

ANNUAL REPORT

Virtus Alternatives Diversifier Fund*

Virtus Equity Trend Fund*

Virtus Global Equity Trend Fund*

Virtus Herzfeld Fund

Virtus Multi-Asset Trend Fund*

Virtus Sector Trend Fund*

September 30, 2016

TRUST NAME: VIRTUS OPPORTUNITIES TRUST

* *Prospectus supplements applicable to these funds appear at the back of this annual report.*

**Not FDIC Insured
No Bank Guarantee
May Lose Value**



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

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

Form N-Q Information

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

This report is not authorized for distribution to prospective investors in the Funds presented in this book unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, each Fund’s record and other pertinent information.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:



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

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

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

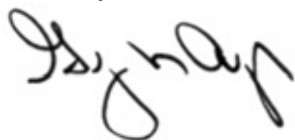
Demand for U.S. Treasuries remained strong, driven by foreign investors seeking safe havens and yield in light of the negative interest rate environment in many international economies. On September 30, 2016, the benchmark 10-year U.S. Treasury yielded 1.60% compared with 2.06% one year earlier. For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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "George R. Aylward".

George R. Aylward
President, Virtus Mutual Funds
October 2016

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

VIRTUS OPPORTUNITIES TRUST

Disclosure of Fund Expenses (Unaudited)

For the six-month period of April 1, 2016 to September 30, 2016

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of a Virtus Opportunities Trust Fund (each, a "Fund") you may incur two types of costs: (1) transaction costs, including sales charges on purchases of Class A shares and contingent deferred sales charges on Class 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 in the first section under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The second section of the accompanying table provides information about hypothetical account values and hypothetical expenses based on 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* |
|---|---|---|--------------------------------|------------------------------------|
| Alternatives Diversifier Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,074.00 | 0.75% | \$3.89 |
| Class C | 1,000.00 | 1,069.80 | 1.51 | 7.81 |
| Class I | 1,000.00 | 1,075.00 | 0.51 | 2.65 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,021.25 | 0.75 | 3.79 |
| Class C | 1,000.00 | 1,017.45 | 1.51 | 7.62 |
| Class I | 1,000.00 | 1,022.45 | 0.51 | 2.58 |
| Equity Trend Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,037.30 | 1.46% | \$7.44 |
| Class C | 1,000.00 | 1,033.90 | 2.06 | 10.47 |
| Class I | 1,000.00 | 1,038.80 | 1.28 | 6.52 |
| Class R6 | 1,000.00 | 1,039.60 | 1.07 | 5.46 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,017.70 | 1.46 | 7.36 |
| Class C | 1,000.00 | 1,014.70 | 2.06 | 10.38 |
| Class I | 1,000.00 | 1,018.60 | 1.28 | 6.46 |
| Class R6 | 1,000.00 | 1,019.65 | 1.07 | 5.40 |
| Global Equity Trend Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,055.20 | 1.79% | \$9.20 |
| Class C | 1,000.00 | 1,051.00 | 2.54 | 13.02 |
| Class I | 1,000.00 | 1,056.00 | 1.54 | 7.92 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,016.05 | 1.79 | 9.02 |
| Class C | 1,000.00 | 1,012.30 | 2.54 | 12.78 |
| Class I | 1,000.00 | 1,017.30 | 1.54 | 7.77 |
| Herzfeld Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,118.60 | 1.63% | \$8.63 |
| Class C | 1,000.00 | 1,114.70 | 2.38 | 12.58 |
| Class I | 1,000.00 | 1,119.60 | 1.37 | 7.26 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,016.85 | 1.63 | 8.22 |
| Class C | 1,000.00 | 1,013.10 | 2.38 | 11.98 |
| Class I | 1,000.00 | 1,018.15 | 1.37 | 6.91 |
| Multi-Asset Trend Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,058.50 | 1.61% | \$8.29 |
| Class C | 1,000.00 | 1,054.30 | 2.36 | 12.12 |
| Class I | 1,000.00 | 1,059.40 | 1.36 | 7.00 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,016.95 | 1.61 | 8.12 |
| Class C | 1,000.00 | 1,013.20 | 2.36 | 11.88 |
| Class I | 1,000.00 | 1,018.20 | 1.36 | 6.86 |

VIRTUS OPPORTUNITIES TRUST
Disclosure of Fund Expenses (Unaudited) (Continued)
For the six-month period of April 1, 2016 to September 30, 2016

| | Beginning Account Value April 1, 2016 | Ending Account Value September 30, 2016 | Annualized Expense Ratio | Expenses Paid During Period* |
|---|---|---|--------------------------------|------------------------------------|
| Sector Trend Fund | | | | |
| Actual | | | | |
| Class A | \$1,000.00 | \$1,026.40 | 1.04% | \$5.27 |
| Class C | 1,000.00 | 1,022.20 | 1.79 | 9.05 |
| Class I | 1,000.00 | 1,027.30 | 0.79 | 4.00 |
| Hypothetical (5% return before expenses) | | | | |
| Class A | 1,000.00 | 1,019.80 | 1.04 | 5.25 |
| Class C | 1,000.00 | 1,016.05 | 1.79 | 9.02 |
| Class I | 1,000.00 | 1,021.05 | 0.79 | 3.99 |

* 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 366 to reflect the one-half year period.

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

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

KEY INVESTMENT TERMS (Unaudited)

Alternatives Diversifier Composite Index

The Alternatives Diversifier Composite consists of Diversified Trends Index (15%)*, FTSE EPRA/NAREIT Developed Rental Index-net (20%)**, MSCI World Infrastructure Sector Capped Index (15%)***, S&P North American Natural Resources Sector Index (10%), Deutsche Bank Liquid Commodity Index (15%), Deutsche Bank G10 Currency Harvest Index (15%)**** and Credit Suisse Leveraged Loan Index (10%). The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment. *Prior to 3/1/12 was the HFRX Equity Market Neutral Index (20%). **Prior to 6/1/15 was the UBS Global Investors (Real Estate) Index (20%). ***Prior to 9/1/08 was a mix of the MSCI USA Utilities Index (65%), MSCI World Telecom Services Index (20%) and MSCI World ex US Utilities Index (15%). ****Prior to 3/1/12 was Deutsche Bank G10 Currency Harvest Index (10%).

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.

Brexit

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

Chicago Board Options Exchange (CBOE) Volatility Index

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

Credit Suisse Leveraged Loan Index

The Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market, calculated on a total return basis.

Deutsche Bank G10 Currency Harvest Index

The Deutsche Bank G10 Currency Harvest Index consists of long futures contracts on the three G10 currencies associated with the highest interest rates and short futures contracts on the three G10 currencies associated with the lowest interest rates.

Deutsche Bank Liquid Commodity Index

The Deutsche Bank Liquid Commodity Index (DBLCI) tracks the performance of six commodity futures: sweet light crude oil (WTI), heating oil, aluminum, gold, wheat, and corn.

Diversified Trends Index

The Diversified Trends Index is the S&P Diversified Trends Indicator, a diversified composite of global commodity and financial futures that are highly liquid. The components are formed into sectors that are long or short the underlying futures using a rules-based methodology. The indicator measures the extent and duration of the trends of these sectors in aggregate. The index is calculated on a total return basis.

KEY INVESTMENT TERMS (Continued) **(Unaudited)**

Dow Jones Global Moderate Portfolio Index

The Dow Jones Global Moderate Portfolio Index is a benchmark that takes 60% of the risk of the global securities market. It is a total returns index that is a time-varying weighted average of stocks, bonds, and cash. The index is the efficient allocation of stocks, bonds, and cash in a portfolio with 60% of the risk of the Dow Jones Aggressive Portfolio Index. 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.

European Union (“EU”)

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

Exchange-Traded Funds (ETF)

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

Federal Reserve (the “Fed”)

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

FTSE EPRA/NAREIT Developed Rental Index (net)

The FTSE EPRA/NAREIT Developed Rental Index (net) is a free-float market capitalization-weighted index measuring global real estate securities, which meet minimum size, liquidity and investment focus criteria. The index is a sub-set of the FTSE EPRA/NAREIT Investment Focus Index Series, which separates the existing constituents into both Rental and Non-Rental Indices. A company is classified as Rental if the rental revenue from properties is greater than or equal to 70% of total revenue. The classification is based on revenue sources as disclosed in the latest published financial statement. 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.

Global Industry Classification Standard (GICS)

The Global Industry Classification Standard (GICS) is a standardized classification system for equities that was developed by, and is the exclusive property and a service mark of, MSCI Inc. (MSCI) and Standard & Poor's, a division of the McGraw-Hill Companies, Inc. (S&P). As of September 1, 2016, the GICS structure comprises 11 sectors, 24 industry groups, 68 industries, and 157 subindustries.

Herzfeld Composite Index (60% MSCI AC World Index (net)/40% Bloomberg Barclays U.S. Aggregate Bond Index)

The composite index consists of 60% MSCI AC World Index (net) and 40% Bloomberg Barclays U.S. Aggregate Bond Index. The MSCI AC World Index (net) is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. The index is calculated on a total return basis with net dividends reinvested. 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. Each index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

HFRX Equity Market Neutral Index

The HFRX Equity Market Neutral Index is a common benchmark for long/short market neutral hedge funds, which employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between select securities for purchase and sale.

iShares®

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

Master Limited Partnership (MLP)

A type of limited partnership that is publicly traded. The partnership must derive most of its cash flows from real estate, natural resources and commodities.

KEY INVESTMENT TERMS (Continued) (Unaudited)

MSCI All-Country World ex USA Utilities Index

The MSCI All-Country World (ACWI) ex USA Utilities Index includes large and mid cap securities across 22 of 23 developed markets countries (excluding the US) and 23 emerging markets countries. All securities in the index are classified in the utilities sector as per the Global Industry Classification Standard (GICS®).

MSCI All Country World Index (Net)

The MSCI All Country World Index (Net) is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

MSCI 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.

MSCI USA Utilities Index

The MSCI USA Utilities Index is designed to capture the large and mid cap segments of the U.S. equity universe. All securities in the index are classified in the utilities sector as per the Global Industry Classification Standard (GICS®).

MSCI World Infrastructure Sector Capped Index

The MSCI World Infrastructure Sector Capped Index is a market capitalization weighted index that measures performance of global infrastructure companies by capturing broad and diversified opportunities across telecommunication, utilities, energy, transportation, and social infrastructure sectors. The telecommunication, infrastructure and utilities sectors each represent one-third of the index weight, while energy, transportation and social infrastructure sectors have a combined weight of the remaining one-third of the index. The index is calculated on a total return basis with net dividends reinvested.

MSCI World Telecom Services Index

The MSCI World Telecom Services Index is designed to capture the large and midcap segments across 23 developed markets countries. All securities in the index are classified in the Telecommunication Services sector as per the Global Industry Classification Standard (GICS®).

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.

S&P North American Natural Resources Sector Index

The S&P North American Natural Resources Index provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry.

UBS Global Investors (Real Estate) Index

The UBS Global Investors (Real Estate) Index measures the global investable universe of publicly traded real estate securities that derive 70% or more of total revenue from rental income.

Alternatives Diversifier Fund

Ticker Symbols:
Class A: PDPAX
Class C: PDPCX
Class I: VADIX

Fund Summary

Portfolio Manager Commentary by Virtus Investment Advisers

■ The Fund is non-diversified and has an investment objective of long-term capital appreciation.

■ For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 9.74%, Class C shares returned 8.86%, and Class I shares returned 9.94%. For the same period, the S&P 500® Index, a broad-based equity index, returned 15.43%, and the Alternatives Diversifier Composite Index, the Fund's style-specific index appropriate for comparison, returned 8.70%.

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

Effective September 7, 2016, the Virtus Alternatives Diversifier Fund's former subadviser and portfolio managers were removed from the management of the Fund. The commentary below, which discusses performance achieved largely by the former sub-adviser and portfolio managers, was provided by the Fund's adviser.

