942
		<u>5,789</u>		29,768	1,898
					<u>8,272</u>
Consumer Staples—12.3%			Information Technology—8.3%		
Dr. Pepper Snapple Group, Inc.	16,844	1,538	Accenture plc Class A	15,073	1,842
General Mills, Inc.	20,931	1,337	Analog Devices, Inc.	26,671	1,719
Hormel Foods Corp.	49,930	1,894	Broadridge Financial Solutions, Inc.	26,794	1,816
Kimberly-Clark Corp.	10,470	1,321			<u>5,377</u>
Philip Morris International, Inc.	19,411	1,887			
		<u>7,977</u>	Materials—5.6%		
			International Flavors & Fragrances, Inc.	12,838	1,836
Energy—9.6%			PPG Industries, Inc.	17,176	1,775
Core Laboratories N.V.	12,705	1,427			<u>3,611</u>
Exxon Mobil Corp.	16,737	1,461	Utilities—4.6%		
Halliburton Co.	39,461	1,771	WEC Energy Group, Inc.	49,241	2,949
Occidental Petroleum Corp.	21,204	1,546			
		<u>6,205</u>	TOTAL COMMON STOCKS		
			(Identified Cost \$47,685)		
Financials—23.1%			64,063		
Charles Schwab Corp. (The)	39,873	1,259	TOTAL LONG TERM INVESTMENTS—99.2%		
CME Group, Inc.	21,075	2,203	(Identified Cost \$47,685)		
Marsh & McLennan Cos., Inc.	40,678	2,735	64,063		
Moody's Corp.	12,207	1,322	TOTAL INVESTMENTS—99.2%		
PNC Financial Services Group, Inc. (The)	21,738	1,958	(Identified Cost \$47,685)		
Travelers Cos., Inc. (The)	22,208	2,544	64,063⁽¹⁾		
U.S. Bancorp	67,035	2,875	Other assets and liabilities, net—0.8%		545
		<u>14,896</u>			
			NET ASSETS—100.0%		
Health Care—13.9%			\$64,608		
Amgen, Inc.	9,730	1,623			
Medtronic plc	23,844	2,060			
Patterson Cos., Inc.	37,079	1,704			
Roche Holding					
AG Sponsored ADR	51,671	1,600			
Zoetis, Inc.	38,455	2,000			
		<u>8,987</u>			

Abbreviation:

ADR American 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.

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	<u>\$64,063</u>	<u>\$64,063</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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.

See Notes to Financial Statements

VIRTUS QUALITY SMALL-CAP FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—94.7%			Industrials—continued			SHORT-TERM INVESTMENT—5.0%		
Consumer Discretionary—14.5%			Graco, Inc.	147,417	\$ 10,909	Money Market Mutual Fund—5.0%		
Cheesecake Factory, Inc.			Landstar System, Inc.	165,528	11,269	JPMorgan U.S. Government		
(The)	207,700	\$ 10,397	RBC Bearings, Inc. ⁽²⁾	117,300	8,971	Money Market Fund –		
Cinemark Holdings, Inc.	334,600	12,808	Sun Hydraulics Corp.	140,000	4,518	Institutional Shares		
Sally Beauty Holdings, Inc. ⁽²⁾	320,000	8,218			<u>48,836</u>	(seven-day effective yield		
Thor Industries, Inc.	124,200	10,520				0.360%) ⁽³⁾	14,470,963	\$ 14,471
		<u>41,943</u>	Information Technology—23.9%			TOTAL SHORT-TERM INVESTMENT		
			American Software, Inc.			(Identified Cost \$14,471)		14,471
Consumer Staples—5.7%			Class A	459,391	5,099	TOTAL INVESTMENTS—99.7%		
National Beverage Corp. ⁽²⁾	159,004	7,004	Badger Meter, Inc.	265,634	8,901	(Identified Cost \$223,077)		287,233⁽¹⁾
Village Super Market, Inc.			Cabot Microelectronics Corp.	146,700	7,762	Other assets and liabilities, net—0.3%		<u>763</u>
Class A	92,800	2,971	Cass Information Systems,			NET ASSETS—100.0%		\$287,996
WD-40 Co.	58,154	6,538	Inc.	171,319	9,705			
		<u>16,513</u>	Cognex Corp.	126,456	6,685			
			Jack Henry & Associates,					
Energy—4.3%			Inc.	118,450	10,134			
Core Laboratories N.V.	109,400	12,289	Monotype Imaging Holdings,					
			Inc.	501,799	11,095			
			Syntel, Inc. ⁽²⁾	224,486	9,408			
					<u>68,789</u>			
Financials—16.6%			Materials—2.2%					
Artisan Partners Asset			Scotts Miracle-Gro Co. (The)					
Management, Inc. Class A	291,900	7,940	Class A	75,000	6,245			
Bank of Hawaii Corp.	146,300	10,624						
First Financial Bancshares,			Real Estate—6.9%					
Inc.	225,000	8,199	HFF, Inc. Class A	295,500	8,182			
Primerica, Inc.	203,050	10,768	RE/MAX Holdings, Inc.					
RLI Corp.	149,312	10,207	Class A	265,920	11,642			
		<u>47,738</u>			<u>19,824</u>			
Health Care—3.7%			TOTAL COMMON STOCKS					
Patterson Cos., Inc.	230,400	10,585	(Identified Cost \$208,606)		272,762			
			TOTAL LONG TERM INVESTMENTS—94.7%					
Industrials—16.9%			(Identified Cost \$208,606)		272,762			
CEB, Inc.	150,482	8,197						
CLARCOR, Inc.	76,500	4,972						

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 the 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	\$272,762	\$272,762
Short-Term Investment	14,471	14,471
Total Investments	<u>\$287,233</u>	<u>\$287,233</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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

VIRTUS SMALL-CAP CORE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—92.6%			Industrials—continued			SECURITIES LENDING COLLATERAL—3.7%		
Consumer Discretionary—8.1%			Donaldson Co., Inc.	234,600	\$ 8,758	INVESCO Trust Short-Term		
NVR, Inc. ⁽²⁾	6,188	\$ 10,147	Exponent, Inc.	154,526	7,890	Investments Liquid Assets		
Polaris Industries, Inc. ⁽³⁾	179,390	13,892	Graco, Inc.	146,300	10,826	Portfolio (The) –		
Pool Corp.	77,550	7,330	Landstar System, Inc.	242,600	16,516	Institutional Shares		
		<u>31,369</u>	RBC Bearings, Inc. ⁽²⁾	122,148	9,342	(seven-day effective yield		
			Teledyne Technologies, Inc. ⁽²⁾	152,600	16,470	0.390%) ⁽⁴⁾⁽⁵⁾	14,067,370	\$ 14,067
Consumer Staples—3.8%			Toro Co. (The)	239,400	11,214			
Chefs' Warehouse, Inc.			WABCO Holdings, Inc. ⁽²⁾	112,000	12,715			
(The) ⁽²⁾	265,434	2,957			<u>111,390</u>			
PriceSmart, Inc.	141,200	11,827	Information Technology—20.9%			TOTAL SECURITIES LENDING COLLATERAL		
		<u>14,784</u>	Aspen Technology, Inc. ⁽²⁾	292,800	13,700	(Identified Cost \$14,067)		14,067
Energy—6.5%			Autohome, Inc. ADR ⁽²⁾	592,300	14,363			
Core Laboratories N.V.	111,700	12,547	CDW Corp.	399,300	18,260	TOTAL INVESTMENTS—101.4%		
Dril-Quip, Inc. ⁽²⁾	225,700	12,581	Jack Henry & Associates,			(Identified Cost \$326,001)		392,080⁽¹⁾
		<u>25,128</u>	Inc.	112,000	9,582	Other assets and liabilities, net—(1.4)%		<u>(5,362)</u>
Financials—14.9%			Shutterstock, Inc. ⁽²⁾	392,900	25,027			
Artisan Partners Asset					<u>80,932</u>	NET ASSETS—100.0%		<u>\$386,718</u>
Management, Inc. Class A	374,800	10,194	Materials—1.8%					
FactSet Research Systems,			AptarGroup, Inc.	91,300	7,068			
Inc.	50,000	8,105	Real Estate—2.5%					
MarketAxess Holdings, Inc.	88,732	14,693	HFF, Inc. Class A	346,000	9,581			
Primerica, Inc.	323,100	17,134						
RLI Corp.	107,208	7,329	TOTAL COMMON STOCKS					
		<u>57,455</u>	(Identified Cost \$292,145)		358,224			
Health Care—5.3%			TOTAL LONG TERM INVESTMENTS—92.6%					
Abaxis, Inc.	302,800	15,631	(Identified Cost \$292,145)		358,224			
Computer Programs &			SHORT-TERM INVESTMENT—5.1%					
Systems, Inc. ⁽³⁾	187,500	4,886	Money Market Mutual Fund—5.1%					
		<u>20,517</u>	JPMorgan U.S. Government					
Industrials—28.8%			Money Market Fund –					
Copart, Inc. ⁽²⁾	329,700	17,659	Institutional Shares					
			(seven-day effective yield					
			0.360%) ⁽⁵⁾	19,789,259	19,789			
			TOTAL SHORT-TERM INVESTMENT					
			(Identified Cost \$19,789)		19,789			

Abbreviation:

ADR American 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⁾ 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 the 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	\$358,224	\$358,224
Securities Lending Collateral	14,067	14,067
Short-Term Investment	19,789	19,789
Total Investments	<u>\$392,080</u>	<u>\$392,080</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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.

See Notes to Financial Statements

VIRTUS SMALL-CAP SUSTAINABLE GROWTH FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—87.7%			Industrials—continued			SECURITIES LENDING COLLATERAL—3.3%		
Consumer Discretionary—11.9%			Omega Flex, Inc.	287,214	\$ 11,075	INVESCO Trust Short-Term		
Fox Factory Holding Corp. ⁽²⁾	866,473	\$ 19,903				Investments Liquid Assets		
Monro Muffler Brake, Inc.	106,200	6,496				Portfolio (The) –		
Ollie's Bargain Outlet						Institutional Shares		
Holdings, Inc. ⁽²⁾⁽³⁾	746,900	19,576	Information Technology—32.4%			(seven-day effective yield		
		<u>45,975</u>	ANSYS, Inc. ⁽²⁾	93,900	8,696	0.390%) ⁽⁴⁾⁽⁵⁾	12,694,600	\$ 12,695
Consumer Staples—6.1%			Aspen Technology, Inc. ⁽²⁾	439,100	20,546	TOTAL SECURITIES LENDING COLLATERAL		
Chefs' Warehouse, Inc.			Autohome, Inc. ADR ⁽²⁾	684,800	16,606	(Identified Cost \$12,695)		12,695
(The) ⁽²⁾	1,074,800	11,973	Ellie Mae, Inc. ⁽²⁾	133,450	14,052	TOTAL INVESTMENTS—101.7%		
PriceSmart, Inc.	139,800	11,710	MercadoLibre, Inc.	53,700	9,933	(Identified Cost \$323,718)		393,377⁽¹⁾
		<u>23,683</u>	Mesa Laboratories, Inc.	30,100	3,442	Other assets and liabilities, net—(1.7)%		<u>(6,562)</u>
Financials—9.8%			NVE Corp.	263,300	15,519	NET ASSETS—100.0%		\$386,815
FactSet Research Systems,			Paycom Software, Inc. ⁽²⁾	88,700	4,447			
Inc.	77,250	12,522	Shutterstock, Inc. ⁽²⁾⁽³⁾	505,124	32,176			
Financial Engines, Inc.	95,951	2,851			<u>125,417</u>			
MarketAxess Holdings, Inc.	68,200	11,293	Materials—3.0%			Abbreviation:		
Morningstar, Inc.	138,828	11,005	UFP Technologies, Inc. ⁽²⁾	437,102	11,583	ADR	American Depositary Receipt	
		<u>37,671</u>				Footnote Legend:		
Health Care—7.7%			TOTAL COMMON STOCKS		339,090	⁽¹⁾ Federal Income Tax Information: For tax		
Abaxis, Inc.	330,200	17,045	(Identified Cost \$269,431)			information at September 30, 2016, see Note 10		
National Research Corp.			TOTAL LONG TERM INVESTMENTS—87.7%			Federal Income Tax Information in the Notes to		
Class A	777,321	12,663	(Identified Cost \$269,431)		339,090	Financial Statements.		
		<u>29,708</u>	SHORT-TERM INVESTMENT—10.7%			⁽²⁾ Non-income producing.		
Industrials—16.8%			Money Market Mutual Fund—10.7%			⁽³⁾ All or a portion of security is on loan.		
AAON, Inc.	305,600	8,808	JPMorgan U.S. Government			⁽⁴⁾ Represents security purchased with cash collateral		
Copart, Inc. ⁽²⁾	263,050	14,089	Money Market Fund –			received for securities on loan.		
HEICO Corp. Class A	243,433	14,730	Institutional Shares			⁽⁵⁾ Shares of this fund are publicly offered and the		
Old Dominion Freight Line,			(seven-day effective yield			prospectus and annual report are publicly		
Inc. ⁽²⁾	238,300	16,351	0.360%) ⁽⁵⁾	41,592,377	41,592	available.		
			TOTAL SHORT-TERM INVESTMENT					
			(Identified Cost \$41,592)		41,592			

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	\$339,090	\$339,090
Securities Lending Collateral	12,695	12,695
Short-Term Investment	41,592	41,592
Total Investments	<u>\$393,377</u>	<u>\$393,377</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities as of September 30, 2016.

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.

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
FOREIGN GOVERNMENT SECURITIES—4.0%			MORTGAGE-BACKED SECURITIES—6.2%			Non-Agency—continued		
Argentine Republic			Agency—1.7%			GAHR Commercial Mortgage		
144A 7.500%, 4/22/26 ⁽⁴⁾	\$ 300	\$ 338	FHLMC			Trust 15-NRF, CFX 144A		
7.875%, 6/15/27	235	252	3.500%, 4/1/46	\$ 251	\$ 265	3.495%, 12/15/34 ⁽³⁾⁽⁴⁾	\$ 130	\$ 132
Series NY,			FNMA			GSAA Home Equity Trust		
8.280%, 12/31/33	294	339	3.500%, 12/1/42	237	251	05-12, AF3W		
144A 7.125%, 7/6/36 ⁽⁴⁾	150	159	3.000%, 3/1/43	407	424	4.999%, 9/25/35 ⁽³⁾	55	56
Bolivarian Republic of			3.000%, 4/1/43	272	284	GSR Mortgage Loan Trust		
Venezuela			3.000%, 6/1/43	263	274	06-1F, 2A4		
RegS 7.000%, 12/1/18 ⁽⁵⁾	35	25	4.000%, 10/1/44	251	270	6.000%, 2/25/36	63	55
RegS 7.750%, 10/13/19 ⁽⁵⁾	34	21	3.500%, 1/1/45	185	195	Home Equity Loan Trust		
RegS 8.250%, 10/13/24 ⁽⁵⁾	40	20	3.500%, 12/1/45	167	176	03-HS3, A14		
7.650%, 4/21/25	320	155	3.500%, 1/1/46	96	101	5.550%, 9/25/33 ⁽³⁾	41	42
9.375%, 1/13/34	245	128	3.000%, 2/1/46	328	341	06-HI1, M1		
Federative Republic of Brazil						6.010%, 2/25/36 ⁽³⁾	26	26
8.500%, 1/5/24	390 ^{BRL}	111				07-HSA3, A14		
Treasury Note Series F,						6.110%, 6/25/37 ⁽³⁾	280	282
10.000%, 1/1/25	230 ^{BRL}	67	Non-Agency—4.5%			JPMorgan Chase Commercial		
5.625%, 1/7/41	140	140	American Homes 4 Rent			Mortgage Securities Trust		
Kingdom of Morocco 144A			14-SFR2, C 144A			07-LDPX, AM		
5.500%, 12/11/42 ⁽⁴⁾	200	229	4.705%, 10/17/36 ⁽⁴⁾	180	198	5.464%, 1/15/49 ⁽³⁾	119	117
Mongolia 144A			15-SFR2, C 144A			JPMorgan Chase Mortgage		
5.125%, 12/5/22 ⁽⁴⁾	200	176	4.691%, 10/17/45 ⁽⁴⁾	205	227	Trust		
Provincia de Buenos Aires			15-SFR1, A 144A			14-1, 1A1 144A		
144A			3.467%, 4/17/52 ⁽⁴⁾	141	150	4.000%, 1/25/44 ⁽³⁾⁽⁴⁾	132	139
9.125%, 3/16/24 ⁽⁴⁾	150	168	Ameriquist Mortgage			16-1, M2 144A		
Republic of Azerbaijan			Securities, Inc. 03-AR3, M4			3.750%, 4/25/45 ⁽³⁾⁽⁴⁾	123	128
4.750%, 3/13/23	200	198	4.311%, 6/25/33 ⁽³⁾	115	111	16-2, M2 144A		
Republic of Chile			Banc of America Funding			3.750%, 12/25/45 ⁽³⁾⁽⁴⁾	229	237
5.500%, 8/5/20	95,000 ^{CLP}	154	Trust 05-1, 1A1			11-C4, A4, 144A		
Republic of Colombia			5.500%, 2/25/35	30	30	4.388%, 7/15/46 ⁽⁴⁾	120	131
4.375%, 3/21/23	386,000 ^{CDP}	120	Bank of America			MASTR Adjustable Rate		
9.850%, 6/28/27	340,000 ^{CDP}	144	(Countrywide) Asset-			Mortgages Trust 05-1, 3A1		
Republic of Costa Rica 144A			Backed Certificates			3.326%, 2/25/35 ⁽³⁾	103	94
7.000%, 4/4/44 ⁽⁴⁾	200	214	05-1, AF5A			MASTR Alternative Loan		
Republic of Cote d'Ivoire			5.144%, 7/25/35 ⁽³⁾	175	173	Trust		
144A			05-12, 2A4			04-6, 7A1 6.000%, 7/25/34	225	219
6.375%, 3/3/28 ⁽⁴⁾	200	209	5.575%, 2/25/36 ⁽³⁾	160	159	05-2, 2A1 6.000%, 1/25/35	103	106
Republic of El Salvador 144A			Bank of America (Merrill			MASTR Reperforming Loan		
6.375%, 1/18/27 ⁽⁴⁾	260	263	Lynch—Countrywide)			Trust 05-1, 1A5 144A		
Republic of Indonesia			Alternative Loan Trust			8.000%, 8/25/34 ⁽⁴⁾	159	166
Series FR56,			04-22CB, 1A1			MASTR Specialized Loan		
8.375%, 9/15/26	3,872,000 ^{IDR}	323	6.000%, 10/25/34	154	165	Trust 05-3, A2 144A		
Republic of South Africa			Bank of America (Merrill			5.704%, 11/25/35 ⁽³⁾⁽⁴⁾	60	61
Series R203,			Lynch) Mortgage Investors			Mill City Mortgage Loan Trust		
8.250%, 9/15/17	1,125 ^{ZAR}	83	Trust 98-C1, C			16-1, M1 144A		
Series R208,			6.750%, 11/15/26 ⁽³⁾	375	388	3.150%, 4/25/57 ⁽³⁾⁽⁴⁾	105	105
6.750%, 3/31/21	1,820 ^{ZAR}	126	Citigroup Mortgage Loan			Morgan Stanley—Bank of		
Republic of Turkey			Trust, Inc.			America (Merrill Lynch)		
9.000%, 3/8/17	250 ^{TRY}	84	05-5, 2A3 5.000%, 8/25/35	53	53	Trust 15-C26,C		
6.250%, 9/26/22	200	220	15-A, A1 144A			4.558%, 10/15/48 ⁽³⁾	155	162
4.875%, 10/9/26	285	291	3.500%, 6/25/58 ⁽³⁾⁽⁴⁾	133	136	Morgan Stanley Capital I		
4.875%, 4/16/43	200	187	Colony American Finance Ltd.			Trust 07-IQ14, AM		
Russian Federation 144A			15-1 144A			5.864%, 4/15/49 ⁽³⁾	137	132
7.850%, 3/10/18 ⁽⁴⁾	10,000 ^{RUB}	157	2.896%, 10/15/47 ⁽⁴⁾	121	123	Motel 6 Trust 15-MTL6,		
Sultanate of Oman 144A			Credit Suisse Commercial			D 144A		
4.750%, 6/15/26 ⁽⁴⁾	235	236	Mortgage-Backed Trust			4.532%, 2/5/30 ⁽⁴⁾	100	100
Ukraine 144A			07-C5, A1AM			Nomura Asset Acceptance		
7.750%, 9/1/26 ⁽⁴⁾	160	151	5.870%, 9/15/40 ⁽³⁾	174	160	Corp. 04-R3, A1 144A		
United Mexican States			Credit Suisse Mortgage-			6.500%, 2/25/35 ⁽⁴⁾	55	54
Series M,			Backed Trust 06-08, 3A1			Resecuritization Pass-		
6.500%, 6/9/22	6,451 ^{MXN}	344	6.000%, 10/25/21	79	76	Through Trust 05-BR, A5		
4.750%, 3/8/44	140	146	Deutsche Bank-UBS			6.000%, 10/25/34	72	72
			Mortgage Trust 11-LC3A, D					
			144A					
			5.510%, 8/10/44 ⁽³⁾⁽⁴⁾	160	168			
TOTAL FOREIGN GOVERNMENT SECURITIES								
(Identified Cost \$6,149)		5,978						