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

Global markets continued to experience increased volatility over the 12-month period, with correlations increasing between domestic and international equities before bottoming in February. At their lows, the S&P 500® Index was down 12.47% and the MSCI All Country World Index (ACWI) was down 14.16%, as a result of China growth concerns, global recession, and central bank disappointments. However, the S&P 500® Index and MSCI ACWI both staged strong recoveries, and ended the period strongly positive, up 15.43% and 11.96%, respectively. Also impacting markets was the much anticipated U.K. "Brexit" vote on June 23, which resulted in the unexpected outcome to withdraw from the European Union. Following the Brexit decision, markets grinded higher through September, as central banks remained accommodative.

Bond markets remained subdued for the period, with government yields in most developed markets

trending lower, resulting in higher bond prices. However, concerns over rising interest rates remained an overhang, with consensus anticipating a rate hike at the Fed's end-of-year meeting.

Commodity markets were heavily under pressure during the period. West Texas Intermediate (WTI) crude oil fell to a low of \$26.21 a barrel on February 11 before recovering to almost \$50.00 by fiscal year-end after oversupply and inventories found better equilibrium. Generally, the slow pace of global growth, particularly in China, caused industrial metals and other natural resources to be under pressure before slowly recovering later in the period.

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

The Fund's sector selection within commodities and slight underweight was a positive performance driver, as it was a volatile asset class, ultimately ending in slightly negative territory at the end of the period. The Fund's exposure to global infrastructure securities was also beneficial, with the snap-back in energy-related companies, as well as strong performance from defensive sectors such as utilities, contributing strongly versus the benchmark.

Detractors from performance were primarily driven by the Fund's underweight to real estate, both domestic and international, with both sector and security selection bringing down performance relative to the benchmark. Global currencies were also challenging to navigate; while absolute returns were positive, they slightly lagged the benchmark. The U.S. dollar hit a high point at the end of November 2015, before retreating, and by fiscal year-end, negatively impacted the portfolio.

Effective September 7, 2016, the Fund's management changed, and the portfolio began to transition to the new management. The transition continued through the end of the period.

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

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

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

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

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

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Allocation: The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

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

Real Estate: The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

Fund of funds: Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

Affiliated Funds: The fund's adviser can select affiliated and/or unaffiliated funds, which may create a conflict of interest.

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

Alternatives Diversifier Fund (Continued)

Asset Allocation

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

| | |
|--------------------------------|-------------|
| Affiliated Equity Mutual Funds | 50% |
| Exchange-Traded Funds | 49 |
| Money Market Mutual Fund | <u>1</u> |
| Total | <u>100%</u> |

Alternatives Diversifier Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | 5 years | 10 years | Since Inception | Inception Date |
|--|--------------|--------------|--------------|--------------------------|----------------|
| Class A Shares at NAV² | 9.74% | 3.65% | 1.74% | — | — |
| Class A Shares at POP^{3,4} | 3.43 | 2.43 | 1.14 | — | — |
| Class C Shares at NAV² and with CDSC⁴ | 8.86 | 2.86 | 0.97 | — | — |
| Class I Shares at NAV | 9.94 | 3.90 | — | 4.04% | 10/1/09 |
| S&P 500[®] Index | 15.43 | 16.37 | 7.24 | 13.59⁵ | — |
| Alternatives Diversifier Composite Index | 8.70 | 3.63 | 2.30 | 4.00⁵ | — |

Fund Expense Ratios⁶: A Shares: 1.62%; C Shares: 2.37%; I Shares: 1.37%.

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

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

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

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

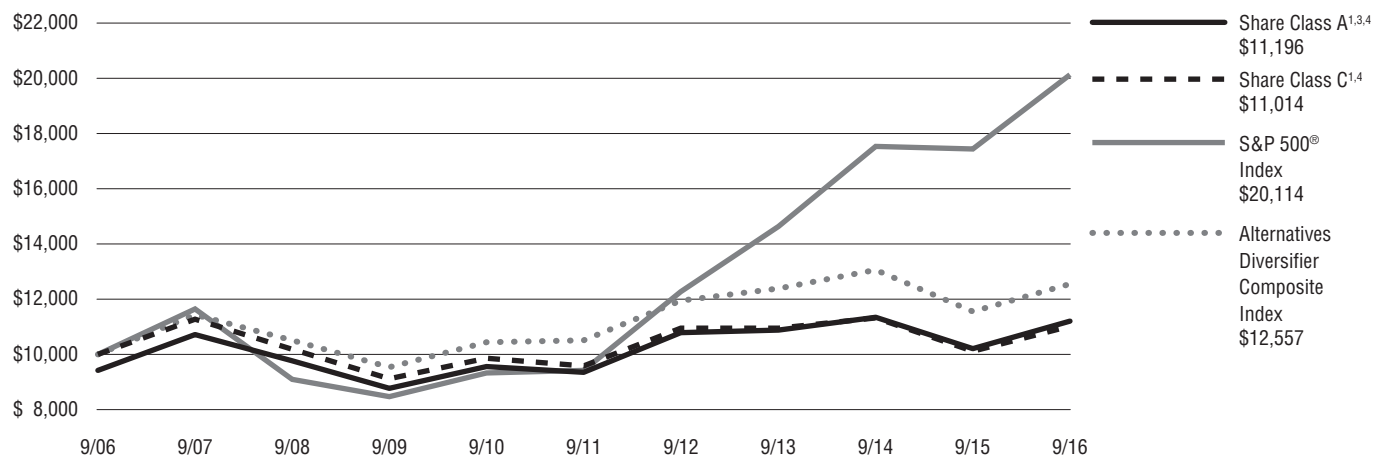
⁴ "CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions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

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

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

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

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



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

Equity Trend Fund

Fund Summary

Portfolio Manager Commentary by Virtus Investment Advisers

- The Fund is diversified and has an investment objective of long-term capital appreciation.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 0.74%, Class C shares returned 0.08%, Class I shares returned 0.98%, and Class R6 shares returned 1.15%. For the same period, the S&P 500[®] Index, both the broad-based equity index and the style specific index, returned 15.43%.

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

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

Over the past 12 months, the S&P 500[®] Index climbed by over 15%. While this performance is slightly above historical averages, the encouraging headline number masks the significant turbulence that was experienced along the way.

The beginning of October 2015 marked the point of rebound from a steep, but brief, 10% market correction during August and September. The strong relief rally which persisted through October faded as year-end 2015 approached, and November and December were marked by sideways performance and increasing risk (as measured by the CBOE Volatility Index ("VIX[®] Index"). Expectations of central bank rate increases, multiple tensions in the geopolitical arena, and a minor meltdown in the junk bond market all contributed to a general sense of discomfort.

This discomfort was validated in January 2016 with another steep market correction. The losses extended into February with fear evolving into outright panic. Existing concerns related to slowing growth in China were exacerbated by a steep decline in oil prices, highlighting the stagnant levels of global economic growth. By the third week of February, though, the wave of selling had passed, and the "greed" trade had taken over from the "fear" trade. A strong, extended rally was in place that would last until late spring/early

summer. At that point, the U.K.'s pending "Brexit" vote became the "fear of the moment," taking some of the steam out of the stock market.

Global market reaction to the eventual Brexit decision in late June was puzzling. In the first two trading sessions after the vote, the U.S. equity market dropped in excess of 5%, as measured by the S&P 500[®] Index. European markets fared even worse. Within a week, however, the prior market highs were regained. It appeared that the rally was back in place but, in fact, it evolved into a frustrating, sideways market throughout the rest of the summer. A brief risk flare in the middle of September – loosely linked to Federal Reserve rate hike fears – was dispatched relatively quickly and the market level at fiscal year-end was near all-time highs.

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

The Fund trailed the S&P 500[®] Index by over 14% for the year. The underperformance was primarily due to two whipsaw events that occurred in rapid succession. A "whipsaw" event is when a stock (or index) price quickly reverses direction. The Fund can be impacted by these events because price moves drive both the portfolio allocations and the risk management mechanisms. For example, the dramatic risk flare that occurred in August and September 2015 (at the end of the Fund's 2015 fiscal year) caused the Fund to adopt a defensive posture and introduce a significant allocation to cash equivalents. This happened as the S&P 500[®] Index level fell below its 200-day moving average, signaling that all weak sub-industries in the portfolio (as measured by their own 200-day moving average analyses) should be removed from the portfolio and replaced with cash equivalents. As the market's strong recovery began in early October 2015, over half the Fund's assets were invested in cash equivalents, and full equity exposure did not resume until the beginning of November, at which point the Fund significantly trailed the Index. Unfortunately, by that time, the market had begun to weaken once again.

A similar whipsaw event occurred in the first quarter of 2016. Between December 31, 2015 and March 24, 2016, the performance of the U.S. stock market was essentially flat. In the early weeks of the quarter, though, the market had declined by more than 10%. The severity of the decline, and the steepness of the

subsequent recovery, led to another situation where the Fund adopted a large allocation to cash equivalents, just in time for the recovery to begin. In this case, the Fund locked in additional underperformance as it had less than 30% exposure to equities during the market's 10% rebound. As with the prior whipsaw event, this defensive positioning was guided by a breach of the key 200-day moving average price level by the S&P 500[®] Index. At the time of the whipsaw, the VIX[®] Index was elevated, reaching levels in excess of 28, indicating significant stress in the stock market. By the time the portfolio was fully re-invested in equities, the VIX[®] had quickly fallen to below 14.

The Fund has built-in mechanisms to mitigate the negative impact of this sort of event, but whipsaws cannot be avoided entirely. The most damaging feature of the past year, though, was the fact that the Fund experienced two whipsaw events in a relatively short period of time. While single, isolated whipsaw events can be observed with some frequency, it is exceedingly rare for two severe events to occur so close together. The damage caused by these two whipsaw events can be seen if we separate the performance on those days when the Fund was fully invested from those days when the Fund had an allocation to cash equivalents. Nearly 12% of the 14.4% of underperformance experienced during the year occurred during periods when the Fund had a defensive cash equivalent position in place.

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

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

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

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

Ticker Symbols:
Class A: VAPAX
Class C: VAPCX
Class I: VAPIX
Class R6: VRPAX

Equity Trend Fund (Continued)

Allocation: The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

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

Asset Allocation

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

| | |
|------------------------|-------------|
| Consumer Discretionary | 24% |
| Information Technology | 14 |
| Consumer Staples | 13 |
| Industrials | 12 |
| Materials | 10 |
| Health Care | 9 |
| Real Estate | 8 |
| Other | 10 |
| Total | <u>100%</u> |

Equity Trend Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | 5 years | Since Inception | Inception Date |
|--|--------------|--------------|----------------------|-----------------|
| Class A Shares at NAV² | 0.74% | 6.44% | 7.90% | 7/1/10 |
| Class A Shares at POP^{3,4} | -5.05 | 5.18 | 6.89 | 7/1/10 |
| Class C Shares at NAV² and with CDSC⁴ | 0.08 | 5.66 | 7.11 | 7/1/10 |
| Class I Shares at NAV | 0.98 | 6.69 | 8.16 | 7/1/10 |
| Class R6 Shares at NAV | 1.15 | — | -5.64 | 11/12/14 |
| S&P 500[®] Index | 15.43 | 16.37 | —⁵ | — |

Fund Expense Ratios⁶: A Shares: Gross 1.55%, Net 1.44%; C Shares: Gross 2.30%, Net 2.04%; I Shares: Gross 1.30%, Net 1.26%; R6 Shares: Gross 1.23%, Net 1.05%.

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

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

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

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

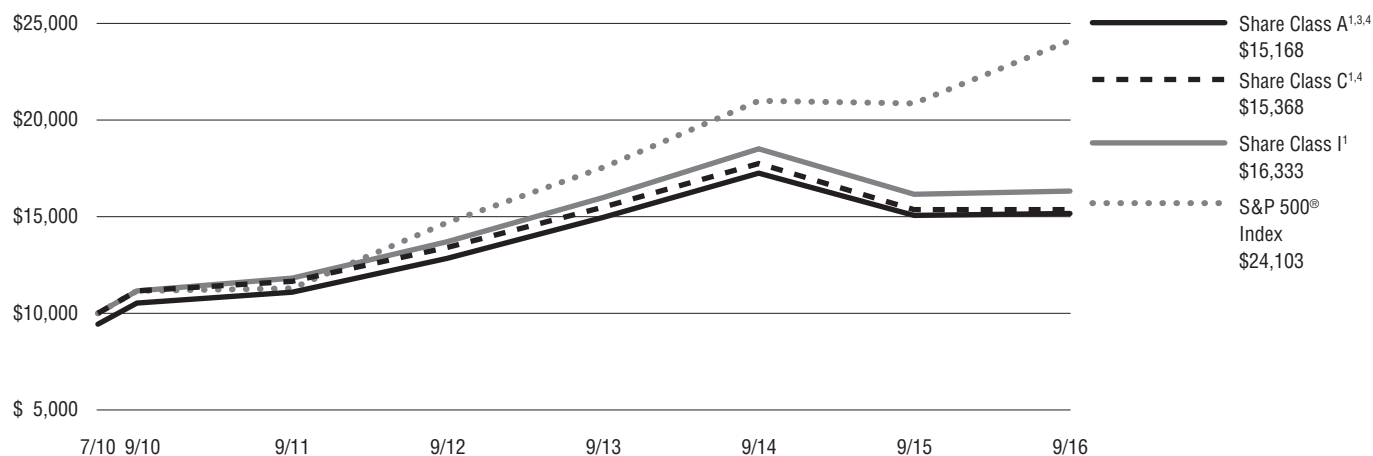
⁴ "CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions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

⁵ The index returned 15.10% for Classes A, C, and I since the inception date of those respective classes and 5.56% since the inception date of Class R6.

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

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

This chart assumes an initial investment of \$10,000 made on July 1, 2010 (inception date of the Fund), for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



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

Global Equity Trend Fund

Fund Summary

Portfolio Manager Commentary by Virtus Investment Advisers

- The Fund is diversified and has an investment objective of capital appreciation. In pursuing this objective, the Fund maintains an emphasis on preservation of capital.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 1.84%, Class C shares returned 1.04%, and Class I shares returned 2.15%. For the same period, the S&P 500® Index, a broad-based equity index, returned 15.43%. MSCI All Country World Index (net), the Fund's style-specific benchmark appropriate for comparison returned 11.96%.

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

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

Over the past 12 months, the S&P 500® Index climbed by over 15%. The MSCI All-Country World Index (net) was up 11.96% during the same period. In both cases, the encouraging headline numbers masked significant turbulence that was experienced along the way.

The beginning of October 2015 marked the point of rebound from a steep, but brief, global market correction during August and September. The strong relief rally which persisted through October faded as year-end 2015 approached, and November and December were marked by sideways performance in the U.S. and further deterioration globally. Expectations of central bank rate increases, multiple tensions in the geopolitical arena, and a minor meltdown in the junk bond market all contributed to a general sense of discomfort.

This discomfort was validated in January 2016 with another steep market correction. The losses extended into February with a second dip, as fear evolved into outright panic. Existing concerns related to slowing growth in China were exacerbated by a steep decline in oil prices, highlighting the stagnant levels of global economic growth. By the third week of February,

though, the wave of selling had passed, and the "greed" trade had taken over from the "fear" trade. A strong, extended rally was in place that would last until late spring/early summer. At that point, the U.K.'s pending "Brexit" vote became the "fear of the moment," taking some of the steam out of global markets, especially outside the U.S.

Global market reaction to the eventual Brexit decision in late June was puzzling. In the first two trading sessions after the vote, the U.S. equity market dropped in excess of 5%, as measured by the S&P 500® Index. European markets fared far worse in the initial panic. In due course, though, the prior market highs were regained. It appeared that the rally was back in place, but it evolved into a frustrating, sideways, choppy market throughout the rest of the summer, with the U.S. underperforming global markets (but still up for the period). A brief risk flare in the middle of September, which was loosely linked to interest rate fears, was dispatched relatively quickly and the market level at the end of September was near all-time highs.

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

The Fund's underperformance of its benchmark was primarily due to two whipsaw events that occurred in rapid succession.

A "whipsaw" event is when a stock or index price quickly reverses direction. The Fund can be impacted by these events because price moves drive both the portfolio allocations and the risk management mechanisms. For example, the dramatic risk flare that occurred in August and September 2015 (at the end of the Fund's 2015 fiscal year) caused the Fund to adopt a defensive posture in the U.S. portion of the portfolio and introduce a significant allocation to cash equivalents. This happened as the S&P 500® Index level fell below its 200-day moving average, signaling that all weak U.S. sub-industries in the portfolio (as measured by their own 200-day moving average analyses) should be removed from the portfolio and replaced with cash equivalents. During this period, given the relative weakness in non-U.S. markets, the global portion of the portfolio maintained an additional cash buffer, leading to cash equivalent levels approaching 70% of the total portfolio. As the market's strong recovery began in early October 2015, this significant defensive positioning weighed on the

Fund's ability to participate. Unfortunately, by the time the Fund began to reduce its position in cash equivalents and take on additional risk, the markets had begun to weaken once again.

A similar whipsaw event occurred in the first quarter of 2016. Between December 31, 2015 and March 24, 2016, the performance of the U.S. stock market was essentially flat, and global markets were down slightly. In the early weeks of the quarter, though, the U.S. equity market had declined by more than 10%, and global equity markets were down about 12%. The severity of these declines, and the steepness of the subsequent recovery, led to another situation where the Fund adopted a large allocation to cash equivalents, just in time for the recovery to begin.

The Fund has built-in mechanisms to mitigate the negative impact of this sort of event, but whipsaws cannot be avoided entirely. The most damaging feature of the past year, though, was the fact that the Fund experienced two whipsaw events in a relatively short period of time. While single, isolated whipsaw events can be observed with some frequency, it is exceedingly rare for two severe events to occur so close together.

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

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

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

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

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

Ticker Symbols:
Class A: VGPAX
Class C: VGPCX
Class I: VGPIX

Global Equity Trend Fund (Continued)

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

Allocation: The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

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

Fund of funds: Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

Asset Allocation

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

| | | |
|-------------------------|-----|--------------------|
| Common Stocks | | 58% |
| Consumer Discretionary | 14% | |
| Information Technology | 8 | |
| Consumer Staples | 7 | |
| Industrials | 6 | |
| Materials | 6 | |
| Health Care | 6 | |
| All other Common Stocks | 11 | |
| Exchange-Traded Funds | | <u>42</u> |
| Total | | <u><u>100%</u></u> |

Global Equity Trend Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | 5 years | Since Inception | Inception Date |
|--|--------------|--------------|--------------------------|----------------|
| Class A Shares at NAV² | 1.84% | 3.95% | 2.48% | 3/15/11 |
| Class A Shares at POP^{3,4} | -4.01 | 2.73 | 1.39 | 3/15/11 |
| Class C Shares at NAV² and with CDSC⁴ | 1.04 | 3.21 | 1.72 | 3/15/11 |
| Class I Shares at NAV | 2.15 | 4.22 | 2.72 | 3/15/11 |
| S&P 500[®] Index | 15.43 | 16.37 | 12.30⁵ | — |
| MSCI AC World Index (Net) | 11.96 | 10.63 | 6.87⁵ | — |

Fund Expense Ratios⁶: A Shares: 1.78%; C Shares: 2.53%; I Shares: 1.53%.

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

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

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

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

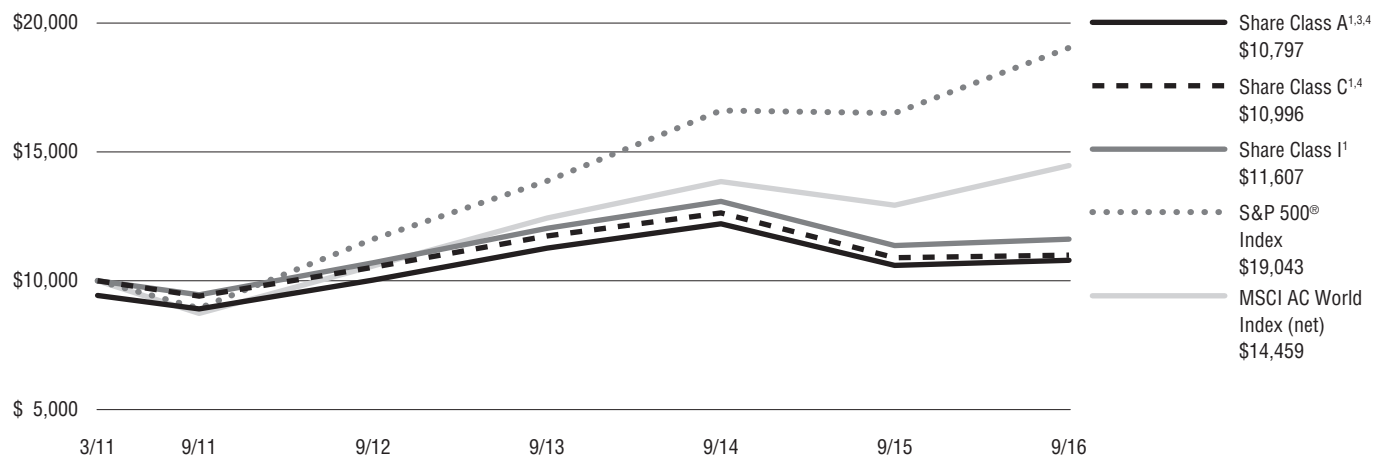
⁴ "CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions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

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

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

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

This chart assumes an initial investment of \$10,000 made on March 15, 2011 (inception date of the Fund), for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



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

Herzfeld Fund

Fund Summary

Portfolio Manager Commentary by Thomas J. Herzfeld Advisors, Inc.

- The Fund is non-diversified and has investment objectives of capital appreciation and current income.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 16.04%, Class C shares returned 15.22%, and Class I shares returned 16.40%. For the same period, the Fund's style-specific benchmark, the Herzfeld Composite Index, which consists of 60% MSCI All Country World Index (net) and 40% Bloomberg Barclays U.S. Aggregate Index, returned 9.43%. Performance for the composite's underlying indices over the period was 11.96% for the MSCI AC World Index (net) and 5.19% for the Bloomberg Barclays U.S. Aggregate Bond Index.

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

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

Over the Fund's fiscal year, global equity markets rose 11.96%, as measured by the MSCI All Country World Index (net), while the Bloomberg Barclays U.S. Aggregate Bond Index gained 5.19%, providing solid returns for both asset classes. The rally in equities was due to the rebound in commodity-sensitive stocks, with energy, industrials, and materials leading the way, while technology continued to be an area investors looked to for growth. Within fixed income, credit and high yield rallied as fears of defaults in commodity-sensitive companies abated, leading to strong gains in those sectors.

The trend of widening closed-end fund discounts that started in September 2012 ended in January 2016, which gave a boost to the product class through the end of September 2016. The closed-end fund ("CEF") industry started the fiscal year with an average weighted discount of -9.99%, and closed the year at -5.03%, narrowing 4.96 percentage points (Source: Bloomberg, compiled by Thomas J. Herzfeld Advisors). Discount narrowing and positive returns for both equity and fixed income CEFs is the holy

grail for CEF investors as leveraged positions during a bull market enhance returns, and discount narrowing adds to the alpha.

The period was not without its headaches, however. Between the solid fiscal year gains, global equity markets saw their sharpest sell-off since 2009, with the MSCI AC World Index (net) dropping more than 10% in the first six weeks of 2016 before reversing course in mid-February. The sell-off followed the first Fed rate hike since 2006, increasing worries of a slowing China once again, and the continued bear market in oil.

In January at the peak of selling, CEFs traded at their widest discounts since the "flash crash" of August 2015 (the widest they had been since 2009), before making an about-face and starting the current discount narrowing trend. Cyclical discount-narrowing trends have historically peaked at premiums before reversing. CEF investors continued to buy fixed income funds, through the end of the Fund's fiscal year, as they exhibited the strongest discount narrowing trends.