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Non-Agency—continued			ASSET-BACKED SECURITIES—continued			Consumer Discretionary—continued		
Residential Asset Mortgage Products Trust 05-SL2, A4 7.500%, 2/25/32	\$ 76	\$ 77	Exeter Automobile Receivables Trust 14-1A, C 144A	\$ 140	\$ 141	Diamond Resorts International, Inc. 144A 7.750%, 9/1/23 ⁽⁴⁾	\$ 10	\$ 10
Residential Asset Securitization Trust 05-A1, A3 5.500%, 4/25/35	128	129	15-A1, C 144A 4.100%, 12/15/20 ⁽⁴⁾	165	168	DISH DBS Corp. 144A 7.750%, 7/1/26 ⁽⁴⁾	10	11
Sequoia Mortgage Trust 14-4, A6 144A 3.500%, 11/25/44 ⁽³⁾⁽⁴⁾	130	134	15-2A, C 144A 3.900%, 3/15/21 ⁽⁴⁾	175	177	Hanesbrands, Inc. 144A 4.625%, 5/15/24 ⁽⁴⁾	25	26
15-1, A1 144A 3.500%, 1/25/45 ⁽³⁾⁽⁴⁾	137	141	15-3A, D 144A 6.550%, 10/17/22 ⁽⁴⁾	155	159	144A 4.875%, 5/15/26 ⁽⁴⁾	50	51
Structured Asset Securities Corp. Mortgage-Pass- Through Certificates 02-AL1, A3 3.450%, 2/25/32	86	86	Fairway Outdoor Funding LLC 12-1A, A2 144A 4.212%, 10/15/42 ⁽⁴⁾	236	238	Landry's, Inc. 144A 9.375%, 5/1/20 ⁽⁴⁾	65	68
Towd Point Mortgage Trust 15-1, A2 144A 3.250%, 10/25/53 ⁽³⁾⁽⁴⁾	115	117	Flagship Credit Auto Trust 14-1, E 144A 5.710%, 8/16/21 ⁽⁴⁾	130	132	144A 6.750%, 10/15/24 ⁽⁴⁾	45	46
15-3, A1B 144A 3.000%, 3/25/54 ⁽³⁾⁽⁴⁾	164	167	Foursight Capital Automobile Receivables Trust 15-1, B 144A 4.120%, 9/15/22 ⁽⁴⁾	210	213	M/I Homes, Inc. 6.750%, 1/15/21	90	95
15-5, A2 144A 3.500%, 5/25/55 ⁽³⁾⁽⁴⁾	100	101	Leaf Receivables Funding 10 LLC 15-1, E2 144A 6.000%, 6/15/23 ⁽⁴⁾	105	103	MDC Holdings, Inc. 5.500%, 1/15/24	155	163
15-2, 1M1 144A 3.250%, 11/25/60 ⁽³⁾⁽⁴⁾	180	176	SolarCity LMC Series III LLC 14-2, A 144A 4.020%, 7/20/44 ⁽⁴⁾	198	186	Meritor, Inc. 6.750%, 6/15/21	60	61
Vericrest Opportunity Loan Transfer 15-NP11, A1 144A 3.625%, 7/25/45 ⁽³⁾⁽⁴⁾	100	100	TOTAL ASSET-BACKED SECURITIES (Identified Cost \$2,361)		2,370	MGM Growth Properties Operating Partnership LP (MGP Finance Co-Issuer, Inc.) 144A 5.625%, 5/1/24 ⁽⁴⁾	30	33
16-NPL9, A1 144A 3.500%, 9/25/46 ⁽³⁾⁽⁴⁾	100	100	CORPORATE BONDS AND NOTES—21.0%			144A 4.500%, 9/1/26 ⁽⁴⁾	40	40
15-NPL2, A1 144A 3.375%, 2/25/55 ⁽³⁾⁽⁴⁾	83	83	Consumer Discretionary—3.1%			MGM Resorts International 6.000%, 3/15/23	85	92
15-NPL3, A1 144A 3.375%, 10/25/58 ⁽³⁾⁽⁴⁾	80	80	Aramark Services, Inc. 144A 4.750%, 6/1/26 ⁽⁴⁾	85	86	Mohegan Tribal Gaming Authority 9.750%, 9/1/21	105	114
Wells Fargo (Wachovia Bank) Commercial Mortgage Trust 15-LC20, B 3.719%, 4/15/50	165	174	Beazer Homes USA, Inc. 5.750%, 6/15/19 144A 8.750%, 3/15/22 ⁽⁴⁾	95	99	MPG Holdco I, Inc. 7.375%, 10/15/22	160	165
Wells Fargo—Royal Bank of Scotland plc Commercial Mortgage Trust 11-C5, C 144A 5.866%, 11/15/44 ⁽³⁾⁽⁴⁾	150	166	Boyd Gaming Corp. 6.875%, 5/15/23	80	87	New York University 4.142%, 7/1/48	105	108
		6,764	Brookfield Residential Properties, Inc. 144A 6.125%, 7/1/22 ⁽⁴⁾	55	56	Newell Brands, Inc. 144A 5.000%, 11/15/23 ⁽⁴⁾	25	27
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$9,205)		9,345	Caesars Entertainment Operating Co., Inc. 9.000%, 2/15/20 ⁽¹⁵⁾	40	41	Party City Holdings, Inc. 144A 6.125%, 8/15/23 ⁽⁴⁾	25	27
ASSET-BACKED SECURITIES—1.6%			Caesars Entertainment Resort Properties LLC 8.000%, 10/1/20	65	67	PetSmart, Inc. 144A 7.125%, 3/15/23 ⁽⁴⁾	140	147
CarFinance Capital Auto Trust 14-1A, D 144A 4.900%, 4/15/20 ⁽⁴⁾	254	255	Caesars Growth Properties Holdings LLC 9.375%, 5/1/22	150	161	QVC, Inc. 5.125%, 7/2/22	135	143
15-1A, C 144A 3.580%, 6/15/21 ⁽⁴⁾	400	403	CCO Holdings LLC 144A 5.500%, 5/1/26 ⁽⁴⁾	55	58	RCN Telecom Services LLC (RCN Capital Corp.) 144A 8.500%, 8/15/20 ⁽⁴⁾	100	107
Citi Held For Asset Issuance 15-PM3, B 144A 4.310%, 5/16/22 ⁽⁴⁾	145	145	Clear Channel Worldwide Holdings, Inc. Series B 7.625%, 3/15/20	260	259	Scientific Games International, Inc. 6.625%, 5/15/21	110	84
DB Master Finance LLC 15-A1, A2II 144A 3.980%, 2/20/45 ⁽⁴⁾	49	50	Columbus Cable Barbados Ltd. Series B, 144A 7.375%, 3/30/21 ⁽⁴⁾	200	213	144A 7.000%, 1/1/22 ⁽⁴⁾	110	117
			Dana Financing Luxembourg S.a.r.l. 144A 6.500%, 6/1/26 ⁽⁴⁾	45	47	SFR (Numericable) Group S.A. 144A 6.000%, 5/15/22 ⁽⁴⁾	215	220
						Signet UK Finance plc 4.700%, 6/15/24	165	159
						Sirius XM Radio, Inc. 144A 5.375%, 7/15/26 ⁽⁴⁾	150	154
						Six Flags Entertainment Corp. 144A 4.875%, 7/31/24 ⁽⁴⁾	120	121
						TI Group Automotive Systems LLC 144A 8.750%, 7/15/23 ⁽⁴⁾	95	104
						Toll Brothers Finance Corp. 5.625%, 1/15/24	40	43
						4.875%, 11/15/25	290	298

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Consumer Discretionary—continued			Energy—continued			Energy—continued		
TRI Pointe Group, Inc. 5.875%, 6/15/24	\$ 165	\$ 173	CONSOL Energy, Inc. 5.875%, 4/15/22	\$ 65	\$ 60	Parsley Energy LLC 144A 6.250%, 6/1/24 ⁽⁴⁾	\$ 195	\$ 202
VTR Finance BV 144A 6.875%, 1/15/24 ⁽⁴⁾	200	207	Continental Resources, Inc. 5.000%, 9/15/22	95	95	Petrobras Global Finance BV 5.375%, 1/27/21	120	119
Ziggo Secured Finance BV 144A 5.500%, 1/15/27 ⁽⁴⁾	150	150	4.500%, 4/15/23	60	58	8.375%, 5/23/21	60	66
		<u>4,591</u>	Ecopetrol S.A. 5.875%, 9/18/23	125	135	8.750%, 5/23/26	130	144
			5.375%, 6/26/26	170	177	Petroleos de Venezuela S.A RegS 8.500%, 11/2/17 ⁽⁵⁾	60	52
			Enbridge Energy Partners LP 4.375%, 10/15/20	30	32	144A 6.000%, 5/16/24 ⁽⁴⁾	490	210
			Encana Corp. 3.900%, 11/15/21	60	60	Petroleos Mexicanos 144A 6.875%, 8/4/26 ⁽⁴⁾	80	90
Consumer Staples—0.6%			Energy Transfer Equity LP 5.875%, 1/15/24	180	188	6.500%, 6/2/41	195	190
Dole Food Co., Inc. 144A 7.250%, 5/1/19 ⁽⁴⁾	100	102	EnLink Midstream Partners LP 4.850%, 7/15/26	15	15	PHI, Inc. 5.250%, 3/15/19	70	68
ESAL GmbH 144A 6.250%, 2/5/23 ⁽⁴⁾	200	195	EnQuest plc 144A 7.000%, 4/15/22 ⁽⁴⁾	200	105	QEP Resources, Inc. 6.875%, 3/1/21	75	79
Pilgrim's Pride Corp. 144A 5.750%, 3/15/25 ⁽⁴⁾	65	67	EP Energy LLC (Everest Acquisition Finance, Inc.) 6.375%, 6/15/23	90	54	5.250%, 5/1/23	65	64
Post Holdings, Inc. 144A 5.000%, 8/15/26 ⁽⁴⁾	125	125	FTS International, Inc. 6.250%, 5/1/22	90	35	Range Resources Corp. 144A 5.000%, 3/15/23 ⁽⁴⁾	155	152
Rite Aid Corp. 144A 6.125%, 4/1/23 ⁽⁴⁾	45	49	Gazprom OAO (Gaz Capital S.A.) 144A 6.000%, 11/27/23 ⁽⁴⁾⁽⁷⁾	200	217	Regency Energy Partners LP 5.875%, 3/1/22	75	83
Safeway, Inc. 7.250%, 2/1/31	95	95	Gulfport Energy, Corp. 7.750%, 11/1/20	80	83	5.000%, 10/1/22	45	48
Tops Holding LLC (Tops Markets II Corp.) 144A 8.000%, 6/15/22 ⁽⁴⁾	175	158	Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	95	100	Rosneft Oil Co. 144A 4.199%, 3/6/22 ⁽⁴⁾⁽⁷⁾	200	201
US Foods, Inc. 144A 5.875%, 6/15/24 ⁽⁴⁾	25	26	Holly Energy Partners LP 144A 6.000%, 8/1/24 ⁽⁴⁾	15	16	Sabine Oil & Gas Corp. 7.250%, 6/15/19 ⁽¹³⁾	185	3
Whole Foods Market, Inc. 144A 5.200%, 12/3/25 ⁽⁴⁾	97	105	KazMunayGas National Co. 144A 6.375%, 4/9/21 ⁽⁴⁾	200	221	Sabine Pass Liquefaction LLC 5.625%, 2/1/21	160	170
		<u>922</u>	Kinder Morgan, Inc. 7.750%, 1/15/32	165	200	SM Energy Co. 6.125%, 11/15/22	70	70
			Laredo Petroleum, Inc. 7.375%, 5/1/22	115	119	Southern Gas Corridor CJSC 144A 6.875%, 3/24/26 ⁽⁴⁾	200	225
Energy—4.8%			Linn Energy LLC 6.500%, 5/15/19 ⁽¹³⁾	150	39	Sunoco LP 144A 6.375%, 4/1/23 ⁽⁴⁾	335	346
Alberta Energy Co., Ltd. 8.125%, 9/15/30	65	77	Lukoil International Finance BV 144A 4.563%, 4/24/23 ⁽⁴⁾	200	207	TransCanada Trust 5.625%, 5/20/75 ⁽⁶⁾⁽⁸⁾	175	177
Anadarko Petroleum Corp. 4.850%, 3/15/21	30	32	MPLX LP 4.875%, 12/1/24	225	233	Transocean, Inc. 6.800%, 12/15/16	55	55
5.550%, 3/15/26	40	46	Newfield Exploration Co. 5.375%, 1/1/26	170	170	144A 9.000%, 7/15/23 ⁽⁴⁾	40	39
6.600%, 3/15/46	85	104	NGL Energy Partners LP 5.125%, 7/15/19	160	151	6.800%, 3/15/38	45	30
Antero Midstream Partners LP 144A 5.375%, 9/15/24 ⁽⁴⁾	45	46	Occidental Petroleum Corp. 3.400%, 4/15/26	5	5	YPF S.A. 144A 8.500%, 3/23/21 ⁽⁴⁾	95	106
Antero Resources Corp. 5.625%, 6/1/23	90	92	4.400%, 4/15/46	85	94			<u>7,246</u>
Archrock Partners LP 6.000%, 10/1/22	150	140	Odebrecht Offshore Drilling Finance Ltd. 144A 6.750%, 10/1/22 ⁽⁴⁾	214	40	Financials—4.6%		
Blue Racer Midstream LLC 144A 6.125%, 11/15/22 ⁽⁴⁾	60	59	Pacific Exploration and Production Corp. 144A 5.375%, 1/26/19 ⁽⁴⁾⁽¹³⁾	165	31	Akbank TAS 144A 7.500%, 2/5/18 ⁽⁴⁾	600 ^{TRY}	191
Callon Petroleum Co. 144A 6.125%, 10/1/24 ⁽⁴⁾	50	52	Parker Drilling Co. 7.500%, 8/1/20	190	153	Allstate Corp. (The) 5.750%, 8/15/53 ⁽³⁾⁽⁶⁾	175	188
Carrizo Oil & Gas, Inc. 6.250%, 4/15/23	120	119				Ally Financial, Inc. 4.250%, 4/15/21	60	61
Cheniere Corpus Christi Holdings LLC 144A 7.000%, 6/30/24 ⁽⁴⁾	145	157				5.750%, 11/20/25	115	121
Cimarex Energy Co. 4.375%, 6/1/24	85	89				Ares Capital Corp. 3.625%, 1/19/22	90	91
Compagnie Generale de Geophysique-Veritas 6.500%, 6/1/21	190	94				Australia & New Zealand Banking Group Ltd. 144A 4.400%, 5/19/26 ⁽⁴⁾	200	212
Concho Resources, Inc. 5.500%, 4/1/23	55	57				Banco Bilbao Vizcaya Argentina Bancomer S.A. 144A 6.500%, 3/10/21 ⁽⁴⁾	200	218

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VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Financials—continued			Financials—continued			Health Care—continued		
Banco de Credito del Peru 144A 6.125%, 4/24/27 ⁽³⁾⁽⁴⁾	\$ 190	\$ 212	OM Asset Management plc 4.800%, 7/27/26	\$ 150	\$ 150	Surgical Care Affiliates, Inc. 144A 6.000%, 4/1/23 ⁽⁴⁾	\$ 167	\$ 176
Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29 ⁽³⁾⁽⁴⁾	90	100	PKO Finance AB 144A 4.630%, 9/26/22 ⁽⁴⁾⁽⁷⁾	240	259	Team Health, Inc. 144A 7.250%, 12/15/23 ⁽⁴⁾	10	11
Banco Santander Chile 144A 3.875%, 9/20/22 ⁽⁴⁾	195	207	Prudential Financial, Inc. 5.875%, 9/15/42 ⁽³⁾	205	226	Teleflex, Inc. 4.875%, 6/1/26	75	78
Bancolumbia S.A. 5.125%, 9/11/22	215	224	Sberbank of Russia Via SB Capital S.A. 144A 5.500%, 2/26/24 ⁽³⁾⁽⁴⁾⁽⁷⁾	200	202	Tenet Healthcare Corp. 5.500%, 3/1/19 4.500%, 4/1/21 8.125%, 4/1/22	40 90 40	39 91 40
Bank of America Corp. 4.450%, 3/3/26	165	177	Springleaf Finance Corp. 5.250%, 12/15/19	75	77	Universal Health Services, Inc. 144A 4.750%, 8/1/22 ⁽⁴⁾ 144A 5.000%, 6/1/26 ⁽⁴⁾	30 65	31 68
Bank of China Ltd. 144A 5.000%, 11/13/24 ⁽⁴⁾	200	216	Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 ⁽³⁾⁽⁴⁾	150	152	Valeant Pharmaceuticals International, Inc. 144A 6.375%, 10/15/20 ⁽⁴⁾ 144A 7.500%, 7/15/21 ⁽⁴⁾ 144A 5.625%, 12/1/21 ⁽⁴⁾ 144A 7.250%, 7/15/22 ⁽⁴⁾	60 5 5 105	57 5 4 98
Barclays plc 3.200%, 8/10/21	200	201	Toronto-Dominion Bank (The) 3.625%, 9/15/31 ⁽³⁾	60	60			
Bonos del Banco Central de Chile En Pesos 4.500%, 6/1/20	35,000 ^{PLP}	55	Trinity Acquisition plc 4.400%, 3/15/26	135	141			
Capital One Financial Corp. 3.750%, 7/28/26	150	151	Voya Financial, Inc. 5.650%, 5/15/53 ⁽³⁾	155	155			
Citigroup, Inc. 4.600%, 3/9/26	165	176	Woodside Finance Ltd. 144A 3.700%, 9/15/26 ⁽⁴⁾	25	25			
Citizens Financial Group, Inc. 5.500% ⁽³⁾⁽⁸⁾	175	171						1,703
Compass Bank 3.875%, 4/10/25	250	245						
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 ⁽⁴⁾	250	240						
Eurasian Development Bank 144A 4.767%, 9/20/22 ⁽⁴⁾	200	210	Health Care—1.1%			Industrials—1.8%		
Fidelity National Financial, Inc. 5.500%, 9/1/22	50	55	Capsugel S.A. PIK Interest Capitalization, 144A 7.000%, 5/15/19 ⁽⁴⁾⁽¹¹⁾	27	27	Air Canada Pass-Through- Trust 13-1, B 144A 5.375%, 5/15/21 ⁽⁴⁾	72	74
FS Investment Corp. 4.750%, 5/15/22	185	190	Concordia Healthcare Corp. 144A 7.000%, 4/15/23 ⁽⁴⁾	35	23	AMN Healthcare, Inc. 144A 5.125%, 10/1/24 ⁽⁴⁾	25	25
Genworth Holdings, Inc. 4.900%, 8/15/23	105	88	Double Eagle Acquisition Sub, Inc. 144A 7.500%, 10/1/24 ⁽⁴⁾	60	61	Bombardier, Inc. 4.750%, 4/15/19 ⁽⁵⁾ 144A 6.125%, 1/15/23 ⁽⁴⁾	25 140	24 125
GrupoSura Finance S.A. 144A 5.500%, 4/29/26 ⁽⁴⁾	200	212	Endo Finance LLC 144A 6.000%, 7/15/23 ⁽⁴⁾	140	128	Builders FirstSource, Inc. 144A 10.750%, 8/15/23 ⁽⁴⁾	90	104
ICAHN Enterprises LP 6.000%, 8/1/20 5.875%, 2/1/22	70 100	71 97	HCA, Inc. 5.375%, 2/1/25 5.250%, 6/15/26	110 55	114 58	Cemex Finance LLC 144A 6.000%, 4/1/24 ⁽⁴⁾	200	205
ICICI Bank Ltd. 144A 4.000%, 3/18/26 ⁽⁴⁾	200	207	IASIS Healthcare LLC 8.375%, 5/15/19	105	95	Continental Airlines Pass- Through-Trust 99-1, A 6.545%, 2/2/19 99-2, C2 AMBC 6.236%, 3/15/20 01-1, A1 6.703%, 6/15/21	192 93 89	204 98 96
ING Groep NV 6.000% ⁽³⁾⁽⁶⁾⁽⁸⁾	200	195	inVentiv Health, Inc. 144A 9.000%, 1/15/18 ⁽⁴⁾	20	21	DP World Ltd. 144A 6.850%, 7/2/37 ⁽⁴⁾	100	116
iStar Financial, Inc. 4.875%, 7/1/18 5.000%, 7/1/19	65 100	66 100	MEDNAX, Inc. 144A 5.250%, 12/1/23 ⁽⁴⁾	75	79	GATX Corp. 3.250%, 9/15/26	25	25
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42 ⁽⁴⁾	200	218	MPH Acquisition Holdings LLC 144A 7.125%, 6/1/24 ⁽⁴⁾	10	11	Harland Clarke Holdings Corp. 144A 6.875%, 3/1/20 ⁽⁴⁾	175	168
Leucadia National Corp. 5.500%, 10/18/23	70	74	Ortho-Clinical Diagnostics, Inc. (Ortho-Clinical Diagnostics S.A.) 144A 6.625%, 5/15/22 ⁽⁴⁾	145	128	Hawaiian Airlines Pass- Through Certificates 13-1B, 4.950%, 1/15/22	141	141
Morgan Stanley 144A 10.090%, 5/3/17 ⁽⁴⁾ 4.350%, 9/8/26	300 ^{BRL} 85	91 91	Quintiles Transnational Corp. 144A 4.875%, 5/15/23 ⁽⁴⁾	80	83	Masco Corp. 5.950%, 3/15/22 4.450%, 4/1/25	130 45	148 48
Navient Corp. 7.250%, 9/25/23	35	35	Quorum Health Corp. 144A 11.625%, 4/15/23 ⁽⁴⁾	65	54	Owens Corning 3.400%, 8/15/26	180	181
			Surgery Center Holdings, Inc. 144A 8.875%, 4/15/21 ⁽⁴⁾	115	123	Pelabuhan Indonesia II PT 144A 4.250%, 5/5/25 ⁽⁴⁾	200	204