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

Significant CEF discount narrowing, after more than three years of discount widening had a positive effect on the Fund's performance in the fiscal year. The use of leverage by the CEF holdings hurt the Fund for the first part of the fiscal year before helping generate strong returns since February. From September 30, 2015 to February 11, 2016, the Fund's A share (VHFAX) dropped 8.92% on a total return basis before rallying 27.41% on a total return basis through the end of the fiscal year.

The Fund was fully invested as we headed into calendar 2016. Historically, CEFs have exhibited discount narrowing in the first few months of the year due to the year-end phenomenon of discount widening as a direct result of seasonal tax-loss selling. However, discounts widened significantly to start the year, exacerbating the Fund's poor performance. We remained invested throughout the equity market sell-off in the early part of 2016 as we believed the CEFs were exhibiting capitulation which is typically the best time to buy. Remaining fully invested once the sell-off started turned out to be the correct decision as the rebound was extremely sharp

for CEFs. The last thing investors in CEFs typically want to do is chase a rising market as it is difficult to add to positions at attractive prices because few investors are selling shares and the spreads are wide.

Energy CEFs provided the best returns in the period for the Fund but were also the most volatile. They were the worst performers from the start of the Fund's fiscal year through February before becoming the best performers over the next seven months and for the one-year period. We continued to overweight energy, through the end of the Fund's fiscal year, as we believe the rebound in this space would continue.

Preferred shares provided some of the best risk-adjusted returns for the portfolio, although they lagged the overall return of the Fund. Our top three preferred holdings, Oxford Lane 8.125% ("OXLCN"), Oxford Lane 7.50% ("OXLCO"), and MVC Capital 7.25% ("MVCB"), generated returns in excess of 10% while exhibiting less volatility than the overall CEF market. We continued to hold a large portion of the portfolio in these preferred shares, through the end of the Fund's fiscal year, as fixed income CEFs were not attractive with their narrow discounts and lower yields at that time.

Health care was the weakest performer in the fiscal year as political discourse was the main driver of the price action. Presidential candidates excoriated increasing drug prices in the news, focusing on some of the bad actors in the space which worried investors. As a result, our large allocation to healthcare hurt the Fund's performance over the period. Over the last six months, health care showed signs of a rebound. We continued to like the space through the end of the Fund's fiscal year, due to its historically low valuations combined with future expected growth.

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

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

Ticker Symbols:
Class A: VHFAX
Class C: VHFCX
Class I: VHFIX

Herzfeld Fund (Continued)

Asset Allocation

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

| | |
|---|-------------|
| Equity Funds | 30% |
| Preferred Stocks | 26 |
| International Equity Funds | 17 |
| Fixed Income Funds | 6 |
| International Fixed Income Funds | 1 |
| Other (includes short-term investments) | <u>20</u> |
| Total | <u>100%</u> |

Closed-end Funds: Closed-end funds may trade at a discount from their net asset values, which may affect whether the fund will realize gains or losses. They may also employ leverage, which may increase volatility.

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

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

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

Fund of funds: Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

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

Herzfeld Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | Since Inception | Inception Date |
|--|---------------|-------------------------|----------------|
| Class A Shares at NAV² | 16.04% | 6.83% | 9/5/12 |
| Class A Shares at POP^{3,4} | 9.36 | 5.28 | 9/5/12 |
| Class C Shares at NAV² and with CDSC | 15.22 | 6.04 | 9/5/12 |
| Class I Shares at NAV | 16.40 | 7.11 | 9/5/12 |
| MSCI AC World Index (net) | 11.96 | 8.99⁵ | — |
| Bloomberg Barclays U.S. Aggregate Bond Index | 5.19 | 2.57⁵ | — |
| Herzfeld Composite: 60% MSCI AC World Index (net) / 40% Bloomberg Barclays U.S. Aggregate Index | 9.43 | 6.53⁵ | — |

Fund Expense Ratios⁶: A Shares: Gross 2.91%, Net 2.78%; C Shares: Gross 3.66%, Net 3.53%; I Shares: Gross 2.66%, Net 2.53%.

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

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

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

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

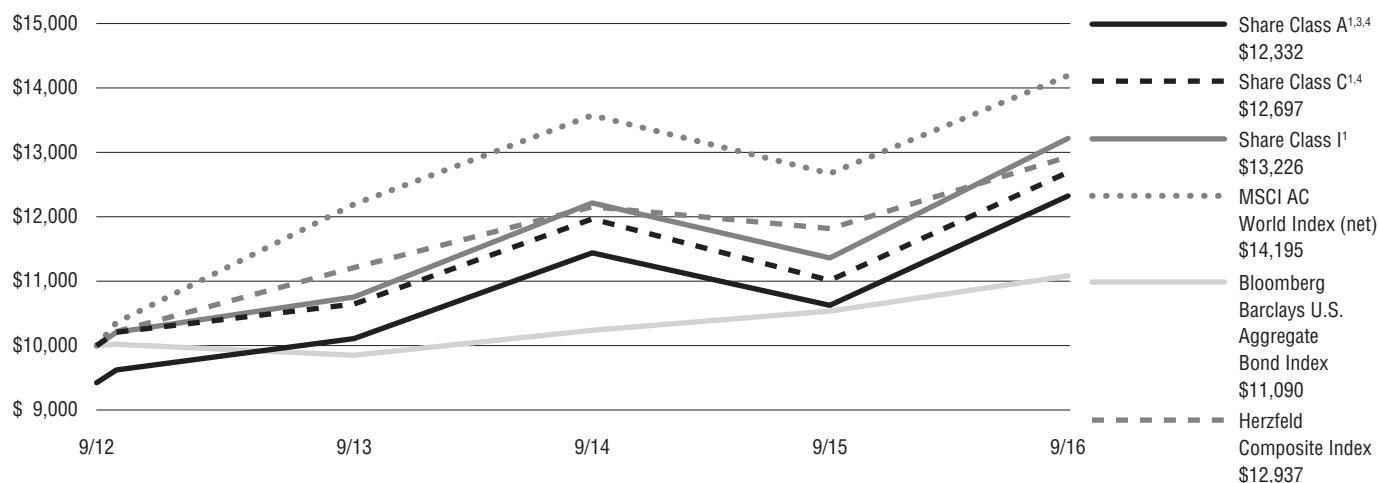
⁴ "CDSC" (Contingent Deferred Sales Charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of purchase in which a finder's fee was paid and all redemptions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

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

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

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

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



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

Multi-Asset Trend Fund

Fund Summary

Portfolio Manager Commentary by Virtus Investment Advisers

- The Fund is diversified and has an investment objective of capital appreciation. In pursuing this objective, the Fund maintains an emphasis on preservation of capital.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 3.82%, Class C shares returned 3.06%, and Class I shares returned 4.08%*. For the same period, the S&P 500® Index, a broad-based equity index, returned 15.43%. Dow Jones Global Moderate Portfolio Index, the Fund's style-specific index appropriate for comparison, returned 10.98%.

* See footnote 7 on page 21.

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

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

Over the past 12 months, the S&P 500® Index climbed by over 15%. The Dow Jones Moderate Portfolio Index, which is the Fund's primary benchmark, climbed by nearly 11%. While the headline numbers are positive, investors experienced significant turbulence along the way.

The beginning of October 2015 marked the point of rebound from a steep, but brief, global market correction during August and September. The strong relief rally which persisted through October faded as year-end 2015 approached, and November and December were marked by sideways performance in the U.S. and further deterioration globally. Expectations of central bank rate increases, multiple tensions in the geopolitical arena, and a minor meltdown in the junk bond market all contributed to a general sense of discomfort.

This discomfort was validated in January 2016, with another steep market correction. The losses extended into February, with a second dip, as fear evolved into outright panic. Existing concerns related to slowing growth in China were exacerbated by a steep decline in oil prices, highlighting the stagnant levels of global economic growth.

By the third week of February, though, the wave of selling had passed, and the "greed" trade had taken over from the "fear" trade. A strong, extended rally was in place that would last until late spring/early summer. At that point, the U.K.'s pending "Brexit" vote became the "fear of the moment," taking some of the steam out of global markets, especially outside of the U.S.

Global market reaction to the eventual Brexit decision in late June was puzzling. In the first two trading sessions after the vote, the U.S. equity market dropped in excess of 5%, as measured by the S&P 500® Index. European markets fared even worse. Within a week, however, the prior market highs were regained. It appeared that the rally was back in place but, in fact, it evolved into a frustrating, sideways market throughout the rest of the summer. A brief risk flare in the middle of September — loosely linked to Federal Reserve rate hike fears — was dispatched relatively quickly and the market level at fiscal year-end was near all-time highs.

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

The Fund's underperformance of the benchmark was primarily due to two whipsaw events that occurred in rapid succession.

A "whipsaw" event is when a stock (or index) price quickly reverses direction. The Fund can be impacted by these events because price moves drive both the portfolio allocations and the risk management mechanisms. For example, the dramatic risk flare that occurred in August and September 2015 (at the end of the Fund's 2015 fiscal year) caused the Fund to adopt a defensive posture in the U.S. equity portion of the portfolio, introducing a significant allocation to cash equivalents. This happened as the S&P 500® Index level fell below its 200-day moving average, signaling that all weak U.S. sub-industries in the portfolio (as measured by their own 200-day moving average analyses) should be removed from the portfolio and replaced with cash equivalents. During this period, given the relative weakness in non-U.S. markets, the global portion of the portfolio maintained an additional cash buffer, leading to increased cash equivalent levels across the total portfolio, and highly conservative positioning in the alternatives and fixed income components. As the market's strong recovery began in early October 2015, this significant defensive

positioning weighed on the Fund's ability to participate. Unfortunately, by the time the Fund began to reduce the cash equivalents position and take on additional risk, the markets had begun to weaken once again.

A similar whipsaw event occurred in the first quarter of 2016. Between December 31, 2015 and March 24, 2016, the performance of the U.S. stock market was essentially flat, and global markets were down slightly. In the early weeks of the quarter, though, the U.S. market had declined by more than 10%, and global markets were down about 12%. The severity of these declines, and the steepness of the subsequent recovery, led to another situation where the Fund adopted a large allocation to cash equivalents, just in time for the recovery to begin.

The Fund has built-in mechanisms to mitigate the negative impact of this sort of event, but whipsaws cannot be avoided entirely. The most damaging feature of the past year, though, was the fact that the Fund experienced two whipsaw events in a relatively short period of time. While single, isolated whipsaw events can be observed with some frequency, it is exceedingly rare for two severe events to occur so close together.

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

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

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

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

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments.

Ticker Symbols:

Class A: VAAAX

Class C: VAACX

Class I: VAISX

Multi-Asset Trend Fund (Continued)

Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

High Yield-High Risk Fixed Income Securities:

There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Foreign & Emerging Markets:

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

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

Commodity-Linked: Commodity-linked instruments may experience a return different than the commodity they attempt to track and may also be exposed to counterparty risk.

Allocation: The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

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

Asset Allocation

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

| | |
|-------------------------|-------------|
| Exchange-Traded Funds | 63% |
| Common Stocks | 37 |
| Consumer Discretionary | 9% |
| Information Technology | 5 |
| Consumer Staples | 5 |
| All other Common Stocks | 18 |
| Total | <u>100%</u> |

Multi-Asset Trend Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | 5 years | Since Inception | Inception Date |
|--|--------------|--------------|--------------------------|----------------|
| Class A Shares at NAV² | 3.82% | 3.71% | 2.75% | 3/15/11 |
| Class A Shares at POP^{3,4} | -2.15 | 2.49 | 1.66 | 3/15/11 |
| Class C Shares at NAV² and with CDSC⁴ | 3.06 | 2.94 | 2.01 | 3/15/11 |
| Class I Shares at NAV⁷ | 4.08 | 3.95 | 3.00 | 3/15/11 |
| S&P 500[®] Index | 15.43 | 16.37 | 12.30⁵ | — |
| Dow Jones Global Moderate Portfolio Index^{5M} | 10.98 | 8.66 | 6.70⁵ | — |

Fund Expense Ratios⁶: A Shares: 1.75%; C Shares: 2.50%; I Shares: 1.50%.