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VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
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(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Industrials—continued			Materials—continued			Real Estate—continued		
Prime Security Services Borrower LLC (Prime Finance, Inc.) 144A 9.250%, 5/15/23 ⁽⁴⁾	\$ 60	\$ 66	Cascades, Inc. 144A 5.500%, 7/15/22 ⁽⁴⁾	\$ 215	\$ 220	WP Carey, Inc. 4.250%, 10/1/26	\$ 75	\$ 76
Standard Industries, Inc. 144A 5.500%, 2/15/23 ⁽⁴⁾	40	42	Eldorado Gold Corp. 144A 6.125%, 12/15/20 ⁽⁴⁾	70	71			732
TransDigm, Inc. 6.000%, 7/15/22	130	138	Fibria Overseas Finance Ltd. 5.250%, 5/12/24	75	78	Telecommunication Services—1.3%		
6.500%, 5/15/25	50	52	Fortescue Metals Group (FMG) Resources August 2006 Pty Ltd. 144A 9.750%, 3/1/22 ⁽⁴⁾	60	70	Altice Financing S.A. 144A 6.625%, 2/15/23 ⁽⁴⁾	200	206
UAL Pass-Through-Trust 07-01, A 6.636%, 7/2/22	159	169	Freeport-McMoRan Copper & Gold, Inc. 3.550%, 3/1/22	55	50	America Movil SAB de C.V. Series 12 6.450%, 12/5/22	2,000 ^{MMN}	100
United Airlines Pass-Through Trust 14-1, B 4.750%, 4/11/22	86	88	3.875%, 3/15/23	80	73	AT&T, Inc. 4.800%, 6/15/44	110	116
Wheels Up Finance I LLC 16-01, A 0.500%, 6/30/17 ⁽³⁾⁽¹⁴⁾⁽¹⁷⁾	31	31	Gerdau Holdings, Inc. 144A 7.000%, 1/20/20 ⁽⁴⁾	100	108	5.650%, 2/15/47	55	65
16-01, A 7.500%, 6/30/24 ⁽¹⁴⁾	147	145	Graphic Packaging International, Inc. 4.125%, 8/15/24	155	156	CenturyLink, Inc. Series Y 7.500%, 4/1/24	105	112
		2,717	INEOS Group Holdings S.A. 144A 5.625%, 8/1/24 ⁽⁴⁾	200	197	Digicel Group Ltd. 144A 8.250%, 9/30/20 ⁽⁴⁾	200	175
Information Technology—0.5%			Inversiones CMPC S.A. 144A 4.375%, 5/15/23 ⁽⁴⁾	200	209	Frontier Communications Corp. 6.250%, 9/15/21	75	72
Blackboard, Inc. 144A 7.750%, 11/15/19 ⁽⁴⁾	95	95	Novelis Corp. 144A 6.250%, 8/15/24 ⁽⁴⁾	10	11	10.500%, 9/15/22	40	43
Diamond 1 Finance Corp. (Diamond 2 Finance Corp.) 144A 5.450%, 6/15/23 ⁽⁴⁾	30	32	144A 5.875%, 9/30/26 ⁽⁴⁾	135	139	GTH Finance BV 144A 7.250%, 4/26/23 ⁽⁴⁾	200	218
144A 7.125%, 6/15/24 ⁽⁴⁾	30	33	Reynolds Group Issuer, Inc. 144A 5.125%, 7/15/23 ⁽⁴⁾	30	31	Neptune Finance Corp. 144A 6.625%, 10/15/25 ⁽⁴⁾	200	217
144A 6.020%, 6/15/26 ⁽⁴⁾	30	33	144A 7.000%, 7/15/24 ⁽⁴⁾	5	5	Qwest Corp. 7.250%, 9/15/25	80	88
144A 8.100%, 7/15/36 ⁽⁴⁾	30	35	Standard Industries, Inc. 144A 6.000%, 10/15/25 ⁽⁴⁾	95	102	Sprint Communications, Inc. 6.000%, 11/15/22	150	141
144A 8.350%, 7/15/46 ⁽⁴⁾	30	36	Teck Resources Ltd. 144A 8.000%, 6/1/21 ⁽⁴⁾	15	16	Sprint Corp. 7.250%, 9/15/21	105	106
Hewlett Packard Enterprise Co. 144A 4.900%, 10/15/25 ⁽⁴⁾	80	86	144A 8.500%, 6/1/24 ⁽⁴⁾	25	29	T-Mobile USA, Inc. 6.500%, 1/15/26	75	83
Infor US, Inc. 6.500%, 5/15/22	80	82	United States Steel Corp. 7.375%, 4/1/20	17	17	Windstream Corp. 7.750%, 10/15/20	105	108
NXP BV (NXP Funding LLC) 144A 4.625%, 6/1/23 ⁽⁴⁾	200	219	Vale Overseas Ltd. 5.875%, 6/10/21	105	110	7.750%, 10/1/21	160	160
WESCO Distribution, Inc. 144A 5.375%, 6/15/24 ⁽⁴⁾	50	50	Valvoline, Inc. 144A 5.500%, 7/15/24 ⁽⁴⁾	15	16			2,010
		701	Vedanta Resources plc 144A 6.000%, 1/31/19 ⁽⁴⁾	200	199	Utilities—0.6%		
Materials—2.1%					3,085	Lamar Funding Ltd. 144A 3.958%, 5/7/25 ⁽⁴⁾	200	190
AK Steel Corp. 7.500%, 7/15/23	80	85	Real Estate—0.5%			Majapahit Holding BV 144A 7.750%, 1/20/20 ⁽⁴⁾	145	167
Alpek SA de C.V. 144A 5.375%, 8/8/23 ⁽⁴⁾	260	278	Corporate Office Properties LP 3.600%, 5/15/23	170	170	NRG Yield Operating LLC 5.375%, 8/15/24	70	72
ArcelorMittal 6.125%, 6/1/25	175	192	ESH Hospitality, Inc. 144A 5.250%, 5/1/25 ⁽⁴⁾	120	120	Southern Power Co. 4.150%, 12/1/25	190	205
Berry Plastics Corp. 5.125%, 7/15/23	160	163	Healthcare Realty Trust, Inc. 3.875%, 5/1/25	75	78	Talen Energy Supply LLC 144A 4.625%, 7/15/19 ⁽⁴⁾	120	113
BHP Billiton Finance USA Ltd. 144A 6.750%, 10/19/75 ⁽³⁾⁽⁴⁾⁽⁶⁾	205	232	MPT Operating Partnership LP 6.375%, 3/1/24	15	16	TerraForm Power Operating LLC 144A 9.375%, 2/1/23 ⁽³⁾⁽⁴⁾	160	166
BlueScope Steel Finance Ltd. 144A 6.500%, 5/15/21 ⁽⁴⁾	100	106	5.500%, 5/1/24	90	95			913
Boise Cascade Co. 144A 5.625%, 9/1/24 ⁽⁴⁾	120	122	5.250%, 8/1/26	10	10	TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$31,881)		
			Select Income REIT 4.500%, 2/1/25	165	167			31,605

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VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE			
LOAN AGREEMENTS⁽³⁾—3.8%			Consumer Discretionary—0.7%			Consumer Staples—continued			Health Care—continued		
Advantage Sales & Marketing, Inc. Second Lien, 7.500%, 7/25/22	\$ 53	\$ 50	Caesars Entertainment Operating Co., Inc. Tranche B-4, 11.500%, 10/31/16 ⁽¹⁵⁾	45	52	Coty, Inc. Tranche B, 3.750%, 10/27/22	\$ 22	\$ 22	Quorum Health Corp. 6.750%, 4/29/22	\$ 49	\$ 47
Caesars Entertainment Operating Co., Inc. Tranche B-6, 9.750%, 3/1/17 ⁽¹⁵⁾	40	43	Caesars Entertainment Resort Properties LLC 0.000%, 10/11/20 ⁽⁹⁾	150	150	Galleria Co. Tranche B, 3.750%, 1/26/23	44	44	Surgery Center Holdings, Inc. First Lien, 4.750%, 11/3/20	122	122
Caesars Entertainment Resort Properties LLC 0.000%, 10/11/20 ⁽⁹⁾			Caesars Growth Properties Holdings LLC Tranche B, First Lien, 6.250%, 5/8/21	72	72	Hostess Brands LLC Tranche B, Second Lien, 8.500%, 8/3/23	170	172			903
Caesars Growth Properties Holdings LLC Tranche B, First Lien, 5.000%, 7/8/22	48	48	CDS U.S. Intermediate Holdings, Inc. First Lien, 5.000%, 6/7/23	49	49	Kronos Second Lien, 9.750%, 4/30/20	82	84			
Cengage Learning, Inc. 5.250%, 6/7/23	49	49	Floor & Decor Outlets of America, Inc. 0.000%, 9/29/23 ⁽⁹⁾	97	97			741			
Floor & Decor Outlets of America, Inc. 0.000%, 9/29/23 ⁽⁹⁾	97	97	Graton Resort & Casino Tranche B, 4.750%, 9/1/22	47	47	Energy—0.2%			Industrials—0.4%		
Graton Resort & Casino Tranche B, 4.750%, 9/1/22	47	47	Harbor Freight Tools USA, Inc. 4.000%, 8/18/23	68	68	California Resources Corp. 11.375%, 12/31/21	80	84	Aspen Merger Sub (Coinstar), Inc. 0.000%, 9/26/23 ⁽⁹⁾	54	54
Harbor Freight Tools USA, Inc. 4.000%, 8/18/23	68	68	Laureate Education, Inc. 2021 Extended, 8.157%, 3/17/21	87	87	Chesapeake Energy Corp. 8.500%, 8/23/21	24	25	Brickman Group Ltd. LLC (The) Second Lien, 7.500%, 12/17/21	69	69
Laureate Education, Inc. 2021 Extended, 8.157%, 3/17/21	87	87	Leslie's Poolmart, Inc. Tranche B 5.250%, 8/16/23	61	61	EP Energy LLC 0.000%, 6/30/21 ⁽⁹⁾	120	118	Filtration Group Corp. Second Lien, 8.250%, 11/22/21	37	37
Leslie's Poolmart, Inc. Tranche B 5.250%, 8/16/23	61	61	Mohegan Tribal Gaming Authority 0.000%, 9/30/23 ⁽⁹⁾	90	89	Jonah Energy LLC Second Lien, 7.500%, 5/12/21	106	95	Husky Injection Molding Systems Ltd. 4.250%, 6/30/21	104	104
Mohegan Tribal Gaming Authority 0.000%, 9/30/23 ⁽⁹⁾	90	89	Transtar Holding Co. Second Lien, 12.000%, 10/9/19 ⁽¹⁵⁾	77	11	Seadrill Operating LP 4.000%, 2/21/21	101	51	McGraw-Hill Global Education Holdings LLC Tranche B, First Lien, 5.000%, 5/4/22	88	89
Transtar Holding Co. Second Lien, 12.000%, 10/9/19 ⁽¹⁵⁾	77	11	U.S. Farathane LLC Tranche B-2, 5.750%, 12/23/21	93	94			373	Navistar, Inc. Tranche B 6.500%, 8/7/20	90	90
U.S. Farathane LLC Tranche B-2, 5.750%, 12/23/21	93	94	UFC Holdings LLC First Lien 5.000%, 8/18/23	72	73	Financials—0.1%			Sedgwick Claims Management Services, Inc. Second Lien, 6.750%, 2/28/22	210	208
UFC Holdings LLC First Lien 5.000%, 8/18/23	72	73			1,091	Walter Investment Management Corp. Tranche B, 4.750%, 12/18/20	130	120			651
						Health Care—0.6%			Information Technology—0.6%		
						21st Century Oncology Holdings, Inc. Tranche B, 7.125%, 4/30/22	43	41	Applied Systems, Inc. Second Lien, 7.500%, 1/24/22	51	51
						American Renal Holdings, Inc. Tranche B, First Lien, 4.750%, 8/20/19	53	53	Blackboard, Inc. Tranche B-4 0.000%, 6/30/21 ⁽⁹⁾	90	89
						Ardent Legacy Acquisitions, Inc. 6.500%, 8/4/21	87	87	Donnelley Financial Solutions 0.000%, 9/26/23 ⁽⁹⁾	38	38
						CHG Healthcare Services, Inc. First Lien, 4.750%, 6/7/23	91	92	First Data Corp. Tranche 2021 4.525%, 3/24/21	189	191
						Concordia Pharmaceuticals, Inc. 5.250%, 10/21/21	52	46	Tranche 2022 4.275%, 7/8/22	157	158
						InVentiv Health, Inc. Tranche B-4, 7.750%, 5/15/18	150	151	Infinity Acquisition Ltd. 4.250%, 8/6/21	70	67
						MMM Holdings, Inc. 9.750%, 12/12/17 ⁽¹⁴⁾⁽¹⁵⁾	48	47	Mitchell International, Inc. Second Lien, 8.500%, 10/11/21	77	76
						MPH Acquisition Holdings LLC 5.000%, 6/7/23	42	43	On Semiconductor 5.250%, 3/31/23	43	43
						MSO of Puerto Rico, Inc. 9.750%, 12/12/17 ⁽¹⁴⁾⁽¹⁵⁾	35	34	Presidio, Inc. Refinancing, 5.250%, 2/2/22	111	111
						NVA Holdings, Inc. Second Lien, 8.000%, 8/14/22	97	97	Press Ganey Holdings, Inc. 3.250%, 9/29/23	12	12
									Western Digital Corp. Tranche B-1, 4.500%, 4/29/23	11	11
											847

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SCHEDULE OF INVESTMENTS (Continued)
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	PAR VALUE	VALUE		SHARES	VALUE		SHARES	VALUE
Materials—0.4%			Financials—continued			Energy—continued		
Anchor Glass Container Corp. Tranche B, 4.750%, 7/1/22	\$ 106	\$ 107	PNC Financial Services Group, Inc. (The) Series R, 4.850% ⁽³⁾	155 ⁽¹⁰⁾	\$ 155	Schlumberger Ltd.	13,200	\$ 1,038
CPI Acquisition, Inc. First Lien, 5.500%, 8/17/22	137	134	SunTrust Bank, Inc. 5.625% ⁽³⁾	55 ⁽¹⁰⁾	57	Statoil ASA Sponsored ADR	38,420	646
Fortescue Metals Group (FMG) Resources Property Ltd. 3.750%, 6/30/19	65	64	Wells Fargo & Co. Series K, 7.980% ⁽³⁾	165 ⁽¹⁰⁾	172	Technip S.A. ADR	40,540	622
INEOS U.S. Finance LLC Tranche 2022, 4.250%, 3/31/22	11	11	Zions Bancorp 6.950% ⁽³⁾	8,300	246			5,067
Macermid, Inc. (Platform Speciality Products Corp.) Tranche B-3, 5.500%, 6/7/20	144	145			1,323			
Omnova Solutions, Inc. Tranche B-2, 5.250%, 8/25/23	119	119	Industrials—0.2%			Financials—1.8%		
PQ Corp. Tranche B-1, 5.750%, 11/4/22	24	24	General Electric Co. Series D, 5.000% ⁽³⁾	227 ⁽¹⁰⁾	241	American International Group, Inc.	11,280	669
		604	TOTAL PREFERRED STOCKS (Identified Cost \$1,671)				25,700	811
			COMMON STOCKS—59.4%			DBS Group Holdings Sponsored ADR	11,490	524
Real Estate—0.1%			Consumer Discretionary—14.7%			ORIX Corp. Sponsored ADR	10,200	757
Capital Automotive LP Second Lien, 6.000%, 4/30/20	83	84	Amazon.com, Inc. ⁽²⁾	3,500	2,931			2,761
			Bridgestone Corp. ADR	28,450	522	Health Care—7.2%		
			Ctrip.Com International Ltd. ADR ⁽²⁾	25,150	1,171	Allergan plc	3,890	896
			Fuji Heavy Industries Ltd. ADR	7,050	529	Amgen, Inc.	3,000	500
			Home Depot, Inc. (The)	15,000	1,930	BioMarin Pharmaceutical, Inc. ⁽²⁾	13,600	1,258
			IMAX Corp.	20,350	590	Bristol-Myers Squibb Co.	28,700	1,548
			Las Vegas Sands Corp.	37,400	2,152	Celgene Corp. ⁽²⁾	19,900	2,080
			Netflix, Inc. ⁽²⁾	12,100	1,192	Danaher Corp.	13,900	1,090
			NIKE, Inc. Class B	40,500	2,132	Gilead Sciences, Inc.	11,400	902
			Priceline Group, Inc. (The) ⁽²⁾	1,400	2,060	Icon plc	7,785	602
			Ross Stores, Inc.	27,100	1,743	Shire plc ADR	3,590	696
			Sony Corp. Sponsored ADR	23,250	772	Zoetis, Inc.	25,000	1,300
			Starbucks Corp.	43,500	2,355			10,872
			TripAdvisor, Inc. ⁽²⁾	19,700	1,245			
			WPP plc Sponsored ADR	7,070	832			
					22,156	Industrials—3.1%		
						Airbus Group Se ADR	43,770	661
						Ashtead Group plc ADR	8,730	583
						Nidec Corp. Sponsored ADR	39,750	910
						RELX plc Sponsored ADR	35,240	675
						Roper Technologies, Inc.	6,500	1,186
						Wabtec Corp.	8,403	686
								4,701
						Information Technology—17.7%		
						Accenture plc Class A	9,800	1,197
						Activision Blizzard, Inc.	23,200	1,028
						Alibaba Group Holding Ltd. Sponsored ADR ⁽²⁾	29,700	3,142
						Alphabet, Inc. Class A ⁽²⁾	2,300	1,849
						Amphenol Corp. Class A	29,600	1,922
						Broadcom Ltd.	4,340	749
						Check Point Software Technologies Ltd.	6,720	522
						CoStar Group, Inc. ⁽²⁾	5,600	1,213
						Facebook, Inc. Class A ⁽²⁾	51,200	6,567
						NXP Semiconductors NV	7,260	741
						Paycom Software, Inc. ⁽²⁾	18,900	947
						SAP SE Sponsored ADR	8,260	755
						Tencent Holdings Ltd. ADR	24,430	681
						Visa, Inc. Class A	29,800	2,464
						Workday, Inc. Class A ⁽²⁾	16,900	1,550
						Yandex N.V. Class A ⁽²⁾	62,300	1,311
								26,638
						Materials—2.1%		
						Agnico Eagle Mines Ltd.	18,900	1,024
						Ecolab, Inc.	10,100	1,229
TOTAL LOAN AGREEMENTS (Identified Cost \$5,861)								
		5,781						
			SHARES					
PREFERRED STOCKS—1.2%								
Energy—0.1%								
PTT Exploration & Production PCL 144A, 4.875% ⁽³⁾⁽⁴⁾	200 ⁽¹⁰⁾	204						
Financials—0.9%								
Citigroup, Inc. 6.250% ⁽³⁾	7,400	214						
Citigroup, Inc. 7.125% ⁽³⁾	205 ⁽¹⁰⁾	221						
JPMorgan Chase & Co. Series V, 5.000% ⁽³⁾	80 ⁽¹⁰⁾	79						
JPMorgan Chase & Co. Series Z, 5.300% ⁽³⁾	35 ⁽¹⁰⁾	36						
KeyCorp. 5.000% ⁽³⁾	145 ⁽¹⁰⁾	143						

See Notes to Financial Statements

VIRTUS TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
Materials—continued		
Randgold Resources Ltd. ADR	8,550	\$ 856
		<u>3,109</u>
Real Estate—0.4%		
Unibail-Rodamco SE ADR	23,680	636
Telecommunication Services—1.6%		
KDDI Corp. ADR	64,870	1,002
Nippon Telegraph & Telephone Corp. ADR	14,660	672
Spark New Zealand Ltd. Sponsored ADR	52,270	687
		<u>2,361</u>
Utilities—0.4%		
Korea Electric Power Corp. Sponsored ADR	23,210	566
TOTAL COMMON STOCKS (Identified Cost \$84,836)		89,399
AFFILIATED MUTUAL FUND—1.2%		
Virtus Credit Opportunities Fund Class R6 ⁽¹²⁾	177,261	1,743
TOTAL AFFILIATED MUTUAL FUND (Identified Cost \$1,772)		1,743
TOTAL LONG TERM INVESTMENTS—98.4% (Identified Cost \$143,736)		
SHORT-TERM INVESTMENT—0.4%		
Money Market Mutual Fund—0.4%		
JPMorgan U.S. Government Money Market Fund – Institutional Shares (seven-day effective yield 0.360%) ⁽¹²⁾	665,749	666
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$666)		666
TOTAL INVESTMENTS—98.8% (Identified Cost \$144,402)		148,655⁽¹⁾
Other assets and liabilities, net—1.2%		<u>1,757</u>
NET ASSETS—100.0%		\$150,412

Abbreviations:

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

Foreign Currencies

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

Footnote Legend:

- ⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 Federal Income Tax Information in the Notes to Financial Statements.
- ⁽²⁾ Non-income producing.
- ⁽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 \$24,063 or 16.0% of net assets.
- ⁽⁵⁾ Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under Rules 903 and 904 of the Securities Act of 1933.
- ⁽⁶⁾ Interest payments may be deferred.
- ⁽⁷⁾ This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- ⁽⁸⁾ No contractual maturity date.
- ⁽⁹⁾ This loan will settle after September 30, 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⁾ 100% of the income received was in cash.
- ⁽¹²⁾ Shares of this fund are publicly offered and its prospectus and annual report are publicly available.
- ⁽¹³⁾ Security in default, no interest payments are being received.
- ⁽¹⁴⁾ Illiquid security.
- ⁽¹⁵⁾ Security in default, portion of the interest payments are being received during the bankruptcy proceedings.
- ⁽¹⁶⁾ All or a portion of the Fund’s assets have been segregated for delayed delivery security.
- ⁽¹⁷⁾ Represents unfunded portion of security and commitment fee earned on this portion.

Country Weightings[†]

United States	69%
China	4
Japan	3
United Kingdom	3
Netherlands	2
Canada	2
Russia	1
Other	16
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 TACTICAL ALLOCATION FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

(\$ 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	\$ 2,370	\$ —	\$ 2,370	\$ —
Corporate Bonds and Notes	31,605	—	31,398	207
Foreign Government Securities	5,978	—	5,978	—
Loan Agreements	5,781	—	5,770	11
Mortgage-Backed Securities	9,345	—	9,345	—
Equity Securities:				
Affiliated Mutual Fund	1,743	1,743	—	—
Common Stocks	89,399	89,399	—	—
Preferred Stocks	1,768	460	1,308	—
Short-Term Investment	666	666	—	—
Total Investments	<u>\$148,655</u>	<u>\$92,268</u>	<u>\$56,169</u>	<u>\$218</u>

There were no transfers between Level 1 and Level 2 related to securities held at 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.

	Loan Agreements
Investments in Securities	
Balance as of March 31, 2016:	\$ 294
Accrued discount/(premium)	— ^(c)
Realized gain (loss)	1
Change in unrealized appreciation/(depreciation) ^(d)	7
Purchases	325
Sales ^(b)	(259)
Transfers into Level 3 ^(e)	31 ^(e)
Transfers from Level 3 ^(e)	(181) ^(f)
Balance as of September 30, 2016^(g)	<u>\$ 218^(g)</u>

^(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 paydowns on securities.

^(c) Amount is less than \$500.

^(d) Included in the related net change in unrealized appreciation (depreciation) on investments in the Statement of Operations. The change in unrealized appreciation (depreciation) on investments still held as of September 30, 2016 was \$114.

^(e) The transfers into Level 3 are due to a decrease in trading activities at period end.

^(f) The transfers are due to an increase in trading activities at period end.

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

None of the securities in this table are internally fair valued. The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information inputs could result in a significantly lower or higher value of Level 3 investments.

See Notes to Financial Statements

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VIRTUS EQUITY TRUST
STATEMENTS OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2016 (Unaudited)

(Reported in thousands except shares and per share amounts)

	Contrarian Value Fund	Enhanced Core Equity Fund	Mid-Cap Core Fund	Mid-Cap Growth Fund	Quality Large-Cap Value Fund
Assets					
Investment in unaffiliated securities at value ⁽¹⁾⁽²⁾	\$ 224,570	\$ 154,521	\$ 55,453	\$ 89,007	\$ 64,063
Cash	2,000	882	1,481	750	543
Deposits with prime broker	—	617	—	—	—
Receivables					
Investment securities sold	1,049	12,417	1,143	1,300	—
Fund shares sold	107	191	373	78	4
Dividends and interest receivable	254	52	31	45	111
Tax reclaims	—	6	—	—	—
Securities lending receivable	2	—	— ⁽⁴⁾	1	—
Other	3	2	1	1	1
Prepaid expenses	54	35	26	32	25
Prepaid trustee retainer	8	4	1	2	2
Total assets	228,047	168,727	58,509	91,216	64,749
Liabilities					
Written options at value ⁽³⁾	—	241	—	—	—
Payables					
Fund shares repurchased	11,870	242	149	120	30
Investment securities purchased	—	12,474	1,904	1,299	—
Collateral on securities loaned	3,083	—	1,567	2,230	—
Investment advisory fees	139	81	23	53	38
Distribution and service fees	50	51	12	20	17
Administration fees	23	16	6	9	7
Transfer agent fees and expenses	64	37	13	24	15
Professional fees	25	16	17	25	19
Trustee deferred compensation plan	3	2	1	1	1
Other accrued expenses	10	24	13	17	14
Total liabilities	15,267	13,184	3,705	3,798	141
Net Assets	\$ 212,780	\$ 155,543	\$ 54,804	\$ 87,418	\$ 64,608
Net Assets Consist of:					
Capital paid in on shares of beneficial interest	\$ 165,139	\$ 149,386	\$ 50,159	\$ 61,326	\$ 62,237
Accumulated undistributed net investment income (loss)	968	215	(141)	(504)	173
Accumulated undistributed net realized gain (loss)	(19,713)	878	(538)	1,206	(14,180)
Net unrealized appreciation (depreciation) on investments	66,386	4,886	5,324	25,390	16,378
Net unrealized appreciation (depreciation) on written options	—	178	—	—	—
Net Assets	\$ 212,780	\$ 155,543	\$ 54,804	\$ 87,418	\$ 64,608
Class A					
Net asset value (net assets/shares outstanding) per share	\$ 34.36	\$ 18.45	\$ 23.85	\$ 23.40	\$ 15.58
Maximum offering price per share NAV/(1-5.75%)	\$ 36.46	\$ 19.58	\$ 25.31	\$ 24.83	\$ 16.53
Shares of beneficial interest outstanding, no par value, unlimited authorization	2,555,963	5,475,976	881,306	3,370,174	3,251,728
Net Assets	\$ 87,834	\$ 101,018	\$ 21,022	\$ 78,868	\$ 50,665
Class B					
Net asset value (net assets/shares outstanding) and offering price per share	\$ —	\$ —	\$ —	\$ 19.24	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	—	—	—	13,254	—
Net Assets	\$ —	\$ —	\$ —	\$ 255	\$ —
Class C					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 32.86	\$ 16.83	\$ 22.69	\$ 19.25	\$ 15.24
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,081,417	2,159,550	404,255	252,718	495,122
Net Assets	\$ 35,538	\$ 36,341	\$ 9,172	\$ 4,864	\$ 7,544
Class I					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 34.34	\$ 18.40	\$ 24.12	\$ 23.97	\$ 15.59
Shares of beneficial interest outstanding, no par value, unlimited authorization	2,509,469	988,162	1,020,194	143,149	410,459
Net Assets	\$ 86,184	\$ 18,184	\$ 24,610	\$ 3,431	\$ 6,399
Class R6					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 34.35	\$ —	\$ —	\$ —	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	93,877	—	—	—	—
Net Assets	\$ 3,224	\$ —	\$ —	\$ —	\$ —
⁽¹⁾ Investment in unaffiliated securities at cost	\$ 158,184	\$ 149,635	\$ 50,129	\$ 63,617	\$ 47,685
⁽²⁾ Market value of securities on loan	\$ 3,059	\$ —	\$ 1,571	\$ 2,204	\$ —
⁽³⁾ Written options at cost	\$ —	\$ 419	\$ —	\$ —	\$ —
⁽⁴⁾ Amount is less than \$500.					

See Notes to Financial Statements

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

(Reported in thousands except shares and per share amounts)

	Quality Small-Cap Fund	Small-Cap Core Fund	Small-Cap Sustainable Growth Fund	Strategic Growth Fund	Tactical Allocation Fund
Assets					
Investment in unaffiliated securities at value ⁽¹⁾⁽²⁾	\$ 287,233	\$ 392,080	\$ 393,377	\$ 429,073	\$ 146,912
Investment in affiliated fund at value ⁽³⁾	—	—	—	—	1,743
Cash	5,250	6,000	4,200	2,115	1,279
Receivables					
Investment securities sold	—	—	244	4,216	2,880
Fund shares sold	590	3,303	3,523	25	1
Dividends and interest receivable	139	44	93	313	766
Tax reclaims	— ⁽⁴⁾	—	—	—	1
Securities lending receivable	—	9	6	—	—
Other	5	7	6	7	2
Prepaid expenses	42	71	42	47	28
Prepaid trustee retainer	7	9	8	10	4
Total assets	293,266	401,523	401,499	435,806	153,616
Liabilities					
Payables					
Fund shares repurchased	639	292	266	405	161
Investment securities purchased	4,285	—	1,247	4,385	2,831
Collateral on securities loaned	—	14,067	12,695	—	—
Investment advisory fees	166	235	264	248	86
Distribution and service fees	37	42	54	97	34
Administration fees	29	39	36	44	16
Transfer agent fees and expenses	62	70	65	114	31
Professional fees	22	21	20	29	22
Trustee deferred compensation plan	4	5	5	6	2
Other accrued expenses	26	34	32	59	21
Total liabilities	5,270	14,805	14,684	5,387	3,204
Net Assets	\$ 287,996	\$ 386,718	\$ 386,815	\$ 430,419	\$ 150,412
Net Assets Consist of:					
Capital paid in on shares of beneficial interest	\$ 218,889	\$ 314,406	\$ 316,654	\$ 247,140	\$ 135,124
Accumulated undistributed net investment income (loss)	217	(343)	(1,226)	(965)	154
Accumulated undistributed net realized gain (loss)	4,734	6,576	1,728	30,836	10,881
Net unrealized appreciation (depreciation) on investments	64,156	66,079	69,659	153,408	4,253
Net Assets	\$ 287,996	\$ 386,718	\$ 386,815	\$ 430,419	\$ 150,412
Class A					
Net asset value (net assets/shares outstanding) per share	\$ 15.56	\$ 22.04	\$ 19.18	\$ 14.48	\$ 8.82
Maximum offering price per share NAV/(1-5.75%)	\$ 16.51	\$ 23.38	\$ 20.35	\$ 15.36	\$ 9.36
Shares of beneficial interest outstanding, no par value, unlimited authorization	4,755,218	2,789,923	7,672,599	27,963,432	16,500,034
Net Assets	\$ 73,974	\$ 61,496	\$ 147,198	\$ 404,896	\$ 145,470
Class B					
Net asset value (net assets/shares outstanding) and offering price per share	\$ —	\$ —	\$ —	\$ 11.89	\$ 8.95
Shares of beneficial interest outstanding, no par value, unlimited authorization	—	—	—	78,973	16,824
Net Assets	\$ —	\$ —	\$ —	\$ 939	\$ 151
Class C					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 15.34	\$ 19.00	\$ 17.58	\$ 11.89	\$ 9.03
Shares of beneficial interest outstanding, no par value, unlimited authorization	1,716,129	1,868,384	1,776,921	1,336,106	530,477
Net Assets	\$ 26,318	\$ 35,496	\$ 31,234	\$ 15,892	\$ 4,791
Class I					
Net asset value (net assets/shares outstanding) and offering price per share	\$ 15.56	\$ 23.04	\$ 19.46	\$ 14.86	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	12,061,214	11,439,778	10,710,570	584,920	—
Net Assets	\$ 187,704	\$ 263,612	\$ 208,383	\$ 8,692	\$ —
Class R6					
Net asset value (net assets/shares outstanding) and offering price per share	\$ —	\$ 23.09	\$ —	\$ —	\$ —
Shares of beneficial interest outstanding, no par value, unlimited authorization	—	1,131,068	—	—	—
Net Assets	\$ —	\$ 26,114	\$ —	\$ —	\$ —
⁽¹⁾ Investment in unaffiliated securities at cost	\$ 223,077	\$ 326,001	\$ 323,718	\$ 275,665	\$ 142,630
⁽²⁾ Market value of securities on loan	\$ —	\$ 14,101	\$ 12,558	\$ —	\$ —
⁽³⁾ Investment in affiliated fund at cost	\$ —	\$ —	\$ —	\$ —	\$ 1,772
⁽⁴⁾ Amount is less than \$500.					

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF OPERATIONS
SIX MONTHS ENDED SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	<u>Contrarian Value Fund</u>	<u>Enhanced Core Equity Fund</u>	<u>Mid-Cap Core Fund</u>	<u>Mid-Cap Growth Fund</u>	<u>Quality Large-Cap Value Fund</u>
Investment Income					
Dividends	\$ 3,189	\$ 1,564	\$ 208	\$ 275	\$ 715
Interest	—	— ⁽¹⁾	2	—	—
Security lending, net of fees	18	—	3	10	2
Foreign taxes withheld	(36)	—	(2)	(3)	(2)
Total investment income	<u>3,171</u>	<u>1,564</u>	<u>211</u>	<u>282</u>	<u>715</u>
Expenses					
Investment advisory fees	914	589	189	343	245
Service fees, Class A	131	127	32	96	64
Distribution and service fees, Class B	—	—	—	1	—
Distribution and service fees, Class C	186	191	40	25	39
Administration fees	156	100	30	55	41
Transfer agent fees and expenses	243	131	42	75	53
Registration fees	22	25	23	27	24
Printing fees and expenses	51	39	17	22	18
Custodian fees	12	5	2	3	4
Professional fees	23	14	15	23	16
Trustees' fees and expenses	8	7	2	4	3
Miscellaneous expenses	11	10	4	8	6
Total expenses	<u>1,757</u>	<u>1,238</u>	<u>396</u>	<u>682</u>	<u>513</u>
Interest expense on written options	—	(1)	—	—	—
Less expenses reimbursed and/or waived by investment adviser	—	(112)	(71)	(56)	(43)
Earnings credit from custodian	(2)	(2)	— ⁽¹⁾	(1)	(1)
Net expenses	<u>1,755</u>	<u>1,123</u>	<u>325</u>	<u>625</u>	<u>469</u>
Net investment income (loss)	<u>1,416</u>	<u>441</u>	<u>(114)</u>	<u>(343)</u>	<u>246</u>
Net Realized and Unrealized Gain (Loss)					
Net realized gain (loss) on unaffiliated investments	151	2,362	(7)	1,617	1,035
Net realized gain (loss) on written options	—	5,817	—	—	—
Net change in unrealized appreciation (depreciation) on unaffiliated investments	22,164	(4,609)	2,675	4,345	1,383
Net change in unrealized appreciation (depreciation) on written options	—	(143)	—	—	—
Net gain (loss)	<u>22,315</u>	<u>3,427</u>	<u>2,668</u>	<u>5,962</u>	<u>2,418</u>
Net increase (decrease) in net assets resulting from operations	<u>\$23,731</u>	<u>\$ 3,868</u>	<u>\$2,554</u>	<u>\$5,619</u>	<u>\$2,664</u>

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF OPERATIONS (Continued)
SIX MONTHS ENDED SEPTEMBER 30, 2016 (Unaudited)

(\$ reported in thousands)

	Quality Small-Cap Fund	Small-Cap Core Fund	Small-Cap Sustainable Growth Fund	Strategic Growth Fund	Tactical Allocation Fund
Investment Income					
Dividends	\$ 2,136	\$ 1,741	\$ 925	\$ 1,988	\$ 1,074
Dividends from affiliated fund	—	—	—	—	35
Interest	5	6	4	3	1,650
Security lending, net of fees	—	126	98	16	6
Foreign Taxes withheld	(11)	(16)	—	(10)	(28)
Total investment income	<u>2,130</u>	<u>1,857</u>	<u>1,027</u>	<u>1,997</u>	<u>2,737</u>
Expenses					
Investment advisory fees	939	1,296	1,232	1,501	532
Service fees, Class A	93	72	144	502	184
Distribution and service fees, Class B	—	—	—	6	1
Distribution and service fees, Class C	126	169	124	89	25
Administration fees	170	219	173	274	108
Transfer agent fees and expenses	203	269	231	371	105
Registration fees	28	45	30	32	21
Printing fees and expenses	57	78	59	99	34
Custodian fees	3	5	3	10	20
Professional fees	20	20	18	29	20
Trustees' fees and expenses	10	13	10	19	6
Miscellaneous expenses	13	15	11	31	11
Total expenses	<u>1,662</u>	<u>2,201</u>	<u>2,035</u>	<u>2,963</u>	<u>1,067</u>
Less expenses reimbursed and/or waived by investment adviser	—	—	(26)	—	(6)
Earnings credit from custodian	(1)	(1)	(1)	(1)	(1)
Net expenses	<u>1,661</u>	<u>2,200</u>	<u>2,008</u>	<u>2,962</u>	<u>1,060</u>
Net investment income (loss)	<u>469</u>	<u>(343)</u>	<u>(981)</u>	<u>(965)</u>	<u>1,677</u>
Net Realized and Unrealized Gain (Loss)					
Net realized gain (loss) on unaffiliated investments	9,408	9,574	2,135	31,929	11,413
Net realized gain (loss) on foreign currency transactions	—	—	—	—	(2)
Net change in unrealized appreciation (depreciation) on unaffiliated investments	4,604	13,051	31,774	(5,072)	(4,952)
Net change in unrealized appreciation (depreciation) on affiliated investments	—	—	—	—	48
Net gain (loss)	<u>14,012</u>	<u>22,625</u>	<u>33,909</u>	<u>26,857</u>	<u>6,507</u>
Net increase (decrease) in net assets resulting from operations	<u>\$14,481</u>	<u>\$22,282</u>	<u>\$32,928</u>	<u>\$25,892</u>	<u>\$ 8,184</u>

(1) Amount is less than \$500.

See Notes to Financial Statements

VIRTUS EQUITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

	Contrarian Value Fund		Enhanced Core Equity Fund	
	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	\$ 1,416	\$ 1,694	\$ 441	\$ 913
Net realized gain (loss)	151	13,049	8,179	(5,847)
Net change in unrealized appreciation (depreciation)	22,164	(65,956)	(4,752)	9,531
Increase (decrease) in net assets resulting from operations	<u>23,731</u>	<u>(51,213)</u>	<u>3,868</u>	<u>4,597</u>
From Distributions to Shareholders				
Net investment income, Class A	(759)	(784)	(850)	(809)
Net investment income, Class C	(6)	(46)	(23)	(147)
Net investment income, Class I	(985)	(954)	(219)	(81)
Net investment income, Class R6	(45)	(17)	—	—
Net realized short-term gains, Class A	—	—	—	(8,350)
Net realized short-term gains, Class C	—	—	—	(3,086)
Net realized short-term gains, Class I	—	—	—	(658)
Net realized long-term gains, Class A	—	—	—	(10,127)
Net realized long-term gains, Class B	—	—	—	—
Net realized long-term gains, Class C	—	—	—	(3,756)
Net realized long-term gains, Class I	—	—	—	(803)
Decrease in net assets from distributions to shareholders	<u>(1,795)</u>	<u>(1,801)</u>	<u>(1,092)</u>	<u>(27,817)</u>
From Share Transactions (See Note 6)				
Change in net assets from share transactions, Class A	(29,411)	(59,464)	(1,821)	503
Change in net assets from share transactions, Class B	—	—	—	—
Change in net assets from share transactions, Class C	(4,830)	(16,162)	(706)	4,969
Change in net assets from share transactions, Class I	(27,603)	(49,583)	5,954	4,082
Change in net assets from share transactions, Class R6	(1,907)	5,005	—	—
Increase (decrease) in net assets from share transactions	<u>(63,751)</u>	<u>(120,204)</u>	<u>3,427</u>	<u>9,554</u>
Net increase (decrease) in net assets	<u>(41,815)</u>	<u>(173,218)</u>	<u>6,203</u>	<u>(13,666)</u>
Net Assets				
Beginning of period	254,595	427,813	149,340	163,006
End of period	<u>\$212,780</u>	<u>\$ 254,595</u>	<u>\$155,543</u>	<u>\$149,340</u>
Accumulated undistributed net investment income (loss) at end of period	\$ 968	\$ 1,347	\$ 215	\$ 866

See Notes to Financial Statements

Mid-Cap Core Fund		Mid-Cap Growth Fund		Quality Large-Cap Value Fund		Quality Small-Cap Fund	
Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016
\$ (114)	\$ (106)	\$ (343)	\$ (785)	\$ 246	\$ 572	\$ 469	\$ 1,346
(7)	(514)	1,617	(350)	1,035	2,873	9,408	22,424
2,675	402	4,345	(1,345)	1,383	(5,126)	4,604	(22,928)
<u>2,554</u>	<u>(218)</u>	<u>5,619</u>	<u>(2,480)</u>	<u>2,664</u>	<u>(1,681)</u>	<u>14,481</u>	<u>842</u>
—	—	—	—	(462)	(254)	(313)	(461)
—	—	—	—	—	(13)	—	—
—	—	—	—	(74)	(58)	(1,069)	(1,433)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	(95)	—	(1,219)	—	—	(4,267)	(4,360)
—	—	—	(10)	—	—	—	—
—	(36)	—	(111)	—	—	(1,440)	(1,502)
—	(40)	—	(52)	—	—	(9,450)	(9,351)
<u>—</u>	<u>(171)</u>	<u>—</u>	<u>(1,392)</u>	<u>(536)</u>	<u>(325)</u>	<u>(16,539)</u>	<u>(17,107)</u>
(1,071)	7,752	(2,876)	(3,178)	(1,056)	(4,218)	3,120	889
—	—	(91)	(253)	—	—	—	—
2,111	2,460	(753)	(287)	(957)	(11,309)	2,902	(482)
16,331	2,809	250	(171)	(295)	(3,053)	44,663	(8,227)
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>17,371</u>	<u>13,021</u>	<u>(3,470)</u>	<u>(3,889)</u>	<u>(2,308)</u>	<u>(18,580)</u>	<u>50,685</u>	<u>(7,820)</u>
19,925	12,632	2,149	(7,761)	(180)	(20,586)	48,627	(24,085)
<u>34,879</u>	<u>22,247</u>	<u>85,269</u>	<u>93,030</u>	<u>64,788</u>	<u>85,374</u>	<u>239,369</u>	<u>263,454</u>
<u>\$54,804</u>	<u>\$34,879</u>	<u>\$87,418</u>	<u>\$85,269</u>	<u>\$64,608</u>	<u>\$ 64,788</u>	<u>\$287,996</u>	<u>\$239,369</u>
\$ (141)	\$ (27)	\$ (504)	\$ (161)	\$ 173	\$ 463	\$ 217	\$ 1,130

See Notes to Financial Statements

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

(\$ reported in thousands)

	Small-Cap Core Fund		Small-Cap Sustainable Growth Fund	
	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	\$ (343)	\$ (312)	\$ (981)	\$ (866)
Net realized gain (loss)	9,574	47,444	2,135	9,922
Net change in unrealized appreciation (depreciation)	13,051	(49,195)	31,774	(317)
Increase (decrease) in net assets resulting from operations	<u>22,282</u>	<u>(2,063)</u>	<u>32,928</u>	<u>8,739</u>
From Distributions to Shareholders				
Net investment income, Class A	—	(123)	—	—
Net investment income, Class B	—	—	—	—
Net investment income, Class C	—	—	—	—
Net investment income, Class I	—	(1,198)	—	—
Net investment income, Class R6	—	(1)	—	—
Net realized long-term gains, Class A	(1,976)	(10,241)	(3,163)	(2,379)
Net realized long-term gains, Class B	—	—	—	—
Net realized long-term gains, Class C	(1,355)	(6,194)	(753)	(518)
Net realized long-term gains, Class I	(7,763)	(34,727)	(3,274)	(1,712)
Net realized long-term gains, Class R6	(779)	(2,113)	—	—
Decrease in net assets from distributions to shareholders	<u>(11,873)</u>	<u>(54,597)</u>	<u>(7,190)</u>	<u>(4,609)</u>
From Share Transactions (See Note 6)				
Change in net assets from share transactions, Class A	6,043	(2,924)	48,063	4,385
Change in net assets from share transactions, Class B	—	—	—	—
Change in net assets from share transactions, Class C	3,075	4,489	9,640	3,875
Change in net assets from share transactions, Class I	67,237	(22,527)	96,864	59,857
Change in net assets from share transactions, Class R6	4,543	22,563	—	—
Increase (decrease) in net assets from share transactions	<u>80,898</u>	<u>1,601</u>	<u>154,567</u>	<u>68,117</u>
Net increase (decrease) in net assets	91,307	(55,059)	180,305	72,247
Net Assets				
Beginning of period	295,411	350,470	206,510	134,263
End of period	<u>\$386,718</u>	<u>\$295,411</u>	<u>\$386,815</u>	<u>\$206,510</u>
Accumulated undistributed net investment income (loss) at end of period	\$ (343)	\$ —	\$ (1,226)	\$ (245)

(1) Amount is less than \$500.