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

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

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

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

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

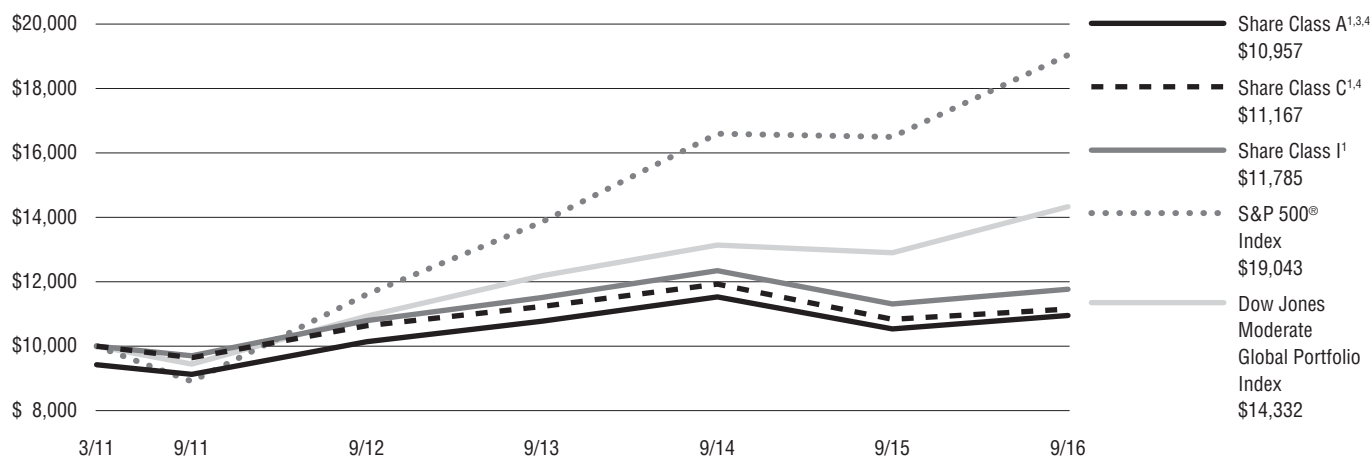
⁵ The index returns are from the Fund's inception date.

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

⁷ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

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

This chart assumes an initial investment of \$10,000 made on March 15, 2011 (inception date of the Fund), for Class A, Class C, and Class I shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



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

Sector Trend Fund

Fund Summary

Portfolio Manager Commentary by Virtus Investment Advisers

- The Fund is diversified and has an investment objective of long-term capital appreciation.
- For the fiscal year ended September 30, 2016, the Fund's Class A shares at NAV returned 3.45%*, Class C shares returned 2.60%, and Class I shares returned 3.65%. For the same period, the S&P 500® Index, which is both the broad-based equity index and the Fund's style-specific benchmark, returned 15.43%.

* See footnote 7 on page 24.

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

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

Over the past 12 months, the S&P 500® Index climbed by over 15%. While this performance is slightly above historical averages, the encouraging headline number masks the significant turbulence that was experienced along the way.

The beginning of October 2015 marked the point of rebound from a steep, but brief, 10% market correction during August and September. The strong relief rally which persisted through October faded as year-end 2015 approached, and November and December were marked by sideways performance and increasing risk (as measured by the CBOE Volatility Index ("VIX® Index"). Expectations of central bank rate increases, multiple tensions in the geopolitical arena, and a minor meltdown in the junk bond market all contributed to a general sense of discomfort.

This discomfort was validated in January 2016 with another steep market correction. The losses extended into February with fear evolving into outright panic. Existing concerns related to slowing growth in China were exacerbated by a steep decline in oil prices, highlighting the stagnant levels of global economic growth. By the third week of February, though, the wave of selling had passed, and the "greed" trade had taken over from the "fear" trade. A strong, extended

rally was in place that would last until late spring/early summer. At that point, the U.K.'s pending "Brexit" vote became the "fear of the moment," taking some of the steam out of the stock market.

Global market reaction to the eventual Brexit decision in late June was puzzling. In the first two trading sessions after the vote, the U.S. equity market dropped in excess of 5%, as measured by the S&P 500® Index. European markets fared even worse. Within a week, however, the prior market highs were regained. It appeared that the rally was back in place but, in fact, it evolved into a frustrating, sideways market throughout the rest of the summer. A brief risk flare in the middle of September loosely linked to Federal Reserve rate hike fears was dispatched relatively quickly and the market level at fiscal year-end was near all-time highs.

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

The Fund trailed the S&P 500® Index by over 11% for the year. This underperformance was primarily due to two whipsaw events that occurred in rapid succession.

A "whipsaw" event is when a stock (or index) price quickly reverses direction. The Fund can be impacted by these events because price moves drive both the portfolio allocations and the risk management mechanisms. For example, the dramatic risk flare that occurred in August and September 2015 (at the end of the Fund's 2015 fiscal year) caused the Fund to adopt a defensive posture and introduce a significant allocation to cash equivalents. During the first week of October 2015, the Fund reached a 100% allocation to cash equivalents. This defensive positioning was adopted as each of the nine (at the time) sectors within the S&P 500® Index fell below their 200-day average levels (a measurement that is subject to a five-day confirmation period). The timing was unfortunate, as it became clear in hindsight that the market's strong recovery had already begun. Full equity exposure didn't resume until the beginning of November, at which point the Fund had locked in 8.04% of underperformance. By that time, the market had begun to weaken once again.

A similar whipsaw event occurred in the first quarter of 2016. Between December 31, 2015 and March 24, 2016, the performance of the U.S. stock market was

essentially flat. In the early weeks of the quarter, though, the market had declined by more than 10%. The severity of the decline, and the steepness of the subsequent recovery, led to another situation where the Fund adopted a large allocation to cash equivalents, just in time for the recovery to begin. In this case, the Fund handled the whipsaw much better, but still locked in a loss of 1.41%. One big difference during this whipsaw as compared to the last was the relatively smaller allocation to cash equivalents, maxing out at around 60% of the portfolio.

The Fund has built-in mechanisms to mitigate the negative impact of this sort of event, but whipsaws cannot be avoided entirely. The most damaging feature of the past year, though, was the fact that the Fund experienced two whipsaw events in a relatively short period of time. While single, isolated whipsaw events can be observed with some frequency, it is exceedingly rare for two severe events to occur so close together.

The damage caused by these two whipsaw events can be seen if we separate the performance on those days when the Fund was fully invested from those days when the Fund had an allocation to cash equivalents. Over 9% of the underperformance experienced during the year occurred during periods when the Fund had a defensive cash equivalent position in place.

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

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

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

Ticker Symbols:
Class A: PWBAX
Class C: PWBCX
Class I: VARIX

Sector Trend Fund (Continued)

Allocation: The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

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

Asset Allocation

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

| | |
|------------------------|--------------------|
| Consumer Staples | 20% |
| Utilities | 20 |
| Consumer Discretionary | 15 |
| Health Care | 15 |
| Energy | 5 |
| Industrials | 5 |
| Financials | 5 |
| Other | <u>15</u> |
| Total | <u><u>100%</u></u> |

Sector Trend Fund (Continued)

Average Annual Total Returns¹ for periods ended 9/30/16

| | 1 year | 5 years | 10 years | Since Inception | Inception Date |
|--|--------------|--------------|--------------|--------------------------|----------------|
| Class A Shares at NAV^{2,7} | 3.45% | 9.96% | 5.38% | — | — |
| Class A Shares at POP^{3,4} | -2.49 | 8.66 | 4.76 | — | — |
| Class C Shares at NAV² and with CDSC⁴ | 2.60 | 9.12 | 4.60 | — | — |
| Class I Shares at NAV | 3.65 | 10.21 | — | 10.02% | 10/1/09 |
| S&P 500[®] Index | 15.43 | 16.37 | 7.24 | 13.59⁵ | — |

Fund Expense Ratios⁶: A Shares 1.01%; C Shares 1.76%; I Shares 0.76%.

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

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

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

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

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

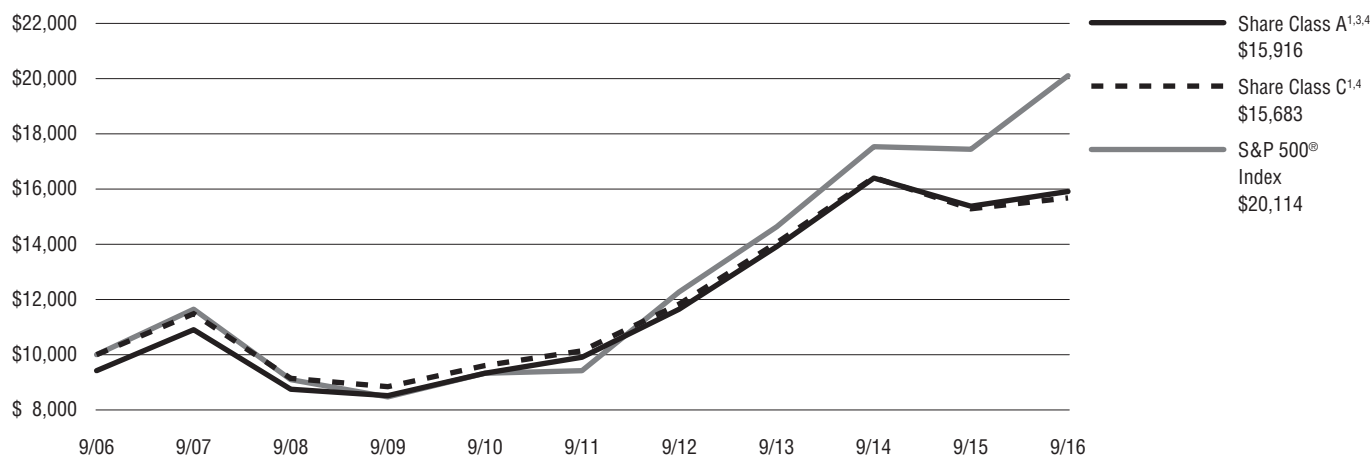
⁵ The since inception index returns are from the inception date of Class I shares.

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

⁷ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

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

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



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

VIRTUS ALTERNATIVES DIVERSIFIER FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE |
|---|---------|---------------|
| AFFILIATED MUTUAL FUNDS⁽³⁾—50.0% | | |
| Equity Funds—42.4% | | |
| Virtus Global Infrastructure Fund Class I | 684,076 | \$ 9,734 |
| Virtus Global Real Estate Securities Fund Class I | 176,175 | 5,143 |
| Virtus International Real Estate Securities Fund Class I | 766,372 | 5,564 |
| Virtus Real Estate Securities Fund Class I | 118,789 | 4,375 |
| | | <u>24,816</u> |
| Fixed Income Fund—7.6% | | |
| Virtus Senior Floating Rate Fund Class I | 475,774 | 4,486 |
| TOTAL AFFILIATED MUTUAL FUNDS (Identified Cost \$20,545) | | 29,302 |
| EXCHANGE-TRADED FUNDS⁽³⁾—49.0% | | |
| Global X Uranium Index Fund | 1,570 | 21 |
| iShares S&P North American Natural Resources Sector Index Fund | 308,910 | 10,645 |
| PowerShares DB Commodity Index Tracking Fund ⁽²⁾ | 539,600 | 8,099 |
| PowerShares DB G10 Currency Harvest Fund ⁽²⁾ | 226,250 | 5,638 |
| Vaneck Vectors Agribusiness Index Fund | 40,700 | 2,033 |
| Vaneck Vectors Coal Index Fund | 172,332 | 2,034 |
| WisdomTree Managed Futures Strategy Fund ⁽²⁾ | 5,800 | 244 |
| TOTAL EXCHANGE-TRADED FUNDS (Identified Cost \$27,197) | | 28,714 |
| TOTAL LONG TERM INVESTMENTS—99.0% (Identified Cost \$47,742) | | 58,016 |

| | SHARES | VALUE |
|---|---------|-----------------------------|
| SHORT-TERM INVESTMENT—0.6% | | |
| Money Market Mutual Fund—0.6% | | |
| JPMorgan U.S. Government Money Market Fund – Institutional Shares (seven-day effective yield 0.360%) ⁽³⁾ | 324,668 | \$ 325 |
| TOTAL SHORT-TERM INVESTMENT (Identified Cost \$325) | | 325 |
| TOTAL INVESTMENTS—99.6% (Identified Cost \$48,067) | | 58,341⁽¹⁾ |
| Other assets and liabilities, net—0.4% | | <u>218</u> |
| NET ASSETS—100.0% | | \$58,559 |

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 these funds are publicly offered and the prospectus and annual reports of each 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: | | |
| Affiliated Mutual Funds | \$29,302 | \$29,302 |
| Exchange-Traded Funds | 28,714 | 28,714 |
| Short-Term Investments | 325 | 325 |
| Total Investments | \$58,341 | \$58,341 |

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

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

See Notes to Financial Statements

VIRTUS EQUITY TREND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|---|---------|----------|---|--------|---------|---|--------|--------|
| COMMON STOCKS—99.3% | | | Consumer Staples—continued | | | Health Care—continued | | |
| Consumer Discretionary—24.1% | | | Kellogg Co. | | | Endo International plc ⁽²⁾ | | |
| Advance Auto Parts, Inc. | 13,416 | \$ 2,001 | Kimberly-Clark Corp. | | | Henry Schein, Inc. ⁽²⁾ | | |
| Amazon.com, Inc. ⁽²⁾ | 15,388 | 12,884 | Kraft Heinz Co.(The) | | | Hologic, Inc. ⁽²⁾ | | |
| AutoNation, Inc. ⁽²⁾ | 13,387 | 652 | McCormick & Co., Inc. | | | Humana, Inc. | | |
| AutoZone, Inc. ⁽²⁾ | 5,496 | 4,223 | Mead Johnson Nutrition Co. | | | Illumina, Inc. ⁽²⁾ | | |
| Best Buy Co., Inc. | 389,420 | 14,868 | Molson Coors Brewing Co. | | | Intuitive Surgical, Inc. ⁽²⁾ | | |
| CarMax, Inc. ⁽²⁾ | 36,931 | 1,970 | Class B | | | Johnson & Johnson | | |
| Chipotle Mexican Grill, Inc. ⁽²⁾ | 1,784 | 755 | Mondelez International, Inc. | | | Mallinckrodt plc ⁽²⁾ | | |
| Comcast Corp. Class A | 165,054 | 10,950 | Class A | | | McKesson Corp. | | |
| Darden Restaurants, Inc. | 6,284 | 385 | Monster Beverage Corp. ⁽²⁾ | | | Medtronic plc | | |
| Dollar General Corp. | 44,493 | 3,114 | PepsiCo, Inc. | | | Merck & Co., Inc. | | |
| Dollar Tree, Inc. ⁽²⁾ | 36,734 | 2,899 | Philip Morris International, Inc. | | | Mylan NV ⁽²⁾ | | |
| Expedia, Inc. | 5,048 | 589 | Procter & Gamble Co. (The) | | | Patterson Cos., Inc. | | |
| Foot Locker, Inc. | 17,649 | 1,195 | Reynolds American, Inc. | | | PerkinElmer, Inc. | | |
| Gap, Inc. (The) | 33,223 | 739 | Sysco Corp. | | | Perrigo Co. plc | | |
| Genuine Parts Co. | 150,046 | 15,072 | Tyson Foods, Inc. Class A | | | Pfizer, Inc. | | |
| Hasbro, Inc. | 79,033 | 6,270 | Walgreens Boots Alliance, Inc. | | | St. Jude Medical, Inc. | | |
| Home Depot, Inc. (The) | 79,754 | 10,263 | | | | Stryker Corp. | | |
| Horton (D.R.), Inc. | 146,179 | 4,415 | | | 121,497 | Thermo Fisher Scientific, Inc. | | |
| Interpublic Group of Cos., Inc. (The) | 242,069 | 5,410 | Energy—1.5% | | | UnitedHealth Group, Inc. | | |
| L Brands, Inc. | 35,589 | 2,519 | Marathon Petroleum Corp. | | | Varian Medical Systems, Inc. ⁽²⁾ | | |
| Leggett & Platt, Inc. | 79,617 | 3,629 | Phillips 66 | | | Waters Corp. ⁽²⁾ | | |
| Lennar Corp. Class A | 79,754 | 3,377 | Tesoro Corp. | | | Zimmer Biomet Holdings, Inc. | | |
| LKQ Corp. ⁽²⁾ | 179,910 | 6,380 | Valero Energy Corp. | | | Zoetis, Inc. | | |
| Lowe's Cos., Inc. | 56,497 | 4,080 | | | 14,641 | | | 85,830 |
| Mattel, Inc. | 238,916 | 7,234 | Financials—4.4% | | | Industrials—11.4% | | |
| McDonald's Corp. | 52,550 | 6,062 | Allstate Corp. (The) | | | 3M Co. | | |
| Mohawk Industries, Inc. ⁽²⁾ | 37,194 | 7,451 | AON plc | | | Allegion plc | | |
| Netflix, Inc. ⁽²⁾ | 16,617 | 1,638 | CHUBB Ltd. | | | Avery Dennison Corp. | | |
| Newell Brands, Inc. | 252,632 | 13,304 | Cincinnati Financial Corp. | | | Boeing Co. (The) | | |
| NIKE, Inc. Class B | 231,187 | 12,172 | CME Group, Inc. | | | Cintas Corp. | | |
| O'Reilly Automotive, Inc. ⁽²⁾ | 17,865 | 5,004 | Intercontinental Exchange, Inc. | | | Dover Corp. | | |
| Omnicom Group, Inc. | 138,664 | 11,786 | Marsh & McLennan Cos., Inc. | | | Dun & Bradstreet Corp. (The) | | |
| Priceline Group, Inc. (The) ⁽²⁾ | 2,005 | 2,950 | Moody's Corp. | | | Equifax, Inc. | | |
| PulteGroup, Inc. | 141,512 | 2,836 | NASDAQ OMX Group, Inc. (The) | | | Flowserve Corp. | | |
| Ross Stores, Inc. | 55,624 | 3,577 | Progressive Corp. (The) | | | Fortive Corp. | | |
| Starbucks Corp. | 85,561 | 4,632 | S&P Global, Inc. | | | General Dynamics Corp. | | |
| Target Corp. | 95,614 | 6,567 | Travelers Cos., Inc. (The) | | | General Electric Co. | | |
| TJX Cos., Inc. (The) | 92,208 | 6,895 | Willis Towers Watson plc | | | Honeywell International, Inc. | | |
| TripAdvisor, Inc. ⁽²⁾ | 4,356 | 275 | XL Group Ltd. | | | Illinois Tool Works, Inc. | | |
| Urban Outfitters, Inc. ⁽²⁾ | 13,983 | 483 | | | 42,279 | Ingersoll-Rand plc | | |
| Wynn Resorts Ltd. | 163,362 | 15,915 | Health Care—9.0% | | | L-3 Communications Holdings, Inc. | | |
| Yum! Brands, Inc. | 24,629 | 2,237 | Abbott Laboratories | | | Lockheed Martin Corp. | | |
| | | 229,657 | Aetna, Inc. | | | Masco Corp. | | |
| | | | Agilent Technologies, Inc. | | | Nielsen Holdings plc | | |
| Consumer Staples—12.8% | | | Allergan plc | | | Northrop Grumman Corp. | | |
| Altria Group, Inc. | 83,263 | 5,265 | AmerisourceBergen Corp. | | | Parker Hannifin Corp. | | |
| Brown-Forman Corp. Class B | 84,798 | 4,023 | Anthem, Inc. | | | Pentair plc | | |
| Campbell Soup Co. | 9,595 | 525 | Bard (C.R.), Inc. | | | Raytheon Co. | | |
| Church & Dwight Co., Inc. | 9,571 | 459 | Baxter International, Inc. | | | Republic Services, Inc. | | |
| Clorox Co. (The) | 4,955 | 620 | Becton, Dickinson & Co. | | | Rockwell Collins, Inc. | | |
| Coca-Cola Co. (The) | 162,326 | 6,870 | Boston Scientific Corp. ⁽²⁾ | | | Roper Technologies, Inc. | | |
| Colgate-Palmolive Co. | 35,066 | 2,600 | Bristol-Myers Squibb Co. | | | Snap-On, Inc. | | |
| ConAgra Foods, Inc. | 24,197 | 1,140 | Cardinal Health, Inc. | | | Stanley Black & Decker, Inc. | | |
| Constellation Brands, Inc. Class A | 80,118 | 13,339 | Centene Corp. ⁽²⁾ | | | Stericycle, Inc. ⁽²⁾ | | |
| CVS Health Corp. | 64,629 | 5,751 | Cigna Corp. | | | Textron, Inc. | | |
| Dr. Pepper Snapple Group, Inc. | 6,542 | 597 | Danaher Corp. | | | TransDigm Group, Inc. ⁽²⁾ | | |
| General Mills, Inc. | 31,857 | 2,035 | DENTSPLY SIRONA, Inc. | | | United Technologies Corp. | | |
| Hershey Co. (The) | 8,539 | 816 | Edwards Lifesciences Corp. ⁽²⁾ | | | Waste Management, Inc. | | |
| Hormel Foods Corp. | 12,918 | 490 | Eli Lilly & Co. | | | Xylem, Inc. | | |
| J.M. Smucker Co. (The) | 5,669 | 768 | | | 108,030 | | | |