See Notes to Financial Statements

Strategic Growth Fund		Tactical Allocation Fund	
Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016	Six Months Ended September 30, 2016 (Unaudited)	Year Ended March 31, 2016
\$ (965)	\$ (1,556)	\$ 1,677	\$ 3,796
31,929	13,349	11,411	143
(5,072)	(10,272)	(4,904)	(17,346)
<u>25,892</u>	<u>1,521</u>	<u>8,184</u>	<u>(13,407)</u>
—	—	(1,338)	(3,132)
—	—	(1)	(3)
—	—	(25)	(81)
—	—	—	—
—	—	—	—
(1,036)	(19,039)	(170)	(8,371)
(3)	(99)	— ⁽¹⁾	(16)
(57)	(946)	(6)	(388)
(20)	(378)	—	—
—	—	—	—
<u>(1,116)</u>	<u>(20,462)</u>	<u>(1,540)</u>	<u>(11,991)</u>
(20,031)	(14,810)	(8,493)	(8,747)
(544)	(684)	(66)	(126)
(4,863)	9,105	(888)	344
(19)	(4)	—	—
—	—	—	—
<u>(25,457)</u>	<u>(6,393)</u>	<u>(9,447)</u>	<u>(8,529)</u>
(681)	(25,334)	(2,803)	(33,927)
<u>431,100</u>	<u>456,434</u>	<u>153,215</u>	<u>187,142</u>
<u>\$430,419</u>	<u>\$431,100</u>	<u>\$150,412</u>	<u>\$153,215</u>
\$ (965)	\$ —	\$ 154	\$ (159)

See Notes to Financial Statements

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

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Contrarian Value Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$31.48	0.20	2.93	3.13	(0.25)	—	(0.25)	2.88	\$34.36	9.95% ⁽⁴⁾	\$ 87,834	1.43% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.43% ⁽³⁾	1.17% ⁽³⁾	7% ⁽⁴⁾
4/1/15 to 3/31/16	36.18	0.17	(4.71)	(4.54)	(0.16)	—	(0.16)	(4.70)	31.48	(12.60)	107,958	1.41 ⁽¹³⁾⁽¹⁴⁾	1.41	0.52	13
4/1/14 to 3/31/15	37.12	0.34	(0.97)	(0.63)	(0.31)	—	(0.31)	(0.94)	36.18	(1.73)	190,896	1.37 ⁽¹³⁾	1.37	0.92	34
4/1/13 to 3/31/14	29.97	0.16	7.07	7.23	(0.08)	—	(0.08)	7.15	37.12	24.20	251,498	1.39 ⁽¹³⁾	1.39	0.51	15
4/1/12 to 3/31/13	26.21	0.10	3.72	3.82	(0.06)	—	(0.06)	3.76	29.97	14.64	240,250	1.41 ⁽¹³⁾	1.41	0.38	19
4/1/11 to 3/31/12	24.69	0.06	1.49	1.55	(0.03)	—	(0.03)	1.52	26.21	6.27	260,849	1.46 ⁽¹³⁾	1.45	0.27	22
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$30.00	0.07	2.80	2.87	(0.01)	—	(0.01)	2.86	\$32.86	9.55% ⁽⁴⁾	\$ 35,538	2.18% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	2.19% ⁽³⁾	0.42% ⁽³⁾	7% ⁽⁴⁾
4/1/15 to 3/31/16	34.62	(0.07)	(4.52)	(4.59)	(0.03)	—	(0.03)	(4.62)	30.00	(13.27)	36,977	2.16 ⁽¹³⁾⁽¹⁴⁾	2.16	(0.23)	13
4/1/14 to 3/31/15	35.55	0.05	(0.92)	(0.87)	(0.06)	—	(0.06)	(0.93)	34.62	(2.44)	60,813	2.12 ⁽¹³⁾	2.12	0.14	34
4/1/13 to 3/31/14	28.84	(0.07)	6.78	6.71	—	—	—	6.71	35.55	23.23	62,738	2.14 ⁽¹³⁾	2.14	(0.24)	15
4/1/12 to 3/31/13	25.34	(0.09)	3.59	3.50	—	—	—	3.50	28.84	13.81	54,236	2.16 ⁽¹³⁾	2.16	(0.37)	19
4/1/11 to 3/31/12	24.02	(0.11)	1.43	1.32	—	—	—	1.32	25.34	5.50	56,287	2.21 ⁽¹³⁾	2.20	(0.49)	22
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$31.51	0.24	2.93	3.17	(0.34)	—	(0.34)	2.83	\$34.34	10.10% ⁽⁴⁾	\$ 86,184	1.18% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.18% ⁽³⁾	1.42% ⁽³⁾	7% ⁽⁴⁾
4/1/15 to 3/31/16	36.18	0.25	(4.71)	(4.46)	(0.21)	—	(0.21)	(4.67)	31.51	(12.40)	104,879	1.16 ⁽¹³⁾⁽¹⁴⁾	1.16	0.77	13
4/1/14 to 3/31/15	37.11	0.40	(0.92)	(0.52)	(0.41)	—	(0.41)	(0.93)	36.18	(1.48)	176,005	1.12 ⁽¹³⁾	1.12	1.08	34
4/1/13 to 3/31/14	29.97	0.25	7.05	7.30	(0.16)	—	(0.16)	7.14	37.11	24.52	145,115	1.14 ⁽¹³⁾	1.14	0.77	15
4/1/12 to 3/31/13	26.25	0.17	3.71	3.88	(0.16)	—	(0.16)	3.72	29.97	14.89	108,736	1.16 ⁽¹³⁾	1.16	0.63	19
4/1/11 to 3/31/12	24.72	0.12	1.50	1.62	(0.09)	—	(0.09)	1.53	26.25	6.56	68,764	1.21 ⁽¹³⁾	1.20	0.50	22
Class R6															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$31.56	0.26	2.94	3.20	(0.41)	—	(0.41)	2.79	\$34.35	10.15% ⁽⁴⁾	\$ 3,224	1.02% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.02% ⁽³⁾	1.57% ⁽³⁾	7% ⁽⁴⁾
4/1/15 to 3/31/16	36.20	0.29	(4.69)	(4.40)	(0.24)	—	(0.24)	(4.64)	31.56	(12.24)	4,781	0.99 ⁽¹³⁾⁽¹⁴⁾	0.99	0.95	13
11/12/14 ⁽⁷⁾ to 3/31/15	36.99	0.08	(0.66)	(0.58)	(0.21)	—	(0.21)	(0.79)	36.20	(1.57) ⁽⁴⁾	98	0.99 ⁽³⁾	0.99 ⁽³⁾	0.56 ⁽³⁾	34 ⁽⁴⁾
Enhanced Core Equity Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$18.14	0.06	0.41	0.47	(0.16)	—	(0.16)	0.31	\$18.45	2.59% ⁽⁴⁾	\$101,018	1.28% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.42% ⁽³⁾	0.70% ⁽³⁾	323% ⁽⁴⁾
4/1/15 to 3/31/16	20.97	0.14	0.56	0.70	(0.15)	(3.38)	(3.53)	(2.83)	18.14	4.02	101,113	1.25 ⁽¹⁴⁾	1.38	0.74	312
4/1/14 to 3/31/15	21.94	0.17	1.84	2.01	(0.08)	(2.90)	(2.98)	(0.97)	20.97	9.75	116,725	1.25	1.36	0.82	345
4/1/13 to 3/31/14	19.51	0.14	4.02	4.16	(0.10)	(1.63)	(1.73)	2.43	21.94	21.84	111,074	1.25	1.39	0.66	283
4/1/12 to 3/31/13	17.93	0.09	1.53	1.62	(0.04)	—	(0.04)	1.58	19.51	9.12	100,976	1.25	1.44	0.52	65
4/1/11 to 3/31/12	17.22	0.07	0.70	0.77	(0.06)	—	(0.06)	0.71	17.93	4.48	79,934	1.25	1.48	0.40	51
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$16.48	— ⁽⁵⁾	0.36	0.36	(0.01)	—	(0.01)	0.35	\$16.83	2.25% ⁽⁴⁾	\$ 36,341	2.03% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.17% ⁽³⁾	(0.05)% ⁽³⁾	323% ⁽⁴⁾
4/1/15 to 3/31/16	19.42	— ⁽⁵⁾	0.51	0.51	(0.07)	(3.38)	(3.45)	(2.94)	16.48	3.27	36,236	2.00 ⁽¹⁴⁾	2.13	0.01	312
4/1/14 to 3/31/15	20.60	0.01	1.72	1.73	(0.01)	(2.90)	(2.91)	(1.18)	19.42	8.91	37,312	2.00	2.12	0.06	345
4/1/13 to 3/31/14	18.46	(0.02)	3.81	3.79	(0.02)	(1.63)	(1.65)	2.14	20.60	20.93	27,930	2.00	2.14	(0.09)	283
4/1/12 to 3/31/13	17.05	(0.04)	1.45	1.41	—	—	—	1.41	18.46	8.27	24,782	2.00	2.19	(0.23)	65
4/1/11 to 3/31/12	16.44	(0.05)	0.66	0.61	—	—	—	0.61	17.05	3.71	25,978	2.00	2.23	(0.35)	51

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

See Notes to Financial Statements

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Enhanced Core Equity Fund (Continued)															
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$18.13	0.10	0.39	0.49	(0.22)	—	(0.22)	0.27	\$18.40	2.71% ⁽⁴⁾	\$18,184	1.03% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.18% ⁽³⁾	1.07% ⁽³⁾	323% ⁽⁴⁾
4/1/15 to 3/31/16	20.96	0.21	0.53	0.74	(0.19)	(3.38)	(3.57)	(2.83)	18.13	4.25	11,991	1.00 ⁽¹⁴⁾	1.13	1.13	312
4/1/14 to 3/31/15	21.90	0.22	1.85	2.07	(0.11)	(2.90)	(3.01)	(0.94)	20.96	10.06	8,969	1.00	1.11	1.05	345
4/1/13 to 3/31/14	19.48	0.19	4.01	4.20	(0.15)	(1.63)	(1.78)	2.42	21.90	22.12	11,291	1.00	1.14	0.90	283
4/1/12 to 3/31/13	17.91	0.14	1.51	1.65	(0.08)	—	(0.08)	1.57	19.48	9.28	11,589	1.00	1.17	0.78	65
4/1/11 to 3/31/12	17.21	0.11	0.69	0.80	(0.10)	—	(0.10)	0.70	17.91	4.75	6,167	1.00	1.23	0.66	51
Mid-Cap Core Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$22.60	(0.05)	1.30	1.25	—	—	—	1.25	\$23.85	5.53% ⁽⁴⁾	\$21,022	1.32% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.62% ⁽³⁾	(0.43)% ⁽³⁾	21% ⁽⁴⁾
4/1/15 to 3/31/16	23.00	(0.06)	(0.20)	(0.26)	—	(0.14)	(0.14)	(0.40)	22.60	(1.14)	20,639	1.35 ⁽¹⁴⁾	1.64	(0.27)	21
4/1/14 to 3/31/15	19.80	(0.07)	4.47	4.40	—	(1.20)	(1.20)	3.20	23.00	22.75	13,080	1.35	2.46	(0.34)	26
4/1/13 to 3/31/14	17.49	(0.06)	2.68	2.62	—	(0.31)	(0.31)	2.31	19.80	15.17	3,027	1.35	3.08	(0.31)	30
4/1/12 to 3/31/13	15.80	0.19	1.86	2.05	(0.25)	(0.11)	(0.36)	1.69	17.49	13.21	1,691	1.35	3.92	1.20	62
4/1/11 to 3/31/12	14.71	0.01	1.11	1.12	—	(0.03)	(0.03)	1.09	15.80	7.65	945	1.35	4.61	0.07	27
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$21.57	(0.13)	1.25	1.12	—	—	—	1.12	\$22.69	5.19% ⁽⁴⁾	\$ 9,172	2.07% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.38% ⁽³⁾	(1.18)% ⁽³⁾	21% ⁽⁴⁾
4/1/15 to 3/31/16	22.12	(0.22)	(0.19)	(0.41)	—	(0.14)	(0.14)	(0.55)	21.57	(1.91)	6,670	2.10 ⁽¹⁴⁾	2.38	(1.03)	21
4/1/14 to 3/31/15	19.23	(0.23)	4.32	4.09	—	(1.20)	(1.20)	2.89	22.12	21.84	4,363	2.10	2.83	(1.10)	26
4/1/13 to 3/31/14	17.12	(0.18)	2.60	2.42	—	(0.31)	(0.31)	2.11	19.23	14.32	209	2.10	3.84	(1.01)	30
4/1/12 to 3/31/13	15.50	0.06	1.83	1.89	(0.16)	(0.11)	(0.27)	1.62	17.12	12.42	226	2.10	4.70	0.36	62
4/1/11 to 3/31/12	14.54	(0.09)	1.08	0.99	—	(0.03)	(0.03)	0.96	15.50	6.78	211	2.10	5.41	(0.65)	27
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$22.82	(0.02)	1.32	1.30	—	—	—	1.30	\$24.12	5.70% ⁽⁴⁾	\$24,610	1.08% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.37% ⁽³⁾	(0.18)% ⁽³⁾	21% ⁽⁴⁾
4/1/15 to 3/31/16	23.17	(0.01)	(0.20)	(0.21)	—	(0.14)	(0.14)	(0.35)	22.82	(0.92)	7,570	1.10 ⁽¹⁴⁾	1.38	(0.03)	21
4/1/14 to 3/31/15	19.89	(0.03)	4.51	4.48	—	(1.20)	(1.20)	3.28	23.17	23.05	4,804	1.10	2.17	(0.16)	26
4/1/13 to 3/31/14	17.52	(0.01)	2.69	2.68	—	(0.31)	(0.31)	2.37	19.89	15.48	1,178	1.10	2.85	(0.08)	30
4/1/12 to 3/31/13	15.84	0.25	1.84	2.09	(0.30)	(0.11)	(0.41)	1.68	17.52	13.50	1,316	1.10	3.65	1.56	62
4/1/11 to 3/31/12	14.72	0.05	1.10	1.15	—	(0.03)	(0.03)	1.12	15.84	7.85	1,271	1.10	4.41	0.37	27
Mid-Cap Growth Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$21.92	(0.09)	1.57	1.48	—	—	—	1.48	\$23.40	6.80% ⁽⁴⁾	\$78,868	1.42% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.56% ⁽³⁾	(0.77)% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	22.80	(0.18)	(0.36)	(0.54)	—	(0.34)	(0.34)	(0.88)	21.92	(2.51)	76,660	1.39 ⁽¹⁴⁾	1.49	(0.84)	26
4/1/14 to 3/31/15	21.30	(0.15)	2.34	2.19	—	(0.69)	(0.69)	1.50	22.80	10.50	83,158	1.43 ⁽⁹⁾	1.46	(0.71)	27
4/1/13 to 3/31/14	19.02	(0.15)	2.43	2.28	—	—	—	2.28	21.30	11.99	81,016	1.45	1.44	(0.74)	32
4/1/12 to 3/31/13	17.44	(0.08)	1.66	1.58	—	—	—	1.58	19.02	9.06	79,561	1.45	1.51	(0.49)	35
4/1/11 to 3/31/12	17.67	(0.10)	(0.13)	(0.23)	—	—	—	(0.23)	17.44	(1.30)	78,925	1.49 ⁽⁹⁾	1.56	(0.64)	163

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

See Notes to Financial Statements

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Mid-Cap Growth Fund (Continued)															
Class B															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$18.09	(0.14)	1.29	1.15	—	—	—	1.15	\$19.24	6.36% ⁽⁴⁾	\$ 255	2.17% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.31% ⁽³⁾	(1.52)% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	19.02	(0.29)	(0.30)	(0.59)	—	(0.34)	(0.34)	(0.93)	18.09	(3.23)	329	2.14 ⁽¹⁴⁾	2.23	(1.60)	26
4/1/14 to 3/31/15	18.01	(0.26)	1.96	1.70	—	(0.69)	(0.69)	1.01	19.02	9.68	608	2.18 ⁽⁸⁾	2.21	(1.46)	27
4/1/13 to 3/31/14	16.20	(0.25)	2.06	1.81	—	—	—	1.81	18.01	11.17	732	2.20	2.20	(1.49)	32
4/1/12 to 3/31/13	14.97	(0.18)	1.41	1.23	—	—	—	1.23	16.20	8.22	1,142	2.20	2.26	(1.26)	35
4/1/11 to 3/31/12	15.28	(0.19)	(0.12)	(0.31)	—	—	—	(0.31)	14.97	(2.03)	1,495	2.24 ⁽⁹⁾	2.31	(1.40)	163
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$18.09	(0.14)	1.30	1.16	—	—	—	1.16	\$19.25	6.41% ⁽⁴⁾	\$ 4,864	2.17% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.30% ⁽³⁾	(1.51)% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	19.02	(0.29)	(0.30)	(0.59)	—	(0.34)	(0.34)	(0.93)	18.09	(3.23)	5,319	2.14 ⁽¹⁴⁾	2.24	(1.60)	26
4/1/14 to 3/31/15	18.01	(0.26)	1.96	1.70	—	(0.69)	(0.69)	1.01	19.02	9.68	5,976	2.18 ⁽⁸⁾	2.21	(1.46)	27
4/1/13 to 3/31/14	16.21	(0.26)	2.06	1.80	—	—	—	1.80	18.01	11.10	5,233	2.20	2.19	(1.49)	32
4/1/12 to 3/31/13	14.97	(0.18)	1.42	1.24	—	—	—	1.24	16.21	8.28	4,850	2.20	2.26	(1.24)	35
4/1/11 to 3/31/12	15.28	(0.19)	(0.12)	(0.31)	—	—	—	(0.31)	14.97	(2.03)	4,849	2.24 ⁽⁹⁾	2.31	(1.40)	163
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$22.42	(0.06)	1.61	1.55	—	—	—	1.55	\$23.97	6.87% ⁽⁴⁾	\$ 3,431	1.18% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.31% ⁽³⁾	(0.52)% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	23.26	(0.13)	(0.37)	(0.50)	—	(0.34)	(0.34)	(0.84)	22.42	(2.24)	2,961	1.14 ⁽¹⁴⁾	1.24	(0.60)	26
4/1/14 to 3/31/15	21.66	(0.10)	2.39	2.29	—	(0.69)	(0.69)	1.60	23.26	10.79	3,288	1.18	1.21	(0.46)	27
4/1/13 to 3/31/14	19.30	(0.10)	2.46	2.36	—	—	—	2.36	21.66	12.23	2,324	1.20	1.19	(0.49)	32
4/1/12 to 3/31/13	17.65	(0.04)	1.69	1.65	—	—	—	1.65	19.30	9.35	1,932	1.20	1.26	(0.24)	35
4/1/11 to 3/31/12	17.83	(0.06)	(0.12)	(0.18)	—	—	—	(0.18)	17.65	(1.01)	1,831	1.24 ⁽⁹⁾	1.31	(0.37)	163
Quality Large-Cap Value Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$15.09	0.06	0.57	0.63	(0.14)	—	(0.14)	0.49	\$15.58	4.19% ⁽⁴⁾	\$50,665	1.37% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.51% ⁽³⁾	0.82% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	15.40	0.14	(0.37)	(0.23)	(0.08)	—	(0.08)	(0.31)	15.09	(1.53)	50,081	1.35 ⁽¹⁴⁾	1.44	0.94	25
4/1/14 to 3/31/15	13.93	0.10	1.49	1.59	(0.12)	—	(0.12)	1.47	15.40	11.45	55,215	1.35	1.42	0.71	56
4/1/13 to 3/31/14	11.96	0.10	1.98	2.08	(0.11)	—	(0.11)	1.97	13.93	17.50	49,275	1.35	1.43	0.81	23
4/1/12 to 3/31/13	10.76	0.13	1.18	1.31	(0.11)	—	(0.11)	1.20	11.96	12.36	48,193	1.35	1.47	1.19	32
4/1/11 to 3/31/12	10.36	0.12	0.37	0.49	(0.09)	—	(0.09)	0.40	10.76	4.84	40,936	1.35	1.53	1.19	17
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$14.68	— ⁽⁵⁾	0.56	0.56	—	—	—	0.56	\$15.24	3.81% ⁽⁴⁾	\$ 7,544	2.12% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.26% ⁽³⁾	0.06% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	15.03	0.01	(0.35)	(0.34)	(0.01)	—	(0.01)	(0.35)	14.68	(2.26)	8,211	2.10 ⁽¹⁴⁾	2.18	0.10	25
4/1/14 to 3/31/15	13.67	0.01	1.43	1.44	(0.08)	—	(0.08)	1.36	15.03	10.64	20,383	2.10	2.16	0.07	56
4/1/13 to 3/31/14	11.77	0.01	1.94	1.95	(0.05)	—	(0.05)	1.90	13.67	16.56	3,803	2.10	2.18	0.05	23
4/1/12 to 3/31/13	10.60	0.04	1.18	1.22	(0.05)	—	(0.05)	1.17	11.77	11.57	3,452	2.10	2.23	0.42	32
4/1/11 to 3/31/12	10.21	0.04	0.37	0.41	(0.02)	—	(0.02)	0.39	10.60	4.06	3,186	2.10	2.28	0.43	17

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

See Notes to Financial Statements

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Quality Large-Cap Value Fund (Continued)															
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$15.12	0.08	0.57	0.65	(0.18)	—	(0.18)	0.47	\$15.59	4.37% ⁽⁴⁾	\$ 6,399	1.12% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.26% ⁽³⁾	1.07% ⁽³⁾	13% ⁽⁴⁾
4/1/15 to 3/31/16	15.40	0.17	(0.35)	(0.18)	(0.10)	—	(0.10)	(0.28)	15.12	(1.21)	6,496	1.10 ⁽¹⁴⁾	1.18	1.15	25
4/1/14 to 3/31/15	13.93	0.14	1.49	1.63	(0.16)	—	(0.16)	1.47	15.40	11.72	9,776	1.10	1.17	0.96	56
4/1/13 to 3/31/14	11.97	0.13	1.97	2.10	(0.14)	—	(0.14)	1.96	13.93	17.70	9,546	1.10	1.18	0.99	23
4/1/12 to 3/31/13	10.76	0.20	1.15	1.35	(0.14)	—	(0.14)	1.21	11.97	12.73	30,360	1.10	1.12	1.73	32
4/1/11 to 3/31/12	10.36	0.15	0.37	0.52	(0.12)	—	(0.12)	0.40	10.76	5.11	1,398	1.10	1.28	1.46	17
Quality Small-Cap Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$15.67	0.02	0.87	0.89	(0.07)	(0.93)	(1.00)	(0.11)	\$15.56	5.79% ⁽⁴⁾	\$ 73,974	1.32% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.32% ⁽³⁾	0.26% ⁽³⁾	8% ⁽⁴⁾
4/1/15 to 3/31/16	16.61	0.07	0.07	0.14	(0.10)	(0.98)	(1.08)	(0.94)	15.67	0.94	71,280	1.30 ⁽¹³⁾⁽¹⁴⁾	1.30	0.49	15
4/1/14 to 3/31/15	16.74	0.09	1.38	1.47	(0.03)	(1.57)	(1.60)	(0.13)	16.61	9.33	74,738	1.28 ⁽⁶⁾	1.28	0.54	24
4/1/13 to 3/31/14	13.91	0.04	2.84	2.88	(0.05)	—	(0.05)	2.83	16.74	20.78	137,496	1.32 ⁽⁶⁾	1.32	0.24	24
4/1/12 to 3/31/13	13.22	0.16	0.78	0.94	(0.25)	—	(0.25)	0.69	13.91	7.37	118,376	1.42 ⁽⁶⁾	1.34	1.29	16 ⁽¹²⁾
4/1/11 to 3/31/12	12.38	0.18	0.77	0.95	(0.11)	—	(0.11)	0.84	13.22	7.73	120,962	1.42 ⁽⁶⁾	1.34	1.45	19
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$15.45	(0.04)	0.86	0.82	—	(0.93)	(0.93)	(0.11)	\$15.34	5.34% ⁽⁴⁾	\$ 26,318	2.07% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	2.08% ⁽³⁾	(0.49)% ⁽³⁾	8% ⁽⁴⁾
4/1/15 to 3/31/16	16.41	(0.04)	0.06	0.02	—	(0.98)	(0.98)	(0.96)	15.45	0.17	23,602	2.05 ⁽¹³⁾⁽¹⁴⁾	2.05	(0.26)	15
4/1/14 to 3/31/15	16.65	(0.02)	1.35	1.33	—	(1.57)	(1.57)	(0.24)	16.41	8.49	25,634	2.03 ⁽⁶⁾	2.03	(0.12)	24
4/1/13 to 3/31/14	13.89	(0.08)	2.84	2.76	—	—	—	2.76	16.65	19.87	27,132	2.07 ⁽⁶⁾	2.07	(0.52)	24
4/1/12 to 3/31/13	13.20	0.07	0.77	0.84	(0.15)	—	(0.15)	0.69	13.89	6.57	23,793	2.17 ⁽⁶⁾	2.09	0.56	16 ⁽¹²⁾
4/1/11 to 3/31/12	12.36	0.08	0.78	0.86	(0.02)	—	(0.02)	0.84	13.20	6.96	22,765	2.17 ⁽⁶⁾	2.09	0.66	19
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$15.69	0.04	0.87	0.91	(0.11)	(0.93)	(1.04)	(0.13)	\$15.56	5.90% ⁽⁴⁾	\$187,704	1.08% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.08% ⁽³⁾	0.52% ⁽³⁾	8% ⁽⁴⁾
4/1/15 to 3/31/16	16.64	0.11	0.07	0.18	(0.15)	(0.98)	(1.13)	(0.95)	15.69	1.17	144,487	1.05 ⁽¹³⁾⁽¹⁴⁾	1.05	0.74	15
4/1/14 to 3/31/15	16.77	0.16	1.35	1.51	(0.07)	(1.57)	(1.64)	(0.13)	16.64	9.59	163,082	1.03 ⁽⁶⁾	1.03	0.97	24
4/1/13 to 3/31/14	13.92	0.08	2.84	2.92	(0.07)	—	(0.07)	2.85	16.77	21.06	104,149	1.07 ⁽⁶⁾	1.07	0.49	24
4/1/12 to 3/31/13	13.23	0.15	0.82	0.97	(0.28)	—	(0.28)	0.69	13.92	7.64	91,502	1.17 ⁽⁶⁾	1.10	1.19	16 ⁽¹²⁾
4/1/11 to 3/31/12	12.38	0.22	0.77	0.99	(0.14)	—	(0.14)	0.85	13.23	8.08	200,302	1.17 ⁽⁶⁾	1.09	1.77	19
Small-Cap Core Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$21.39	(0.03)	1.46	1.43	—	(0.78)	(0.78)	0.65	\$22.04	6.81% ⁽⁴⁾	\$ 61,496	1.39% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.39% ⁽³⁾	(0.32)% ⁽³⁾	6% ⁽⁴⁾
4/1/15 to 3/31/16	25.65	(0.05)	0.01	(0.04)	(0.05)	(4.17)	(4.22)	(4.26)	21.39	0.02	53,722	1.37 ⁽¹⁴⁾	1.37	(0.21)	33
4/1/14 to 3/31/15	24.19	0.03	3.07	3.10	—	(1.64)	(1.64)	1.46	25.65	13.28	67,696	1.34	1.34	0.12	28
4/1/13 to 3/31/14	21.41	(0.02)	2.84	2.82	(0.03)	(0.01)	(0.04)	2.78	24.19	13.17	162,302	1.39	1.39	(0.09)	31
4/1/12 to 3/31/13	20.07	0.10	1.75	1.85	(0.18)	(0.33)	(0.51)	1.34	21.41	9.64	143,293	1.37	1.37	0.52	15 ⁽¹²⁾
4/1/11 to 3/31/12	18.82	0.20	1.66	1.86	(0.02)	(0.59)	(0.61)	1.25	20.07	10.17	77,327	1.34	1.34	1.08	10