See Notes to Financial Statements

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

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE | | | | | | | | | | | | |
|--|-----------------------------------|-----------------------|---|---------|----------|---|--------|----------|--|-----------------------------------|-----------------------|--------------------|--|--|---------------|-----------|-----------|-------------------|-----------|-----------|
| Information Technology—14.0% | | | | | | Utilities—continued | | | | | | | | | | | | | | |
| Activision Blizzard, Inc. | 148,674 | \$ 6,586 | Materials—continued | | | Exelon Corp. | 33,150 | \$ 1,104 | | | | | | | | | | | | |
| Adobe Systems, Inc. ⁽²⁾ | 49,841 | 5,410 | International Paper Co. | 104,012 | \$ 4,990 | FirstEnergy Corp. | 14,132 | 467 | | | | | | | | | | | | |
| Akamai Technologies, Inc. ⁽²⁾ | 7,701 | 408 | Martin Marietta Materials, Inc. | 39,263 | 7,032 | NextEra Energy, Inc. | 16,228 | 1,985 | | | | | | | | | | | | |
| Alliance Data Systems Corp. ⁽²⁾ | 1,655 | 355 | Newmont Mining Corp. | 453,117 | 17,803 | NiSource, Inc. | 18,375 | 443 | | | | | | | | | | | | |
| Alphabet, Inc. Class A ⁽²⁾ | 6,018 | 4,839 | Nucor Corp. | 275,333 | 13,615 | PG&E Corp. | 26,054 | 1,594 | | | | | | | | | | | | |
| Alphabet, Inc. Class C ⁽²⁾ | 6,175 | 4,800 | PPG Industries, Inc. | 32,286 | 3,337 | Pinnacle West Capital Corp. | 4,767 | 362 | | | | | | | | | | | | |
| Amphenol Corp. Class A | 110,554 | 7,177 | Sealed Air Corp. | 49,541 | 2,270 | PPL Corp. | 23,185 | 802 | | | | | | | | | | | | |
| Analog Devices, Inc. | 9,171 | 591 | Sherwin-Williams Co. (The) | 9,488 | 2,625 | Public Service Enterprise Group, Inc. | 27,757 | 1,162 | | | | | | | | | | | | |
| Applied Materials, Inc. | 298,939 | 9,013 | Vulcan Materials Co. | 79,387 | 9,029 | SCANA Corp. | 7,305 | 529 | | | | | | | | | | | | |
| Autodesk, Inc. ⁽²⁾ | 22,802 | 1,649 | Westrock Co. | 66,369 | 3,218 | Sempra Energy | 12,902 | 1,383 | | | | | | | | | | | | |
| Automatic Data Processing, Inc. | 11,943 | 1,053 | | | | Southern Co. | 32,290 | 1,656 | | | | | | | | | | | | |
| Broadcom Ltd. | 11,345 | 1,957 | Real Estate—8.0% | | | WEC Energy Group, Inc. | 16,436 | 984 | | | | | | | | | | | | |
| CA, Inc. | 7,448 | 246 | American Tower Corp. | 36,658 | 4,154 | XCEL Energy, Inc. | 17,824 | 733 | | | | | | | | | | | | |
| Citrix Systems, Inc. ⁽²⁾ | 15,245 | 1,299 | Apartment Investment & Management Co. Class A | 25,166 | 1,155 | | | 24,606 | | | | | | | | | | | | |
| Corning, Inc. | 387,635 | 9,168 | AvalonBay Communities, Inc. | 23,056 | 4,100 | TOTAL COMMON STOCKS | | | | | | | | | | | | | | |
| eBay, Inc. ⁽²⁾ | 37,638 | 1,238 | Crown Castle International Corp. | 29,424 | 2,772 | (Identified Cost \$858,155) | | | | | | | | | | | | | | |
| Electronic Arts, Inc. ⁽²⁾ | 91,582 | 7,821 | Digital Realty Trust, Inc. | 10,032 | 974 | TOTAL LONG TERM INVESTMENTS—99.3% | | | | | | | | | | | | | | |
| Facebook, Inc. Class A ⁽²⁾ | 54,189 | 6,951 | Equinix, Inc. | 6,142 | 2,213 | (Identified Cost \$858,155) | | | | | | | | | | | | | | |
| Fidelity National Information Services, Inc. | 7,290 | 562 | Equity Residential | 61,652 | 3,966 | TOTAL INVESTMENTS—99.3% | | | | | | | | | | | | | | |
| First Solar, Inc. ⁽²⁾ | 2,832 | 112 | Essex Property Trust, Inc. | 11,047 | 2,460 | (Identified Cost \$858,155) | | | | | | | | | | | | | | |
| Fiserv, Inc. ⁽²⁾ | 5,920 | 589 | Extra Space Storage, Inc. | 11,023 | 875 | Other assets and liabilities, net—0.7% | | | | | | | | | | | | | | |
| Global Payments, Inc. | 4,974 | 382 | Federal Realty Investment Trust | 7,197 | 1,108 | NET ASSETS—100.0% | | | | | | | | | | | | | | |
| Intel Corp. | 143,728 | 5,426 | General Growth Properties, Inc. | 82,053 | 2,265 | \$951,784 | | | | | | | | | | | | | | |
| Intuit, Inc. | 25,799 | 2,838 | HCP, Inc. | 94,508 | 3,587 | Footnote Legend: | | | | | | | | | | | | | | |
| KLA-Tencor Corp. | 54,832 | 3,822 | Iron Mountain, Inc. | 15,576 | 585 | ⁽¹⁾ Federal Income Tax Information: For tax information at September 30, 2016, see Note 10 | | | | | | | | | | | | | | |
| Lam Research Corp. | 42,188 | 3,996 | Kimco Realty Corp. | 57,684 | 1,670 | Federal Income Tax Information in the Notes to Financial Statements. | | | | | | | | | | | | | | |
| Linear Technology Corp. | 8,237 | 488 | Macerich Co. (The) | 18,773 | 1,518 | ⁽²⁾ Non-income producing. | | | | | | | | | | | | | | |
| MasterCard, Inc. Class A | 25,628 | 2,608 | Prologis, Inc. | 295,047 | 15,797 | 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 Schedules of Investments): | | | | | | | | | | | | | | |
| Microchip Technology, Inc. | 5,825 | 362 | Public Storage | 13,048 | 2,912 | <table border="1"> <thead> <tr> <th></th> <th>Total Value at September 30, 2016</th> <th>Level 1 Quoted Prices</th> </tr> </thead> <tbody> <tr> <td>Equity Securities:</td> <td></td> <td></td> </tr> <tr> <td> Common Stocks</td> <td>\$944,772</td> <td>\$944,772</td> </tr> <tr> <td>Total Investments</td> <td>\$944,772</td> <td>\$944,772</td> </tr> </tbody> </table> | | | | Total Value at September 30, 2016 | Level 1 Quoted Prices | Equity Securities: | | | Common Stocks | \$944,772 | \$944,772 | Total Investments | \$944,772 | \$944,772 |
| | Total Value at September 30, 2016 | Level 1 Quoted Prices | | | | | | | | | | | | | | | | | | |
| Equity Securities: | | | | | | | | | | | | | | | | | | | | |
| Common Stocks | \$944,772 | \$944,772 | | | | | | | | | | | | | | | | | | |
| Total Investments | \$944,772 | \$944,772 | | | | | | | | | | | | | | | | | | |
| Micron Technology, Inc. ⁽²⁾ | 33,906 | 603 | Realty Income Corp. | 32,477 | 2,174 | There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities. | | | | | | | | | | | | | | |
| Microsoft Corp. | 222,506 | 12,816 | Simon Property Group, Inc. | 37,524 | 7,768 | There were no transfers between Level 1 and Level 2 related to securities held at September 30, 2016. | | | | | | | | | | | | | | |
| NVIDIA Corp. | 14,806 | 1,014 | UDR, Inc. | 44,484 | 1,601 | | | | | | | | | | | | | | | |
| Oracle Corp. | 78,358 | 3,078 | Ventas, Inc. | 68,974 | 4,872 | | | | | | | | | | | | | | | |
| Paychex, Inc. | 8,461 | 490 | Welltower, Inc. | 72,964 | 5,455 | | | | | | | | | | | | | | | |
| PayPal Holdings, Inc. ⁽²⁾ | 28,756 | 1,178 | Weyerhaeuser Co. | 68,919 | 2,201 | | | | | | | | | | | | | | | |
| Qorvo, Inc. ⁽²⁾ | 3,719 | 207 | | | | | | | | | | | | | | | | | | |
| QUALCOMM, Inc. | 45,391 | 3,109 | | | 76,182 | | | | | | | | | | | | | | | |
| Red Hat, Inc. ⁽²⁾ | 4,759 | 385 | Telecommunication Services—1.4% | | | | | | | | | | | | | | | | | |
| salesforce.com, Inc. ⁽²⁾ | 62,138 | 4,432 | AT&T, Inc. | 167,768 | 6,813 | | | | | | | | | | | | | | | |
| Skyworks Solutions, Inc. | 5,970 | 455 | CenturyLink, Inc. | 16,310 | 447 | | | | | | | | | | | | | | | |
| Symantec Corp. | 18,429 | 463 | Frontier Communications Corp. | 39,384 | 164 | | | | | | | | | | | | | | | |
| Texas Instruments, Inc. | 30,638 | 2,150 | Verizon Communications, Inc. | 111,574 | 5,800 | | | | | | | | | | | | | | | |
| Total System Services, Inc. | 4,694 | 221 | | | 13,224 | | | | | | | | | | | | | | | |
| VeriSign, Inc. ⁽²⁾ | 3,326 | 260 | Utilities—2.6% | | | | | | | | | | | | | | | | | |
| Verisk Analytics, Inc. ⁽²⁾ | 47,034 | 3,823 | Ameren Corp. | 13,315 | 655 | | | | | | | | | | | | | | | |
| Visa, Inc. Class A | 50,371 | 4,166 | American Electric Power Co., Inc. | 17,198 | 1,104 | | | | | | | | | | | | | | | |
| Western Union Co. (The) | 14,064 | 293 | CenterPoint Energy, Inc. | 25,281 | 587 | | | | | | | | | | | | | | | |
| Xerox Corp. | 26,512 | 269 | CMS Energy Corp. | 15,587 | 655 | | | | | | | | | | | | | | | |
| Xilinx, Inc. | 7,863 | 427 | Consolidated Edison, Inc. | 16,245 | 1,223 | | | | | | | | | | | | | | | |
| Yahoo!, Inc. ⁽²⁾ | 29,250 | 1,261 | Dominion Resources, Inc. | 31,653 | 2,351 | | | | | | | | | | | | | | | |
| | | 132,846 | DTE Energy Co. | 9,849 | 923 | | | | | | | | | | | | | | | |
| | | | Duke Energy Corp. | 24,924 | 1,995 | | | | | | | | | | | | | | | |
| Materials—10.1% | | | Edison International | 11,046 | 798 | | | | | | | | | | | | | | | |
| Alcoa, Inc. ⁽²⁾ | 1,305,081 | 13,233 | Entergy Corp. | 6,562 | 504 | | | | | | | | | | | | | | | |
| Dow Chemical Co. (The) | 120,154 | 6,228 | Eversource Energy | 11,199 | 607 | | | | | | | | | | | | | | | |
| Du Pont (E.I.) de Nemours & Co. | 93,214 | 6,243 | | | | | | | | | | | | | | | | | | |
| Eastman Chemical Co. | 16,353 | 1,107 | | | | | | | | | | | | | | | | | | |
| Ecolab, Inc. | 31,836 | 3,875 | | | | | | | | | | | | | | | | | | |
| International Flavors & Fragrances, Inc. | 9,620 | 1,375 | | | | | | | | | | | | | | | | | | |