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

See Notes to Financial Statements

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Small-Cap Core Fund (Continued)															
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$18.61	(0.10)	1.27	1.17	—	(0.78)	(0.78)	0.39	\$19.00	6.42% ⁽⁴⁾	\$ 35,496	2.14% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.14% ⁽³⁾	(1.07)% ⁽³⁾	6% ⁽⁴⁾
4/1/15 to 3/31/16	22.98	(0.19)	(0.01)	(0.20)	—	(4.17)	(4.17)	(4.37)	18.61	(0.73)	31,711	2.12 ⁽¹⁴⁾	2.12	(0.95)	33
4/1/14 to 3/31/15	21.99	(0.11)	2.74	2.63	—	(1.64)	(1.64)	0.99	22.98	12.44	33,735	2.09	2.09	(0.50)	28
4/1/13 to 3/31/14	19.58	(0.18)	2.60	2.42	— ⁽⁵⁾	(0.01)	(0.01)	2.41	21.99	12.35	33,437	2.14	2.14	(0.84)	31
4/1/12 to 3/31/13	18.38	(0.04)	1.61	1.57	(0.04)	(0.33)	(0.37)	1.20	19.58	8.84	27,641	2.12	2.12	(0.23)	15 ⁽¹²⁾
4/1/11 to 3/31/12	17.40	0.03	1.54	1.57	—	(0.59)	(0.59)	0.98	18.38	9.33	15,517	2.09	2.09	0.15	10
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$22.30	(0.01)	1.53	1.52	—	(0.78)	(0.78)	0.74	\$23.04	6.93% ⁽⁴⁾	\$263,612	1.14% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.14% ⁽³⁾	(0.07)% ⁽³⁾	6% ⁽⁴⁾
4/1/15 to 3/31/16	26.58	0.01	0.01	0.02	(0.13)	(4.17)	(4.30)	(4.28)	22.30	0.28	189,167	1.12 ⁽¹⁴⁾	1.12	0.04	33
4/1/14 to 3/31/15	24.95	0.13	3.14	3.27	—	(1.64)	(1.64)	1.63	26.58	13.57	248,933	1.08	1.08	0.53	28
4/1/13 to 3/31/14	22.04	0.04	2.92	2.96	(0.04)	(0.01)	(0.05)	2.91	24.95	13.44	242,400	1.14	1.14	0.19	31
4/1/12 to 3/31/13	20.65	0.13	1.83	1.96	(0.24)	(0.33)	(0.57)	1.39	22.04	9.92	164,483	1.12	1.12	0.63	15 ⁽¹²⁾
4/1/11 to 3/31/12	19.33	0.21	1.75	1.96	(0.05)	(0.59)	(0.64)	1.32	20.65	10.45	142,101	1.09	1.09	1.11	10
Class R6															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$22.33	0.01	1.53	1.54	—	(0.78)	(0.78)	0.76	\$23.09	7.02% ⁽⁴⁾	\$ 26,114	1.03% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.03% ⁽³⁾	0.05% ⁽³⁾	6% ⁽⁴⁾
4/1/15 to 3/31/16	26.59	0.07	(0.01)	0.06	(0.15)	(4.17)	(4.32)	(4.26)	22.33	0.41	20,811	1.01 ⁽¹⁴⁾	1.02	0.33	33
11/12/14 ⁽⁷⁾ to 3/31/15	25.99	0.12	1.36	1.48	—	(0.88)	(0.88)	0.60	26.59	5.83 ⁽⁴⁾	106	0.97 ⁽³⁾	0.97 ⁽³⁾	1.18 ⁽³⁾	28 ⁽⁴⁾
Small-Cap Sustainable Growth Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$17.67	(0.07)	2.10	2.03	—	(0.52)	(0.52)	1.51	\$19.18	11.78% ⁽⁴⁾	\$147,198	1.52% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.54% ⁽³⁾	(0.76)% ⁽³⁾	9% ⁽⁴⁾
4/1/15 to 3/31/16	17.54	(0.10)	0.73	0.63	—	(0.50)	(0.50)	0.13	17.67	3.69	88,715	1.49 ⁽¹⁴⁾	1.53	(0.59)	27
4/1/14 to 3/31/15	16.97	(0.13)	2.46	2.33	—	(1.76)	(1.76)	0.57	17.54	14.56	83,611	1.50	1.57	(0.76)	27
4/1/13 to 3/31/14	14.92	(0.15)	2.68	2.53	—	(0.48)	(0.48)	2.05	16.97	17.15	94,902	1.50	1.56	(0.93)	23
4/1/12 to 3/31/13	12.95	(0.03)	2.00	1.97	—	—	—	1.97	14.92	15.21	70,107	1.61 ⁽⁸⁾	1.67	(0.24)	24
4/1/11 to 3/31/12	11.03	(0.10)	2.06	1.96	(0.04)	—	(0.04)	1.92	12.95	17.83 ⁽¹¹⁾	77,384	1.65 ⁽⁶⁾	1.65	(0.84)	46
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$16.30	(0.13)	1.93	1.80	—	(0.52)	(0.52)	1.28	\$17.58	11.42% ⁽⁴⁾	\$ 31,234	2.27% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.29% ⁽³⁾	(1.51)% ⁽³⁾	9% ⁽⁴⁾
4/1/15 to 3/31/16	16.33	(0.21)	0.68	0.47	—	(0.50)	(0.50)	(0.03)	16.30	2.97	19,525	2.25 ⁽¹⁴⁾	2.28	(1.34)	27
4/1/14 to 3/31/15	16.03	(0.24)	2.30	2.06	—	(1.76)	(1.76)	0.30	16.33	13.68	15,594	2.25	2.32	(1.51)	27
4/1/13 to 3/31/14	14.22	(0.26)	2.55	2.29	—	(0.48)	(0.48)	1.81	16.03	16.29	13,298	2.25	2.31	(1.68)	23
4/1/12 to 3/31/13	12.44	(0.12)	1.90	1.78	—	—	—	1.78	14.22	14.31	7,555	2.36 ⁽⁸⁾	2.42	(0.96)	24
4/1/11 to 3/31/12	10.64	(0.18)	1.98	1.80	—	—	—	1.80	12.44	16.92 ⁽¹¹⁾	7,490	2.40 ⁽⁶⁾	2.40	(1.58)	46
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$17.89	(0.05)	2.14	2.09	—	(0.52)	(0.52)	1.57	\$19.46	11.92% ⁽⁴⁾	\$208,383	1.27% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.29% ⁽³⁾	(0.53)% ⁽³⁾	9% ⁽⁴⁾
4/1/15 to 3/31/16	17.70	(0.05)	0.74	0.69	—	(0.50)	(0.50)	0.19	17.89	4.00	98,270	1.25 ⁽¹⁴⁾	1.29	(0.31)	27
4/1/14 to 3/31/15	17.08	(0.08)	2.46	2.38	—	(1.76)	(1.76)	0.62	17.70	14.83	35,058	1.25	1.32	(0.47)	27
4/1/13 to 3/31/14	14.98	(0.11)	2.69	2.58	—	(0.48)	(0.48)	2.10	17.08	17.42	20,685	1.25	1.30	(0.68)	23
4/1/12 to 3/31/13	12.96	(0.01)	2.03	2.02	—	—	—	2.02	14.98	15.59	10,026	1.36 ⁽⁸⁾	1.42	(0.04)	24
4/1/11 to 3/31/12	11.04	(0.06)	2.05	1.99	(0.07)	—	(0.07)	1.92	12.96	18.03 ⁽¹¹⁾	9,698	1.40 ⁽⁶⁾	1.40	(0.55)	46

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

See Notes to Financial Statements

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹⁰⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Strategic Growth Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$13.66	(0.03)	0.89	0.86	—	(0.04)	(0.04)	0.82	\$14.48	6.28% ⁽⁴⁾	\$404,896	1.35% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.35% ⁽³⁾	(0.42)% ⁽³⁾	12% ⁽⁴⁾
4/1/15 to 3/31/16	14.23	(0.05)	0.13	0.08	—	(0.65)	(0.65)	(0.57)	13.66	0.39	401,617	1.30 ⁽¹³⁾⁽¹⁴⁾	1.30	(0.32)	20
4/1/14 to 3/31/15	12.41	(0.03)	2.40	2.37	—	(0.55)	(0.55)	1.82	14.23	19.29	433,635	1.28 ⁽¹³⁾	1.28	(0.22)	28
4/1/13 to 3/31/14	10.45	(0.01)	2.00	1.99	(0.03)	—	(0.03)	1.96	12.41	19.11	399,131	1.28 ⁽¹³⁾	1.28	(0.11)	26
4/1/12 to 3/31/13	10.05	0.03	0.37	0.40	—	—	—	0.40	10.45	3.98	373,069	1.34 ⁽¹³⁾	1.34	0.31	20
4/1/11 to 3/31/12	9.79	(0.02)	0.28	0.26	—	—	—	0.26	10.05	2.66	409,555	1.35 ⁽¹³⁾	1.35	(0.25)	115
Class B															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$11.27	(0.07)	0.73	0.66	—	(0.04)	(0.04)	0.62	\$11.89	5.84% ⁽⁴⁾	\$ 939	2.10% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	2.10% ⁽³⁾	(1.19)% ⁽³⁾	12% ⁽⁴⁾
4/1/15 to 3/31/16	11.93	(0.13)	0.12	(0.01)	—	(0.65)	(0.65)	(0.66)	11.27	(0.30)	1,424	2.04 ⁽¹³⁾⁽¹⁴⁾	2.05	(1.08)	20
4/1/14 to 3/31/15	10.56	(0.11)	2.03	1.92	—	(0.55)	(0.55)	1.37	11.93	18.40	2,205	2.03 ⁽¹³⁾	2.03	(0.98)	28
4/1/13 to 3/31/14	8.93	(0.08)	1.71	1.63	—	—	—	1.63	10.56	18.25	2,682	2.03 ⁽¹³⁾	2.03	(0.86)	26
4/1/12 to 3/31/13	8.66	(0.04)	0.31	0.27	—	—	—	0.27	8.93	3.12	3,236	2.09 ⁽¹³⁾	2.09	(0.46)	20
4/1/11 to 3/31/12	8.49	(0.08)	0.25	0.17	—	—	—	0.17	8.66	2.00	4,617	2.10 ⁽¹³⁾	2.10	(1.01)	115
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$11.27	(0.07)	0.73	0.66	—	(0.04)	(0.04)	0.62	\$11.89	5.84% ⁽⁴⁾	\$ 15,892	2.10% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	2.10% ⁽³⁾	(1.18)% ⁽³⁾	12% ⁽⁴⁾
4/1/15 to 3/31/16	11.93	(0.12)	0.11	(0.01)	—	(0.65)	(0.65)	(0.66)	11.27	(0.31)	19,832	2.05 ⁽¹³⁾⁽¹⁴⁾	2.06	(1.07)	20
4/1/14 to 3/31/15	10.57	(0.11)	2.02	1.91	—	(0.55)	(0.55)	1.36	11.93	18.28	11,999	2.02 ⁽¹³⁾	2.02	(0.97)	28
4/1/13 to 3/31/14	8.94	(0.08)	1.71	1.63	—	—	—	1.63	10.57	18.23	6,329	2.03 ⁽¹³⁾	2.03	(0.86)	26
4/1/12 to 3/31/13	8.66	(0.04)	0.32	0.28	—	—	—	0.28	8.94	3.23	5,993	2.09 ⁽¹³⁾	2.09	(0.44)	20
4/1/11 to 3/31/12	8.50	(0.08)	0.24	0.16	—	—	—	0.16	8.66	1.88	6,707	2.10 ⁽¹³⁾	2.10	(1.00)	115
Class I															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$14.00	(0.01)	0.91	0.90	—	(0.04)	(0.04)	0.86	\$14.86	6.42% ⁽⁴⁾	\$ 8,692	1.10% ⁽³⁾⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	1.10% ⁽³⁾	(0.17)% ⁽³⁾	12% ⁽⁴⁾
4/1/15 to 3/31/16	14.53	(0.01)	0.13	0.12	—	(0.65)	(0.65)	(0.53)	14.00	0.66	8,227	1.05 ⁽¹³⁾⁽¹⁴⁾	1.05	(0.07)	20
4/1/14 to 3/31/15	12.64	— ⁽⁵⁾	2.44	2.44	—	(0.55)	(0.55)	1.89	14.53	19.50	8,595	1.02 ⁽¹³⁾	1.02	0.03	28
4/1/13 to 3/31/14	10.64	0.02	2.04	2.06	(0.06)	—	(0.06)	2.00	12.64	19.45	5,532	1.03 ⁽¹³⁾	1.03	0.14	26
4/1/12 to 3/31/13	10.21	0.06	0.37	0.43	—	—	—	0.43	10.64	4.21	5,650	1.09 ⁽¹³⁾	1.09	0.57	20
4/1/11 to 3/31/12	9.92	—	0.29	0.29	—	—	—	0.29	10.21	2.92	4,733	1.10 ⁽¹³⁾	1.10	0.00	115
Tactical Allocation Fund															
Class A															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$ 8.44	0.10	0.37	0.47	(0.08)	(0.01)	(0.09)	0.38	\$ 8.82	5.59% ⁽⁴⁾	\$145,470	1.37% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	1.38% ⁽³⁾	2.23% ⁽³⁾	77% ⁽⁴⁾
4/1/15 to 3/31/16	9.75	0.20	(0.88)	(0.68)	(0.17)	(0.46)	(0.63)	(1.31)	8.44	(7.36)	147,546	1.32 ⁽¹⁴⁾	1.33	2.25	81
4/1/14 to 3/31/15	10.06	0.21	0.15	0.36	(0.20)	(0.47)	(0.67)	(0.31)	9.75	3.60	180,435	1.30	1.30	2.09	69
4/1/13 to 3/31/14	9.88	0.22	1.13	1.35	(0.21)	(0.96)	(1.17)	0.18	10.06	14.84	195,509	1.29	1.29	2.22	61
4/1/12 to 3/31/13	9.47	0.21	0.53	0.74	(0.22)	(0.11)	(0.33)	0.41	9.88	8.00	186,662	1.30	1.30	2.26	94
4/1/11 to 3/31/12	9.08	0.14	0.38	0.52	(0.13)	—	(0.13)	0.39	9.47	5.88	189,926	1.30	1.30	1.59	128

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

VIRTUS EQUITY TRUST
FINANCIAL HIGHLIGHTS (Continued)
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽²⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets ⁽¹⁰⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽¹³⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Tactical Allocation Fund (Continued)															
Class B															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$ 8.57	0.07	0.36	0.43	(0.04)	(0.01)	(0.05)	0.38	\$ 8.95	5.19% ⁽⁴⁾	\$ 151	2.11% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.12% ⁽³⁾	1.48% ⁽³⁾	77% ⁽⁴⁾
4/1/15 to 3/31/16	9.88	0.14	(0.89)	(0.75)	(0.10)	(0.46)	(0.56)	(1.31)	8.57	(8.01)	209	2.06 ⁽¹⁴⁾	2.07	1.52	81
4/1/14 to 3/31/15	10.18	0.14	0.15	0.29	(0.12)	(0.47)	(0.59)	(0.30)	9.88	2.83	379	2.05	2.05	1.37	69
4/1/13 to 3/31/14	9.98	0.15	1.14	1.29	(0.13)	(0.96)	(1.09)	0.20	10.18	13.87	585	2.04	2.04	1.48	61
4/1/12 to 3/31/13	9.56	0.14	0.54	0.68	(0.15)	(0.11)	(0.26)	0.42	9.98	7.30	802	2.05	2.05	1.51	94
4/1/11 to 3/31/12	9.17	0.07	0.39	0.46	(0.07)	—	(0.07)	0.39	9.56	5.02	1,165	2.05	2.05	0.82	128
Class C															
4/1/16 to 9/30/16 ⁽¹⁵⁾	\$ 8.64	0.07	0.38	0.45	(0.05)	(0.01)	(0.06)	0.39	\$ 9.03	5.16% ⁽⁴⁾	\$4,791	2.12% ⁽³⁾⁽⁹⁾⁽¹⁴⁾	2.13% ⁽³⁾	1.48% ⁽³⁾	77% ⁽⁴⁾
4/1/15 to 3/31/16	9.96	0.14	(0.90)	(0.76)	(0.10)	(0.46)	(0.56)	(1.32)	8.64	(8.02)	5,460	2.07 ⁽¹⁴⁾	2.08	1.51	81
4/1/14 to 3/31/15	10.27	0.13	0.16	0.29	(0.13)	(0.47)	(0.60)	(0.31)	9.96	2.81	6,328	2.04	2.04	1.29	69
4/1/13 to 3/31/14	10.07	0.15	1.15	1.30	(0.14)	(0.96)	(1.10)	0.20	10.27	13.90	3,785	2.04	2.04	1.46	61
4/1/12 to 3/31/13	9.65	0.15	0.53	0.68	(0.15)	(0.11)	(0.26)	0.42	10.07	7.17	3,021	2.05	2.05	1.51	94
4/1/11 to 3/31/12	9.25	0.08	0.38	0.46	(0.06)	—	(0.06)	0.40	9.65	5.06	2,381	2.05	2.05	0.87	128

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.
(6) See Note 3D in the Notes to Financial Statements for information on recapture of expenses previously waived.
(7) Inception date.
(8) Represents a blended ratio.
(9) Net expense ratio includes extraordinary proxy expenses.
(10) For Funds which may invest in other funds the annualized expense ratios do not reflect the fees and expenses associated with the underlying funds.
(11) Includes the effect of a distribution from a Fair Fund settlement. Without this effect, the total return would have been 16.55% for Class A shares, 15.60% for Class C shares and 17.03% for Class I shares.
(12) Portfolio turnover calculation excludes security transactions distributed as a result of a redemption-in-kind.
(13) The Fund is currently under its expense limitation.
(14) Earnings credit from custodian were not material, as reflected in the Statements of Operations, and had no impact on Financial Highlights.
(15) Unaudited.

VIRTUS EQUITY TRUST

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016 (Unaudited)

Note 1. Organization

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

As of the date of this report, 11 diversified funds of the Trust are offered for sale, of which 10 (the "Funds") are reported in this semiannual report.

Each Fund has a distinct investment objective outlined below.

<u>Funds</u>	<u>Each Fund Seeks to Provide</u>
Contrarian Value Fund	Long-term capital growth of capital
Enhanced Core Equity Fund	Capital appreciation and current income
Mid-Cap Core Fund	Long-term capital appreciation
Mid-Cap Growth Fund	Capital appreciation
Quality Large-Cap Value Fund	Long-term capital appreciation
Quality Small-Cap Fund	Long-term capital appreciation
Small-Cap Core Fund	Long-term capital appreciation, with dividend income a secondary consideration
Small-Cap Sustainable Growth Fund	Long-term capital appreciation
Strategic Growth Fund	Long-term capital growth
Tactical Allocation Fund	Capital appreciation and income

There is no guarantee that the Funds will achieve their objectives.

All of the Funds offer Class A shares and Class C shares. All Funds with the exception of the Tactical Allocation Fund offer Class I shares. Class R6 shares are offered by the Contrarian Value Fund and the Small-Cap Core Fund. Class B shares are no longer available for purchase by new or existing shareholders, except by existing shareholders through Qualifying Transactions. For information regarding Qualifying Transactions, refer to each Fund's prospectus.

Class A shares are sold with a front-end sales charge of up to 5.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Funds when redeemed; however, a 1% contingent deferred sales charge ("CDSC") may be imposed on certain redemptions made within a certain period following purchases on which a finder's fee has been paid. The period for which the CDSC applies for the Funds is 18 months. The CDSC period begins on the last day of the month preceding the month in which the purchase was made.

Class 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 I shares and Class R6 shares are sold without a front-end sales charge or CDSC. Class R6 shares are only available to participants in employer-sponsored retirement plans, such as 401(k) plans, profit-sharing plans, defined benefit plans and other employer-directed plans. Class R6 shares do not carry sales commissions or pay Rule 12b-1 fees. No compensation, administrative payments, sub-transfer agency payments or service payments are paid to brokers or other entities from fund assets or the 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.

Each Class of shares has identical voting, dividend, liquidation and other rights and the same terms and conditions, except that each Class bears different distribution and/or service fees under a Board-approved Rule 12b-1 and/or shareholder service plan ("12b-1 Plan") and has exclusive voting rights with respect to such 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 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.).

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NOTES TO FINANCIAL STATEMENTS (Continued)
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- 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 Funds fair value non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. security to the intraday trading in the U.S. markets for investments such as ADRs, financial futures, ETFs, and certain indexes, as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

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

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

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

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

B. Security Transactions and Investment Income

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)
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E. Expenses

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

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

F. Foreign Currency Translation

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

G. Loan Agreements

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

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

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

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

**H. 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 the 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 following Funds had securities on loan:

	<u>Market Value</u>	<u>Cash Collateral</u>
Contrarian Value Fund	\$ 3,059	\$ 3,083
Mid-Cap Core Fund	1,571	1,567
Mid-Cap Growth Fund	2,204	2,230
Small-Cap Core Fund	14,101	14,067
Small-Cap Sustainable Growth Fund	12,558	12,695

At September 30, 2016, the Quality Large-Cap Value Fund, the Strategic Growth Fund and the Tactical Allocation Fund have no securities on loan.

I. When-Issued and Forward Commitments (Delayed Delivery)

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

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J. 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.

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

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

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

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

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

Written options transactions held by Enhanced Core Equity Fund, during the period ended September 30, 2016, were as follows:

	Calls		Puts	
	Number of Contracts	Premiums received	Number of Contracts	Premiums received
Written Options outstanding at March 31, 2016	992	\$ 45	992	\$ 325
Options written	15,648	745	15,648	5,399
Options closed	(12,822)	(629)	(12,389)	(4,408)
Options expired	(2,685)	(126)	(3,118)	(932)
Options exercised	—	—	—	—
Written Options outstanding at September 30, 2016	<u>1,133</u>	<u>\$ 35</u>	<u>1,133</u>	<u>\$ 384</u>

The following is a summary of the Enhanced Core Equity Fund's derivative instrument holdings categorized by primary risk exposure (equity contracts) in the financial statements as of September 30, 2016:

<u>Statements of Assets and Liabilities</u>	<u>Enhanced Core Equity</u>	<u>Statements of Operations</u>	<u>Enhanced Core Equity</u>
Assets: Purchased options at value	\$ 85 ⁽¹⁾	Net realized gain (loss) on purchased options	\$(2,593) ⁽²⁾
Liabilities: Written options at value	(241)	Net realized gain (loss) on written options	5,817
Net asset (liability) balance	<u>\$(156)</u>	Net change in unrealized appreciation (depreciation) on purchased options	37 ⁽³⁾
		Net change in unrealized appreciation (depreciation) on written options	(143)
		Total net realized and unrealized gain (loss)	<u>\$ 3,118</u>

⁽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.

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For the period ended September 30, 2016, Enhanced Core Equity Fund's average daily premiums paid by the Fund for purchased options were \$95 and the average daily premiums received for written call options by the Fund were \$226.

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:

Quality Small-Cap Fund	0.70%		
Small-Cap Core Fund	0.75		
		First \$1 Billion	\$1+ Billion through \$2 Billion
Enhanced Core Equity Fund	0.75%	0.70%	0.65%
Mid-Cap Core Fund	0.80	0.75	0.70
Quality Large-Cap Value Fund	0.75	0.70	0.65
Strategic Growth Fund	0.70	0.65	0.60
Tactical Allocation Fund	0.70	0.65	0.60
		First \$400 Million	\$400+ Million through \$1 Billion
Small-Cap Sustainable Growth Fund	0.90%	0.85%	0.80%
		First \$500 Million	Over \$500 Million
Mid-Cap Growth Fund	0.80%	0.70%	
		First \$1 Billion	Over \$1 Billion
Contrarian Value Fund	0.75%	0.70%	

During the period covered by these financial statements, the Tactical Allocation 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 \$6. This waiver is in addition to the expense limitation and/or fee waiver covered elsewhere in these financial statements and is 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. A list of the subadvisers and the Funds they serve as of the end of the period is as follows:

<u>Fund</u>	<u>Subadviser</u>	<u>Fund</u>	<u>Subadviser</u>
Contrarian Value Fund	Sasco Capital, Inc.	Small-Cap Core Fund	Kayne ⁽¹⁾⁽²⁾
Enhanced Core Equity Fund	Rampart Investment Management Company, LLC ⁽²⁾	Small-Cap Sustainable Growth Fund	Kayne ⁽¹⁾⁽²⁾
Mid-Cap Core Fund	Kayne ⁽¹⁾⁽²⁾	Strategic Growth Fund	Kayne ⁽¹⁾⁽²⁾
Mid-Cap Growth Fund	Kayne ⁽¹⁾⁽²⁾	Tactical Allocation Fund (International Equity Portfolio)	DPIM ⁽²⁾⁽³⁾⁽⁴⁾
Quality Large-Cap Value Fund	Kayne ⁽¹⁾⁽²⁾	Tactical Allocation Fund (Domestic Equity Portion Only)	Kayne ⁽¹⁾⁽²⁾⁽⁴⁾
Quality Small-Cap Fund	Kayne ⁽¹⁾⁽²⁾	Tactical Allocation Fund (Fixed Income Portfolio)	Newfleet Asset Management, LLC ⁽²⁾

⁽¹⁾ Kayne Anderson Rudnick Investment Management, LLC.

⁽²⁾ An indirect wholly owned subsidiary of Virtus.

⁽³⁾ Duff & Phelps Investment Management Co.

⁽⁴⁾ Prior to September 7, 2016, subadviser was Euclid Advisors LLC.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

C. Expense Limits and Fee Waivers

Effective September 1, 2015, 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 following percentages of the average annual daily net asset values for the following Funds.

	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R6</u>	<u>Through Date</u>
Contrarian Value Fund† . . .	1.48%	N/A	2.23%	1.23%	1.10%	7/31/17
Enhanced Core Equity Fund†	1.25	N/A	2.00	1.00	N/A	7/31/17
Mid-Cap Core Fund†*	1.20	N/A	1.95	0.95	N/A	7/31/17
Mid-Cap Growth Fund†	1.40	2.15%	2.15	1.15	N/A	7/31/17
Quality Large-Cap Value Fund†	1.35	N/A	2.10	1.10	N/A	7/31/17
Quality Small-Cap Fund†	1.42	N/A	2.17	1.17	N/A	7/31/17
Small-Cap Sustainable Growth Fund†	1.50	N/A	2.25	1.25	N/A	7/31/17
Strategic Growth Fund†	1.47	2.22	2.22	1.22	N/A	7/31/17

† For the period April 1, 2015, through August 31, 2015, the waiver was voluntary.

* Effective July 29, 2016. For the period of September 1, 2015 to July 1, 2016, the expense cap were as follows for Class A, Class C, and Class I respectively: 1.35%, 2.10%, and 1.10%.

Fund expenses for Contrarian Value Fund, Quality Small-Cap Fund, and Strategic Growth Fund are currently below the capped level.

D. Expense Recapture

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

	<u>Fiscal Year Ended</u>			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Enhanced Core Equity Fund	\$168	\$175	\$202	\$545
Mid-Cap Core Fund	69	77	79	225
Mid-Cap Growth Fund	—	21	76	97
Quality Large-Cap Value Fund	34	45	61	140
Small-Cap Sustainable Growth Fund	63	79	52	194

E. Distributor

VP Distributors, LLC ("VP Distributors"), an indirect wholly owned subsidiary of Virtus, serves as the distributor of each Fund's shares. VP Distributors has advised the Funds that for the six months (the "period") ended September 30, 2016, it retained net commissions of \$88 for Class A shares and CDSC of \$1, \$5 for Class A 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 as follows: Class A shares 0.25%; Class B shares 1.00%; Class C shares 1.00%; Class I shares and Class R6 shares are not subject to a 12b-1 Plan.

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

F. Administrator and Transfer Agent

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

For the period ended September 30, 2016, the Funds incurred administration fees totaling \$1,011 which are included in the Statements of Operations.

For the period ended September 30, 2016, the Funds incurred transfer agent fees totaling \$1,331 which are included in the Statements of Operations. A portion of these fees was paid to outside entities that also provide services to the Trust.

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

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

	<u>Shares</u>	<u>Aggregate Net Asset Value</u>
Contrarian Value Fund		
Class R6	2,771	\$ 95
Small-Cap Core Fund		
Class R6	4,925	114

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NOTES TO FINANCIAL STATEMENTS (Continued)
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H. Investments in Affiliates

A summary of the Tactical Allocation Fund's total long-term and short-term purchases and sales of the affiliated underlying fund during the period ended September 30, 2016, is as follows:

	<u>Value, beginning of period</u>	<u>Purchases</u>	<u>Sales Proceeds</u>	<u>Value, end of period</u>	<u>Dividend Income</u>	<u>Distributions of Realized Gains</u>
Virtus Credit Opportunities Fund	\$1,695	\$—	\$—	\$1,743	\$35	\$—

I. Trustee Compensation

The Trust provides a deferred compensation plan for its Trustees who receive compensation from the Trust. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Trust, and then, to the extent permitted by the 1940 Act, in turn, may be invested in the shares of affiliated or unaffiliated mutual funds selected by the participating Trustees. Investments in such instruments are included in "Other" on the Statements 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, written options, and short-term securities) during the period ended September 30, 2016, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Contrarian Value Fund	\$ 17,031	\$ 88,107
Enhanced Core Equity Fund	505,077	498,770
Mid-Cap Core Fund	27,360	9,786
Mid-Cap Growth Fund	11,208	15,258
Quality Large-Cap Value Fund	8,190	10,278
Quality Small-Cap Fund	64,890	19,108
Small-Cap Core Fund	71,845	19,930
Small-Cap Sustainable Growth Fund	135,849	21,914
Strategic Growth Fund	50,645	79,676
Tactical Allocation Fund	92,949	118,018

The Tactical Allocation Fund had purchases of \$20,901 and sales of \$3,087 of long-term U.S. Government and agency securities during the period ended September 30, 2016.

Note 6. Capital Share Transactions
(reporting in thousands)

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

	<u>Contrarian Value Fund</u>				<u>Enhanced Core Equity Fund</u>			
	<u>Six Months Ended September 30, 2016</u>		<u>Year Ended March 31, 2016</u>		<u>Six Months Ended September 30, 2016</u>		<u>Year Ended March 31, 2016</u>	
	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>
Class A								
Sale of shares	169	\$ 5,654	497	\$ 16,061	255	\$ 4,686	681	\$ 12,511
Reinvestment of distributions	17	559	17	628	44	790	1,027	18,016
Shares repurchased	(1,059)	(35,624)	(2,361)	(76,153)	(398)	(7,297)	(1,698)	(30,024)
Net Increase / (Decrease)	(873)	\$ (29,411)	(1,847)	\$ (59,464)	(99)	\$ (1,821)	10	\$ 503
Class C								
Sale of shares	14	\$ 444	38	\$ 1,236	276	\$ 4,569	769	\$ 13,346
Reinvestment of distributions	— ⁽¹⁾	5	1	38	1	20	387	6,208
Shares repurchased	(165)	(5,279)	(564)	(17,436)	(317)	(5,295)	(878)	(14,585)
Net Increase / (Decrease)	(151)	\$ (4,830)	(525)	\$ (16,162)	(40)	\$ (706)	278	\$ 4,969
Class I								
Sale of shares	273	\$ 9,146	657	\$ 21,130	441	\$ 8,042	318	\$ 5,626
Reinvestment of distributions	28	945	25	890	12	211	80	1,413
Shares repurchased	(1,120)	(37,694)	(2,219)	(71,603)	(126)	(2,299)	(165)	(2,957)
Net Increase / (Decrease)	(819)	\$ (27,603)	(1,537)	\$ (49,583)	327	\$ 5,954	233	\$ 4,082
Class R6								
Sale of shares	20	\$ 672	176	\$ 5,841	—	\$ —	—	\$ —
Reinvestment of distributions	1	45	— ⁽¹⁾	17	—	—	—	—
Shares repurchased	(79)	(2,624)	(27)	(853)	—	—	—	—
Net Increase / (Decrease)	(58)	\$ (1,907)	149	\$ 5,005	—	\$ —	—	\$ —

⁽¹⁾ Amount is less than 500 shares.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

Note 7. Borrowings

(\$ reported in thousands)

On June 29, 2016, the Funds and other affiliated funds renewed a \$50,000 secured line of credit. The Credit Agreement (the "Agreement") with a commercial bank (the "Bank") that allows the Funds to borrow cash from the Bank to manage large unexpected redemptions and trade fails, up to a limit of one-third 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 Fund with the Bank's consent. Interest is charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Funds and other affiliated funds are individually, and not jointly, liable for their particular advances, if any, under the line of credit. The Bank has the ability to require repayment of outstanding borrowings under the Agreement upon certain circumstances such as an event of default.

The Funds had no outstanding borrowings at any time during the period ended September 30, 2016.

Note 8. 10% Shareholders

At 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:

	<u>% of Shares Outstanding</u>	<u>Number of Accounts</u>
Contrarian Value Fund	26%	2*
Mid-Cap Core Fund	19	1*
Quality Large-Cap Value Fund	10	1*
Quality Small-Cap Fund	42	2*
Small-Cap Core Fund	31	2*
Small-Cap Sustainable Growth Fund	21	2*

* None of the accounts are affiliated.

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 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:

<u>Fund</u>	<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Contrarian Value Fund	\$158,567	\$ 77,943	\$(11,940)	\$ 66,003
Enhanced Core Equity Fund - Investments (Including Purchased Options)	152,494	2,973	(946)	2,027
Enhanced Core Equity Fund - Written Options	(241)	—	—	—
Mid-Cap Core Fund	50,576	5,916	(1,039)	4,877
Mid-Cap Growth Fund	63,742	27,916	(2,651)	25,265
Quality Large-Cap Value Fund	47,685	17,057	(679)	16,378
Quality Small-Cap Fund	223,077	70,197	(6,041)	64,156
Small-Cap Core Fund	326,287	89,808	(24,015)	65,793
Small-Cap Sustainable Growth Fund	323,718	78,323	(8,664)	69,659
Strategic Growth Fund	276,609	157,985	(5,521)	152,464
Tactical Allocation Fund	144,487	7,772	(3,604)	4,168

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

	<u>Short-Term Capital Losses Expiring</u>			<u>No Expiration</u>		<u>Total</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Short-Term</u>	<u>Long-Term</u>	
Contrarian Value Fund	\$ —	\$9,244	\$6,954	\$ —	\$—	\$16,198
Mid-Cap Core Fund	—	—	—	115	17	132
Quality Large-Cap Value Fund	6,827	8,384	—	—	—	15,211
Quality Small-Cap Fund	4,655	—	—	—	—	4,655
Small-Cap Core Fund	2,681	—	—	—	—	2,681
Small-Cap Sustainable Growth Fund	—	383	—	—	—	383

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. Quality Large-Cap Value Fund's, Quality Small-Cap Fund's, Small-Cap Core Fund's, and Small-Cap Sustainable Growth Fund's amounts include losses acquired in connection with prior year mergers. Utilization of these capital loss carryovers is subject to annual limitations.

VIRTUS EQUITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2016 (Unaudited)

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.

Note 11. 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.

At September 30, 2016, the Tactical Allocation Fund's aggregate value of illiquid securities was \$257 or 0.2% of the Fund's net assets. These securities have been identified on the Schedule of Investments.

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

Note 12. Credit Risk and Asset Concentration

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

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

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

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

Fund	Sector	Percentage of Total Investments
Contrarian Value Fund	Materials	29%
Mid-Cap Growth Fund	Information Technology	30%
Small-Cap Core Fund	Industrials	28%
Small-Cap Sustainable Growth Fund	Information Technology	32%
Strategic Growth Fund	Information Technology	35%
Strategic Growth Fund	Consumer Discretionary	28%

Note 13. Regulatory Matters and Litigation

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

Note 14. 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 the following subsequent events require recognition or disclosure in these financial statements.

On November 16, 2016, the Board of the Trust approved changes to the name, investment objective and investment strategies of the Quality Large-Cap Value Fund, to take effect at least 60 days after notice to shareholders of that Fund. Information regarding these changes are set forth in the Prospectus Supplement for that Fund dated November 21, 2016, in the back of this Shareholder Report.

CONSIDERATION OF SUBADVISORY AGREEMENTS FOR VIRTUS STRATEGIC ALLOCATION FUND (F/K/A BALANCED FUND) AND VIRTUS TACTICAL ALLOCATION FUND BY THE BOARD OF TRUSTEES

The Board of Trustees (the "Board") of Virtus Equity Trust (the "Trust") is responsible for the consideration and approval of advisory and subadvisory agreements for the Trust. At an in-person Board meeting held on August 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"), authorized the termination of the current subadvisory agreement with Euclid Advisors LLC ("Euclid"), subadviser to the Virtus Strategic Allocation Fund (f/k/a Balanced Fund) and Virtus Tactical Allocation Fund (each a "Fund" and collectively, the "Funds"), and approved new interim investment subadvisory agreements and new investment subadvisory agreements (the "Subadvisory Agreements") with Kayne Anderson Rudnick Investment Management, LLC ("KAR") and Duff & Phelps Investment Management Co. ("DPIM")(each, a "Subadviser" and collectively, the "Subadvisers").

In considering the approval of the Subadvisers, the Board requested and evaluated information provided by Virtus Investment Advisers, Inc. (the "Adviser") and the Subadvisers which, in the Board's view, constituted information necessary for the Board to form a judgment as to whether the subadviser changes would be in the best interests of the Funds and their 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 Subadvisers for other funds, including quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from the Subadvisers with respect to the funds they manage. The Board noted the affiliation of the Subadvisers with VIA and any potential conflicts of interest.

The Independent Trustees were separately advised by independent legal counsel throughout the process. For each Agreement, 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 Subadvisory Agreements, the Board considered various factors, including:

- Nature, extent, and quality of the services to be provided by the Subadvisers. The Trustees received in advance of the meeting information in the form of an extensive questionnaire completed by each Subadviser concerning a number of topics, including its investment philosophy, resources, operations and compliance structure. The Trustees noted that the Subadvisers would 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 Subadvisory Agreements and noted the breadth and depth of experience of the portfolio managers. In considering the approval of the Subadvisory Agreements, the Trustees considered each Subadviser's investment management process, including (a) the experience, capability and integrity of each Subadviser's management and other personnel committed by the Subadviser to the Funds; (b) the quality and commitment of each Subadviser's regulatory and legal compliance policies, procedures and systems; and (c) each Subadviser's brokerage and trading practices. The Board concluded that the nature, extent and quality of the services to be provided by the Subadvisers 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 contract consideration process for the Funds and the Subadvisers. The Board noted the Euclid portfolio managers who managed the international equity portion of the Funds would continue in the same role with DPIM, and noted the international equity portion of the Funds outperformed the index for the 1- and 3-year periods and since the portfolio managers began managing the international equity portion of the Funds. The Board considered the investment performance of similarly managed products by KAR, and noted they outperformed the equity portion of the Funds for the 1-, 3- and 5-year periods. After reviewing these and related factors, the Board concluded that each 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 proposed subadvisory fees under the Subadvisory Agreements were the same as the subadvisory fees paid to each Fund's previous subadviser. The Board concluded that the proposed subadvisory fees were fair and reasonable in light of services to be provided by the Subadvisers and all factors considered.
- Profitability and economies of scale. In considering the expected profitability to each Subadviser of its relationship with the Funds, the Board noted that the fees under the Subadvisory Agreements are paid by the Adviser out of the advisory fees that it receives under the Advisory Agreement and not by the Funds. In considering the reasonableness of the fees payable by the Adviser to the Subadvisers, the Board noted that, because the Subadvisers are affiliates of the Adviser, such profitability might be directly or indirectly shared by the Adviser, and therefore the Board considered the profitability together. As a result, the expected profitability to each Subadviser of its relationships with the Funds was not a material factor in the Board's deliberations at this time. For similar reasons, the Board did not consider the potential economies of scale in each Subadviser's management of the Funds to be a material factor in its consideration at this time.
- Other Benefits. The Board considered other benefits that may be realized by each Subadviser and its affiliates from their relationship with the Funds. For instance the Board noted that the Subadvisers' reputation in the brokerage community might result in greater assets in the Funds. The Board was also advised that there may be certain intangible benefits gained by the Subadvisers to the extent that serving the Funds could provide the opportunity to provide advisory services to additional funds of the Trust or could enhance each Subadviser's reputation in the marketplace, and, therefore, the subadvisory changes could enable each Subadviser to attract additional client relationships.

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

**RESULTS OF SHAREHOLDER MEETING
VIRTUS EQUITY 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 Equity Trust (the "Trust") voted on the following proposals:

Proposal 1.

	<u>Number of Eligible Votes:</u>		
	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
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	76,300,233.296	3,067,034.578	0
Thomas J. Brown	76,229,850.000	3,137,417.874	0
Donald C. Burke	76,335,500.148	3,031,767.726	0
Roger A. Gelfenbien	76,143,196.612	3,224,071.262	0
John R. Mallin	76,357,511.609	3,009,756.265	0
Hassell H. McClellan	76,234,303.160	3,132,964.714	0

Shareholders of the Trust voted to approve the above proposal.

Proposal 2.

	<u>Number of Eligible Votes:</u>		
	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
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 Quality Small-Cap Fund	6,395,582.096	192,078.666	161,104.185

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

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

At a special meeting of shareholders of Virtus Quality Large-Cap Value Fund, Virtus Small-Cap Sustainable Growth Fund, Virtus Strategic Allocation Fund (f/k/a Balanced Fund) and Virtus Tactical Allocation Fund, each a series of Virtus Equity Trust, held on June 16, 2016, shareholders voted on the following proposal:

Proposal 2.

	Number of Eligible Votes:		
	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 Quality Large-Cap Value Fund	1,595,273.860	91,996.077	68,192.075
Virtus Small-Cap Sustainable Growth Fund	4,943,986.777	151,690.044	161,901.380
Virtus Strategic Allocation Fund (f/k/a Balanced Fund)	14,049,738.184	1,590,278.231	1,111,223.197
Virtus Tactical Allocation Fund	6,834,576.357	868,790.039	503,063.675

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

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

At a special meeting of shareholders of Virtus Mid-Cap Growth Fund, Virtus Strategic Growth Fund, Virtus Contrarian Value Fund, Virtus Enhanced Core Equity Fund (f/k/a Growth & Income Fund), Virtus Mid-Cap Core Fund, and Virtus Small-Cap Core Fund, each a series of Virtus Equity Trust, held on July 18, 2016, shareholders voted on the following proposals:

Proposal 2.

	Number of Eligible Votes:		
	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 Mid-Cap Growth Fund	1,528,987.328	182,715.868	108,663.887
Virtus Strategic Growth Fund	12,604,603.933	1,426,785.792	970,465.876
Virtus Contrarian Value Fund	2,268,907.973	418,866.247	123,847.286
Virtus Enhanced Core Equity Fund (f/k/a Growth & Income Fund)	3,193,181.336	329,948.091	365,647.470
Virtus Mid-Cap Core Fund	667,382.241	34,405.648	38,116.054
Virtus Small-Cap Core Fund	5,359,077.823	218,544.658	210,330.848

Shareholders of Virtus Mid-Cap Growth Fund and Virtus Strategic Growth Fund voted to approve the above proposal. Shareholders of Virtus Contrarian Value Fund, Virtus Enhanced Core Equity Fund (f/k/a Growth & Income Fund), Virtus Mid-Cap Core Fund, and Virtus Small-Cap Core Fund did not approve the above proposal.

Proposal 6.

	Number of Eligible Votes:		
	FOR	AGAINST	ABSTAIN
To amend the fundamental restrictions of the Fundamental Restriction Funds with respect to loans.			
Virtus Contrarian Value Fund	2,506,225.211	156,143.775	149,255.522

Shareholders of Virtus Contrarian Value Fund did not approve the above proposal.

Virtus Balanced Fund and Virtus Tactical Allocation Fund each a series of Virtus Equity Trust

Supplement dated September 7, 2016 to the Summary and
Statutory Prospectuses dated July 29, 2016

IMPORTANT NOTICE TO INVESTORS

As approved by the Board of Trustees of Virtus Equity Trust, effective September 7, 2016, Duff & Phelps Investment Management Co. (“Duff & Phelps”) and Kayne Anderson Rudnick Investment Management, LLC (“Kayne Anderson Rudnick”) became subadvisers to the above-named funds. Also effective September 7, 2016, Euclid Advisors LLC (“Euclid”), a current subadviser to the funds, is removed as subadviser. Accordingly, effective September 7, 2016, all references to Euclid as subadviser to the funds, and to David Dickerson and Carlton Neel as portfolio managers, are hereby removed from the funds’ prospectuses. Frederick A. Brimberg, a portfolio manager at Euclid and Duff & Phelps will continue to be the portfolio manager for the funds. Virtus Investment Advisers, Inc. (“VIA”) will continue to serve as the funds’ investment adviser. Newfleet Asset Management, LLC, also currently a subadviser to each of the funds, will continue to manage the fixed income portfolios for the funds. Each of Duff & Phelps and Kayne Anderson Rudnick will serve under an interim subadvisory agreement until such time as the funds’ standard subadvisory agreement is implemented, not to exceed 150 days.

Effective September 7, 2016, the Balanced Linked Benchmark consists of 45% Russell 1000[®] Growth Index (a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies, calculated on a total return basis with dividends reinvested), 15% MSCI EAFE[®] Index (a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada, calculated on a total return basis with net dividends reinvested), and 40% Barclays U.S. Aggregate Bond Index (an index that measures the U.S. investment grade fixed rate bond market, calculated on a total return basis). The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. Performance of the Balanced Fund Linked Benchmark prior to September 7, 2016 represents an allocation consisting of 60% S&P 500[®] Index and 50% Barclays U.S. Aggregate Bond Index. The change in the composition of the fund’s linked benchmark is being made so that it more closely reflects the composition of the fund’s portfolio following the subadviser and investment strategy changes described in this supplement.

Effective September 7, 2016, the Tactical Allocation Fund Linked Benchmark consists of 45% Russell 1000[®] Growth Index (a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies, calculated on a total return basis with dividends reinvested), 15% MSCI EAFE[®] Index (a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada, calculated on a total return basis with net dividends reinvested), and 40% Barclays U.S. Aggregate Bond Index (an index that measures the U.S. investment grade fixed rate bond market, calculated on a total return basis). The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. Performance of the Tactical Allocation Fund Linked Benchmark prior to September 7, 2016 represents an allocation consisting of 50% S&P 500[®] Index and 50% Barclays U.S. Aggregate Bond Index. The change in the composition of the fund’s linked benchmark is being made so that it more closely reflects the composition of the fund’s portfolio following the subadviser and investment strategy changes described in this supplement.

Additionally, effective October 11, 2016, Virtus Balanced Fund’s name will be changed to **Virtus Strategic Allocation Fund**. Effective October 11, 2016, all references in the fund’s summary and statutory prospectuses to the fund’s former name will be deemed changed to Virtus Strategic Allocation Fund.

Additional disclosure changes resulting from the subadviser changes are described below and are also effective September 7, 2016.

Virtus Balanced Fund

The first paragraph under “Principal Investment Strategies” in the summary prospectus and the summary section of the statutory prospectus is hereby replaced with the following:

The fund targets an asset allocation consisting of approximately 45% in U.S. equity securities, 15% in non-U.S. equity securities and 40% in fixed income securities. For the fund’s U.S. equity allocation, the subadviser invests in a select group of large market capitalization growth companies believed to be undervalued relative to their future growth potential. The investment strategy emphasizes companies the subadviser believes to have a sustainable competitive advantage, strong management and low financial risk, and to be able to grow over market cycles. For the fund’s non-U.S. equity exposure, which may be implemented through American Depositary Receipts (ADRs), the subadviser’s process is driven by bottom-up fundamental research and informed by top-down macro views. For the fixed income allocation, the subadviser employs a time-tested approach of activeselector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across the fixed income markets. Allocation percentages are measured at time of purchase.

The disclosure under “Principal Risks” in the summary prospectus and in the summary section of the statutory prospectus is hereby amended by adding the following disclosure:

- > **Growth Stocks Risk.** The risk that the fund’s investments in growth stocks will be more volatile than investments in other types of stocks, or will perform differently from the market as a whole and from other types of stocks.
- > **Large Market Capitalization Companies Risk.** The risk that the value of investments in larger companies may not rise as much as smaller companies, or that larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

The second paragraph under “Management” in the summary prospectus and in the summary section of the statutory prospectus is hereby revised to state: The fund’s subadvisers are Duff & Phelps Investment Management Co. (“Duff & Phelps”) (international equity portion), Kayne Anderson Rudnick Investment Management, LLC (“Kayne Anderson Rudnick”) (domestic equity portion) and Newfleet Asset Management, LLC (“Newfleet”) (fixed income portion), each an affiliate of VIA.

The disclosure under “Portfolio Managers” in the summary prospectus and in the summary section of the statutory prospectus is hereby replaced with the following:

- > **David L. Albrycht, CFA**, President and Chief Investment Officer at Newfleet. Mr. Albrycht has served as a Portfolio Manager of the fund since 2012.
- > **Frederick A. Brimberg**, Senior Managing Director and International Equity Portfolio Manager at Duff & Phelps. Mr. Brimberg has served as a Portfolio Manager of the fund since 2012.
- > **Doug Foreman, CFA**, Chief Investment Officer at Kayne Anderson Rudnick. Mr. Foreman has served as a Portfolio Manager of the fund since September 2016.
- > **Christopher J. Kelleher, CFA, CPA**, Senior Managing Director and Senior Portfolio Manager at Newfleet. Mr. Kelleher has served as a Portfolio Manager of the fund since 2012.

The first two paragraphs of the disclosure under “Principal Investment Strategies” on page 49 of the statutory prospectus are hereby replaced with the following:

Under normal circumstances, the fund invests at least 65% of its assets in common stocks and fixed income securities of both U.S. and foreign issuers, including issuers in emerging market countries, and may invest in issuers of any size. The fund targets an asset allocation consisting of approximately 45% in U.S. equity securities, 15% in non-U.S. equity securities and 40% in fixed income securities. Allocation percentages are measured at time of purchase.

For the fund’s U.S. equity allocation, the fund invests in equity securities of large market capitalization companies. As of the date of this Prospectus, the fund’s subadviser considers large market capitalization companies for this purpose to be those companies that, at the time of initial purchase, have market capitalizations within the range of the Russell 1000[®] Index. Because large market capitalization companies are defined by reference to an index, the market capitalization of companies in which the fund invests may vary with market conditions. As of June 30, 2016, the market capitalization of companies included in the Russell 1000[®] Index was \$1.14 billion to \$524 billion.

The subadviser uses a strategy emphasizing consistently growing, highly profitable, low-debt companies with rising cash flows, which the subadviser deems to be of high quality. If a company meets these criteria, the subadviser researches and analyzes that company’s strength of management, relative competitive position in the industry, and its financial structure. A proprietary model is used to determine relative value.

The subadviser’s sell discipline seeks to dispose of holdings that, among other things, achieve a target price, or are the subject of negative developments individually or as an industry, or as necessary to provide funding to upgrade and improve portfolio holdings or meet diversification requirements.

The first sentence of the third paragraph of the disclosure in the same section is hereby replaced with the following: “For the fund’s non-U.S. equity allocation, which may be implemented through ADRs, the subadviser’s process is driven by bottom-up fundamental research and informed by top-down macro views.”

The table under “More Information About Risks Related to Principal Investment Strategies” on page 62 of the statutory prospectus is hereby amended by adding an “X” in the row entitled “Growth Stocks” thereby indicating that this risk applies to the fund.

Virtus Tactical Allocation Fund

The disclosure under “Principal Investment Strategies” in the summary prospectus and the summary section of the statutory prospectus is hereby replaced with the following:

Diversified across equity and fixed income securities, the fund’s tactical allocation approach seeks to generate a combination of capital appreciation and income. For the fund’s U.S. equity allocation, the subadviser invests in a select group of large market capitalization growth companies believed to be undervalued relative to their future growth potential. The investment strategy emphasizes companies the subadviser believes to have a sustainable competitive advantage, strong management and low financial risk, and to be able to grow over market cycles. For the fund’s non-U.S. equity exposure, which may be implemented through American Depositary Receipts (ADRs), the subadviser’s process is driven by bottom-up fundamental research and informed by top-down macro views. For the fixed income allocation, the subadviser employs a time-tested approach of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across the fixed income markets.

The fund invests in U.S. equity, non-U.S. equity and fixed income securities using a tactical allocation approach. Generally, the following percentages apply: 25% to 60% invested in U.S. equity securities, 5% to 30% invested in non-U.S. securities and 35% to 60% invested in fixed income securities. The equity allocation is invested in common, preferred, and ADR securities. The fixed income allocation may be invested in all sectors of fixed income securities, including high-yield/high-risk (“junk bonds”), bank loans (which are generally floating rate), mortgage-backed and asset-backed, government, corporate, and municipal debt obligations. Normally, the fund’s fixed income allocation has a dollar-weighted average duration of between two and eight years. The fund may invest in both U.S. and foreign (non-U.S.) securities, including those of issuers in emerging market countries, and may invest in issuers of any size. Allocation percentages are measured at time of purchase.

Generally, the fund's U.S. equity investments are in large market capitalization companies. As of the date of this Prospectus, the fund's subadviser considers large market capitalization companies for this purpose to be those companies that, at the time of initial purchase, have market capitalizations within the range of the Russell 1000[®] Index. Because large market capitalization companies are defined by reference to an index, the market capitalization of companies in which the fund invests may vary with market conditions. As of June 30, 2016, the market capitalization of companies included in the Russell 1000[®] Index was \$1.14 billion to \$524 billion.

The disclosure under "Principal Risks" in the summary prospectus and in the summary section of the statutory prospectus is hereby amended by adding the following disclosure:

- > **Growth Stocks Risk.** The risk that the fund's investments in growth stocks will be more volatile than investments in other types of stocks, or will perform differently from the market as a whole and from other types of stocks.
- > **Large Market Capitalization Companies Risk.** The risk that the value of investments in larger companies may not rise as much as smaller companies, or that larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

The second paragraph under "Management" in the summary prospectus and in the summary section of the statutory prospectus is hereby revised to state: The fund's subadvisers are Duff & Phelps Investment Management Co. ("Duff & Phelps") (international equity portion), Kayne Anderson Rudnick Investment Management, LLC ("Kayne Anderson Rudnick") (domestic equity portion) and Newfleet Asset Management, LLC ("Newfleet") (fixed income portion), each an affiliate of VIA.

The disclosure under "Portfolio Managers" in the summary prospectus and in the summary section of the statutory prospectus is hereby replaced with the following:

- > **David L. Albrycht, CFA**, President and Chief Investment Officer at Newfleet. Mr. Albrycht has served as a Portfolio Manager of the fund since 2012.
- > **Frederick A. Brimberg**, Senior Managing Director and International Equity Portfolio Manager at Duff & Phelps. Mr. Brimberg has served as a Portfolio Manager of the fund since 2012.
- > **Doug Foreman, CFA**, Chief Investment Officer at Kayne Anderson Rudnick. Mr. Foreman has served as a Portfolio Manager of the fund since September 2016.

The first two paragraphs under "Principal Investment Strategies" on page 60 of the statutory prospectus is hereby replaced with the following:

The fund invests in U.S. equity, non-U.S. equity and fixed income securities using a tactical allocation approach. Generally, the following percentages apply: 25% to 60% invested in U.S. equity securities, 5% to 30% invested in non-U.S. securities and 35% to 60% invested in fixed income securities. The equity allocation is invested in common, preferred, and ADR securities. The fixed income allocation may be invested in all sectors of fixed income securities, including high-yield, high-risk ("junk bonds"), mortgage-backed and asset-backed, government, corporate, and municipal debt obligations. The fund may invest in both U.S. and foreign (non-U.S.) securities, including those of issuers in emerging market countries and may invest in issuers of any size. Allocation percentages are measured at time of purchase.

For the fund's U.S. equity allocation, the fund invests in equity securities of large market capitalization companies. As of the date of this Prospectus, the fund's subadviser considers large market capitalization companies for this purpose to be those companies that, at the time of initial purchase, have market capitalizations within the range of the Russell 1000[®] Index. Because large market capitalization companies are defined by reference to an index, the market capitalization of companies in which the fund invests may vary with market conditions. As of June 30, 2016, the market capitalization of companies included in the Russell 1000[®] Index was \$1.14 billion to \$524 billion. The fund's policy of investing 65% of its assets in large market capitalization companies may be changed only upon 60 days' written notice to shareholders.

The subadviser uses a strategy emphasizing consistently growing, highly profitable, low-debt companies with rising cash flows, which the subadviser deems to be of high quality. If a company meets these criteria, the subadviser researches and analyzes that company's strength of management, relative competitive position in the industry, and its financial structure. A proprietary model is used to determine relative value.

The subadviser's sell discipline seeks to dispose of holdings that, among other things, achieve a target price, or are the subject of negative developments individually or as an industry, or as necessary to provide funding to upgrade and improve portfolio holdings or meet diversification requirements.

The first sentence of the third paragraph of the disclosure in the same section is hereby replaced with the following: "For the fund's non-U.S. equity allocation, which may be implemented through ADRs, the subadviser's process is driven by bottom-up fundamental research and informed by top-down macro views."

The table under "More Information About Risks Related to Principal Investment Strategies" on page 62 of the statutory prospectus is hereby amended by adding an "X" in the row entitled "Growth Stocks" thereby indicating that this risk applies to the fund.

Both Funds

Under “The Adviser” on page 69 of the statutory prospectus, the first table is hereby amended by replacing the rows for the funds shown below with the following information:

Virtus Balanced Fund	Duff & Phelps Investment Management Co. (“Duff & Phelps”) (international equity portion) Kayne Anderson Rudnick Investment Management, LLC (“Kayne Anderson Rudnick”) (domestic equity portion) Newfleet Asset Management, LLC (“Newfleet”) (fixed income portion)
Virtus Tactical Allocation Fund	Duff & Phelps (international equity portion) Kayne Anderson Rudnick (domestic equity portion) Newfleet (fixed income portion)

Under “The Subadvisers” on page 70 of the statutory prospectus, the following paragraph is hereby added:

Duff & Phelps, an affiliate of VIA, is located at 200 South Wacker Drive, Suite 500, Chicago, IL 60606. Duff & Phelps acts as subadviser to mutual funds and as adviser or subadviser to closed- end mutual funds and to institutional clients. Duff & Phelps (together with its predecessor) has been in the investment advisory business for more than 70 years. As of June 30, 2016, Duff & Phelps had approximately \$10 billion in assets under management on a discretionary basis.

Under “The Subadvisers” on page 70 of the statutory prospectus, the table showing subadvisory fees is hereby amended by replacing the rows for the funds shown below with the following information:

Virtus Balanced Fund	50% of Net Advisory fee to Duff & Phelps (international equity portion) 50% of the Net Advisory fee to Kayne Anderson Rudnick (domestic equity portion) 50% of the Net Advisory Fee to Newfleet (fixed income portion)
Virtus Tactical Allocation Fund	50% of Net Advisory fee to Duff & Phelps (international equity portion) 50% of the Net Advisory fee to Kayne Anderson Rudnick (domestic equity portion) 50% of the Net Advisory Fee to Newfleet (fixed income portion)

Under “Portfolio Management” beginning on page 71 of the statutory prospectus, the following information for “Duff & Phelps” is hereby added:

Duff & Phelps

Virtus Balanced Fund (international equity portion only)	Frederick A. Brimberg (since 2012)
Virtus Tactical Allocation Fund (international equity portion only)	Frederick A. Brimberg (since 2012)

Frederick A. Brimberg. Mr. Brimberg is Senior Managing Director and International Equity Portfolio Manager at Duff & Phelps (since August 2016) and Euclid Advisors LLC (“Euclid”) (since 2012), an affiliate of Duff & Phelps and VIA. Prior to joining Euclid, he was senior vice president and international portfolio manager at Avatar Associates (2006 to 2012), where he started the international strategy in 2006. Earlier, he was vice president and portfolio manager at ING Investment Management and its predecessor Lexington Management, with a focus on global equity investing. Mr. Brimberg’s career spans 30-plus years in investment management, trading, and capital markets, with positions at Brimberg & Co., and Lehman Brothers.

Also in this section, the information for “Kayne” is amended by adding the following information to the table:

Virtus Balanced Fund (domestic equity portion only)	Doug Foreman, CFA (since September 2016)
Virtus Tactical Allocation Fund (domestic equity portion only)	Doug Foreman, CFA (since September 2016)

Additionally, the information for “Newfleet” is amended by adding the following information to the table:

Virtus Balanced Fund (fixed income portion only)	Christopher J. Kelleher (since September 2016)
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All other disclosure concerning the funds, including fees and expenses, remains unchanged from their prospectuses dated July 29, 2016.

Investors should retain this supplement with the Prospectuses for future reference.

Virtus Growth & Income Fund a series of Virtus Equity Trust

Supplement dated September 7, 2016 to the Summary and
Statutory Prospectuses, each dated July 29, 2016

IMPORTANT NOTICE TO INVESTORS

Effective October 11, 2016, the fund's name will be changed to **Virtus Enhanced Core Equity Fund**. Effective October 11, 2016, all references in the fund's summary and statutory prospectuses to the fund's former name will be deemed changed to Virtus Enhanced Core Equity Fund.

Additionally, 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 December 2014.
- > **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 December 2014.
- > **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 72 of the statutory prospectus, the table under the subheading "Rampart" is hereby replaced with the following:

Virtus Growth & Income Fund	Michael Davis (since September 2016) Brendan R. Finneran (since December 2014) Robert F. Hofeman, Jr. (since December 2014) Warun Kumar (since September 2016)
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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 a Portfolio Manager at Rampart (since September 2016) and a Managing Director at VIA (since September 2016) 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 April 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, expenses, investment objective, strategies, risks and portfolio management remains unchanged.

Investors should retain this supplement with the Prospectuses future reference.

Virtus Quality Large-Cap Value Fund a series of Virtus Equity Trust

Supplement dated November 21, 2016 to the Summary and
Statutory Prospectuses, each dated July 29, 2016

IMPORTANT NOTICE TO INVESTORS

At a meeting held on November 16, 2016, the Board of Trustees of Virtus Equity Trust approved changes to the fund's investment objective, name and principal investment strategies as described below. These changes will be effective on February 1, 2017.

Effective February 1, 2017, the fund's investment objective will change to "total return, consisting of both capital appreciation and current income." Also effective February 1, 2017, the fund's name will change to **Virtus Global Quality Dividend Fund**. Effective February 1, 2017, all references in the fund's summary and statutory prospectuses to the fund's former name will be deemed changed to Virtus Global Quality Dividend Fund.

Additionally, the following disclosure changes will be effective February 1, 2017:

Under "Principal Investment Strategies" in the fund's summary prospectus and summary section of the statutory prospectus, the first paragraph will be replaced in its entirety with the following:

The fund invests in a globally diversified portfolio of primarily high-quality, mature companies with high dividend yields. The investment strategy emphasizes companies the subadviser believes to have a sustainable competitive advantage, strong management and low financial risk and to be able to grow over market cycles. The fund invests in dividend paying equity securities of companies that are tied economically to a number of countries throughout the world, including American Depositary Receipts. The fund typically invests in the securities of medium to large capitalization companies, but it is not limited to investing in the securities of companies of any particular size. Under normal circumstances, the fund invests at least 80% of its assets in dividend paying equity securities.

Under "Principal Risks" in the fund's summary prospectus and summary section of the statutory prospectus, the risk entitled "Value Stocks Risk" will be deleted and the following disclosure will be added:

- > **Small and Medium Market Capitalization Risk.** The risk that the fund's investments in small and medium market capitalization companies will increase the volatility and risk of loss to the fund, as compared with investments in larger, more established companies.

The first paragraph under Principal Investment Strategies on page 55 of the statutory prospectus will be replaced with the following:

The fund invests in dividend paying equity securities of companies that are tied economically to a number of countries throughout the world, including American Depositary Receipts. The fund intends to diversify its investments among countries and normally to have represented in the portfolio business activities of a number of different countries. The fund typically invests in the securities of medium to large capitalization companies, but it is not limited to investing in the securities of companies of any particular size.

Under normal circumstances, the fund invests at least 80% of its assets in dividend paying equity securities. The fund's policy of investing 80% of its assets in dividend paying equity securities may be changed only upon 60 days' written notice to shareholders.

The last sentence in the second paragraph of this section will be replaced with the following: "Generally, the fund invests in approximately 25 to 40 securities at any given time."

The third paragraph in this section will be deleted.

In the section "More Information About Risks Related to Principal Investment Strategies" on page 62 of the statutory prospectus, the row entitled "Value Stocks" will be amended to remove the "X" from the column showing risks of the fund thereby indicating that this risk disclosure does not apply to the fund. Additionally, the row entitled "Small and Medium Market Capitalization Companies" will be amended to add an "X" to the column showing risks of the fund thereby indicating that this risk disclosure applies to the fund.

All other disclosure concerning the fund, including fees, expenses, risks and portfolio management remains unchanged.

Investors should retain this supplement with the Prospectuses for future reference.

VIRTUS EQUITY TRUST

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Donald C. Burke
Roger A. Gelfenbien
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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
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Important Notice to Shareholders

The Securities and Exchange Commission has modified mailing regulations for semiannual and annual shareholder fund reports to allow mutual fund companies to send a single copy of these reports to shareholders who share the same mailing address. If you would like additional copies, please call Mutual Fund Services at 1-800-243-1574.



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For more information about Virtus Mutual Funds,
please call your financial representative, or contact us
at **1-800-243-1574** or **Virtus.com**.