See Notes to Financial Statements

VIRTUS GLOBAL EQUITY TREND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|---|--------|-------|---|--------|-------|---|--------|-------|
| COMMON STOCKS—57.2% | | | Consumer Staples—continued | | | Health Care—continued | | |
| Consumer Discretionary—14.2% | | | Kimberly-Clark Corp. | 227 | \$ 29 | Humana, Inc. | 123 | \$ 22 |
| Advance Auto Parts, Inc. | 211 | \$ 31 | Kraft Heinz Co.(The) | 417 | 37 | Illumina, Inc. ⁽²⁾ | 318 | 58 |
| Amazon.com, Inc. ⁽²⁾ | 177 | 148 | McCormick & Co., Inc. | 80 | 8 | Intuitive Surgical, Inc. ⁽²⁾ | 22 | 16 |
| AutoNation, Inc. ⁽²⁾ | 208 | 10 | Mead Johnson Nutrition Co. | 138 | 11 | Johnson & Johnson | 524 | 62 |
| AutoZone, Inc. ⁽²⁾ | 81 | 62 | Molson Coors Brewing Co. Class B | 2,103 | 231 | Mallinckrodt plc ⁽²⁾ | 27 | 2 |
| Best Buy Co., Inc. | 5,838 | 223 | Mondelez International, Inc. | | | McKesson Corp. | 425 | 71 |
| CarMax, Inc. ⁽²⁾ | 537 | 29 | Class A | 1,086 | 48 | Medtronic plc | 728 | 63 |
| Chipotle Mexican Grill, Inc. ⁽²⁾ | 26 | 11 | Monster Beverage Corp. ⁽²⁾ | 73 | 11 | Merck & Co., Inc. | 541 | 34 |
| Comcast Corp. Class A | 2,312 | 153 | PepsiCo, Inc. | 803 | 87 | Mylan NV ⁽²⁾ | 78 | 3 |
| Darden Restaurants, Inc. | 95 | 6 | Philip Morris International, Inc. | 1,012 | 98 | Patterson Cos., Inc. | 157 | 7 |
| Dollar General Corp. | 674 | 47 | Procter & Gamble Co. (The) | 1,573 | 141 | PerkinElmer, Inc. | 196 | 11 |
| Dollar Tree, Inc. ⁽²⁾ | 561 | 44 | Reynolds American, Inc. | 557 | 26 | Perrigo Co. plc | 25 | 2 |
| Expedia, Inc. | 69 | 8 | Sysco Corp. | 4,205 | 206 | Pfizer, Inc. | 1,161 | 39 |
| Foot Locker, Inc. | 344 | 23 | Tyson Foods, Inc. Class A | 211 | 16 | St. Jude Medical, Inc. | 123 | 10 |
| Gap, Inc. (The) | 563 | 13 | Walgreens Boots Alliance, Inc. | 857 | 69 | Stryker Corp. | 158 | 18 |
| Genuine Parts Co. | 2,164 | 217 | | | | Thermo Fisher Scientific, Inc. | 705 | 112 |
| Hasbro, Inc. | 1,067 | 85 | | | 1,670 | UnitedHealth Group, Inc. | 733 | 103 |
| Home Depot, Inc. (The) | 1,088 | 140 | Energy—0.9% | | | Varian Medical Systems, Inc. ⁽²⁾ | 47 | 5 |
| Horton (D.R.), Inc. | 2,439 | 74 | Marathon Petroleum Corp. | 1,257 | 51 | Waters Corp. ⁽²⁾ | 141 | 22 |
| Interpublic Group of Cos., Inc. (The) | 2,633 | 59 | Phillips 66 | 1,131 | 91 | Welltower, Inc. | 1,076 | 81 |
| L Brands, Inc. | 620 | 44 | Tesoro Corp. | 297 | 23 | Zimmer Biomet Holdings, Inc. | 87 | 11 |
| Leggett & Platt, Inc. | 1,329 | 61 | Valero Energy Corp. | 1,146 | 61 | Zoetis, Inc. | 88 | 5 |
| Lennar Corp. Class A | 1,332 | 56 | | | 226 | | | 1,365 |
| LKQ Corp. ⁽²⁾ | 3,241 | 115 | Financials—2.4% | | | Industrials—6.2% | | |
| Lowe's Cos., Inc. | 753 | 54 | Allstate Corp. (The) | 488 | 34 | 3M Co. | 257 | 45 |
| Mattel, Inc. | 3,742 | 113 | AON plc | 699 | 79 | Allegion plc | 1,128 | 78 |
| McDonald's Corp. | 737 | 85 | CHUBB Ltd. | 587 | 74 | Avery Dennison Corp. | 388 | 30 |
| Mohawk Industries, Inc. ⁽²⁾ | 625 | 125 | Cincinnati Financial Corp. | 193 | 14 | Boeing Co. (The) | 295 | 39 |
| Netflix, Inc. ⁽²⁾ | 286 | 28 | CME Group, Inc. | 545 | 57 | Cintas Corp. | 2,225 | 251 |
| Newell Rubbermaid, Inc. | 4,209 | 222 | Intercontinental Exchange, Inc. | 190 | 51 | Dover Corp. | 272 | 20 |
| NIKE, Inc. Class B | 3,606 | 190 | Marsh & McLennan Cos., Inc. | 1,304 | 88 | Dun & Bradstreet Corp. (The) | 130 | 18 |
| O'Reilly Automotive, Inc. ⁽²⁾ | 277 | 78 | Moody's Corp. | 290 | 31 | Equifax, Inc. | 460 | 62 |
| Omnicom Group, Inc. | 1,695 | 144 | NASDAQ OMX Group, Inc. (The) | 196 | 13 | Flowserve Corp. | 224 | 11 |
| Priceline Group, Inc. (The) ⁽²⁾ | 29 | 43 | Progressive Corp. (The) | 826 | 26 | Fortive Corp. | 122 | 6 |
| PulteGroup, Inc. | 2,389 | 48 | Travelers Cos., Inc. (The) | 416 | 48 | General Dynamics Corp. | 116 | 18 |
| Ross Stores, Inc. | 840 | 54 | Willis Towers Watson plc | 355 | 47 | General Electric Co. | 4,319 | 128 |
| Starbucks Corp. | 1,287 | 70 | XL Group Ltd. | 420 | 14 | Honeywell International, Inc. | 356 | 41 |
| Target Corp. | 1,608 | 110 | | | 576 | Illinois Tool Works, Inc. | 535 | 64 |
| TJX Cos., Inc. (The) | 1,310 | 98 | Health Care—5.7% | | | Ingersoll-Rand plc | 420 | 28 |
| TripAdvisor, Inc. ⁽²⁾ | 67 | 4 | Abbott Laboratories | 893 | 38 | L-3 Communications Holdings, Inc. | 24 | 4 |
| Urban Outfitters, Inc. ⁽²⁾ | 203 | 7 | Aetna, Inc. | 284 | 33 | Lockheed Martin Corp. | 117 | 28 |
| Wynn Resorts Ltd. | 2,284 | 223 | Agilent Technologies, Inc. | 568 | 27 | Masco Corp. | 4,007 | 137 |
| Yum! Brands, Inc. | 343 | 31 | Allergan plc ⁽²⁾ | 70 | 16 | Nielsen Holdings plc | 1,542 | 83 |
| | | 3,386 | AmerisourceBergen Corp. | 371 | 30 | Northrop Grumman Corp. | 70 | 15 |
| Consumer Staples—7.0% | | | Anthem, Inc. | 201 | 25 | Parker Hannifin Corp. | 217 | 27 |
| Altria Group, Inc. | 1,229 | 78 | Bard (C.R.), Inc. | 27 | 6 | Pentair plc | 279 | 18 |
| Brown-Forman Corp. Class B | 1,176 | 56 | Baxter International, Inc. | 358 | 17 | Raytheon Co. | 125 | 17 |
| Campbell Soup Co. | 142 | 8 | Becton, Dickinson & Co. | 117 | 21 | Republic Services, Inc. | 1,063 | 54 |
| Church & Dwight Co., Inc. | 151 | 7 | Boston Scientific Corp. ⁽²⁾ | 614 | 15 | Rockwell Collins, Inc. | 66 | 6 |
| Clorox Co. (The) | 78 | 10 | Bristol-Myers Squibb Co. | 319 | 17 | Roper Technologies, Inc. | 40 | 7 |
| Coca-Cola Co. (The) | 2,219 | 94 | Cardinal Health, Inc. | 623 | 48 | Snap-On, Inc. | 92 | 14 |
| Colgate-Palmolive Co. | 556 | 41 | Centene Corp. ⁽²⁾ | 154 | 10 | Stanley Black & Decker, Inc. | 224 | 28 |
| ConAgra Foods, Inc. | 306 | 14 | Cigna Corp. | 201 | 26 | Stericycle, Inc. ⁽²⁾ | 476 | 38 |
| Constellation Brands, Inc. Class A | 960 | 160 | Danaher Corp. | 259 | 20 | Textron, Inc. | 122 | 5 |
| CVS Health Corp. | 1,081 | 96 | DENTSPLY SIRONA, Inc. | 3,350 | 199 | TransDigm Group, Inc. ⁽²⁾ | 31 | 9 |
| Dr. Pepper Snapple Group, Inc. | 119 | 11 | Edwards Lifesciences Corp. ⁽²⁾ | 113 | 14 | United Technologies Corp. | 357 | 36 |
| General Mills, Inc. | 437 | 28 | Eli Lilly & Co. | 190 | 15 | Waste Management, Inc. | 1,766 | 113 |
| Hershey Co. (The) | 121 | 12 | Endo International plc ⁽²⁾ | 39 | 1 | Xylem, Inc. | 276 | 14 |
| Hormel Foods Corp. | 268 | 10 | Henry Schein, Inc. ⁽²⁾ | 150 | 24 | | | 1,492 |
| J.M. Smucker Co. (The) | 91 | 12 | Hologic, Inc. ⁽²⁾ | 151 | 6 | | | |
| Kellogg Co. | 191 | 15 | | | | | | |

See Notes to Financial Statements

VIRTUS GLOBAL EQUITY TREND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|--|--------|--------|---|--------|-------|--|--------|-----------------------------|
| Information Technology—8.1% | | | Materials—continued | | | Utilities—continued | | |
| Activision Blizzard, Inc. | 2,450 | \$ 109 | Martin Marietta Materials, Inc. | 460 | \$ 82 | Public Service Enterprise Group, Inc. | 537 | \$ 23 |
| Adobe Systems, Inc. ⁽²⁾ | 680 | 74 | Newmont Mining Corp. | 6,081 | 239 | SCANA Corp. | 141 | 10 |
| Akamai Technologies, Inc. ⁽²⁾ | 50 | 3 | Nucor Corp. | 4,161 | 206 | Sempra Energy | 222 | 24 |
| Alliance Data Systems Corp. ⁽²⁾ | 24 | 5 | PPG Industries, Inc. | 543 | 56 | Southern Co. | 529 | 27 |
| Alphabet, Inc. Class A ⁽²⁾ | 80 | 64 | Sealed Air Corp. | 837 | 38 | WEC Energy Group, Inc. | 325 | 19 |
| Alphabet, Inc. Class C ⁽²⁾ | 83 | 65 | Sherwin-Williams Co. (The) | 148 | 41 | XCEL Energy, Inc. | 266 | 11 |
| Amphenol Corp. Class A | 1,611 | 105 | Vulcan Materials Co. | 1,037 | 118 | | | |
| Analog Devices, Inc. | 143 | 9 | Westrock Co. | 1,078 | 52 | | | 419 |
| Applied Materials, Inc. | 4,594 | 139 | | | 1,431 | | | |
| Autodesk, Inc. ⁽²⁾ | 346 | 25 | | | | TOTAL COMMON STOCKS | | |
| Automatic Data Processing, Inc. | 201 | 18 | | | | (Identified Cost \$12,522) | | 13,691 |
| Broadcom Ltd. | 180 | 31 | Real Estate—4.1% | | | | | |
| CA, Inc. | 117 | 4 | American Tower Corp. | 482 | 55 | EXCHANGE-TRADED FUNDS⁽³⁾—42.0% | | |
| Citrix Systems, Inc. ⁽²⁾ | 196 | 17 | Apartment Investment & Management Co. Class A | 368 | 17 | iShares MSCI Australia Index Fund | 58,930 | 1,232 |
| Corning, Inc. | 5,684 | 134 | AvalonBay Communities, Inc. | 351 | 62 | iShares MSCI Brazil Capped Index Fund | 41,042 | 1,384 |
| eBay, Inc. ⁽²⁾ | 313 | 10 | Crown Castle International Corp. | 385 | 36 | iShares MSCI Hong Kong Index Fund | 58,212 | 1,281 |
| Electronic Arts, Inc. ⁽²⁾ | 1,526 | 130 | Digital Realty Trust, Inc. | 191 | 19 | iShares MSCI India Index Fund | 42,038 | 1,236 |
| Equinix, Inc. | 78 | 28 | Equity Residential | 978 | 63 | iShares MSCI Japan Index Fund | 95,090 | 1,193 |
| Facebook, Inc. Class A ⁽²⁾ | 570 | 73 | Essex Property Trust, Inc. | 161 | 36 | iShares MSCI South Korea Capped Index Fund | 22,605 | 1,314 |
| Fidelity National Information Services, Inc. | 122 | 9 | Extra Space Storage, Inc. | 149 | 12 | iShares MSCI Switzerland Capped Index Fund | 37,916 | 1,158 |
| First Solar, Inc. ⁽²⁾ | 36 | 1 | Federal Realty Investment Trust | 118 | 18 | iShares MSCI Taiwan Index Fund | 78,821 | 1,238 |
| Fiserv, Inc. ⁽²⁾ | 116 | 12 | General Growth Properties, Inc. | 1,048 | 29 | | | |
| Global Payments, Inc. | 73 | 6 | HCP, Inc. | 1,373 | 52 | TOTAL EXCHANGE-TRADED FUNDS | | |
| Intel Corp. | 2,280 | 86 | Iron Mountain, Inc. | 205 | 8 | (Identified Cost \$9,088) | | 10,036 |
| Intuit, Inc. | 358 | 39 | Kimco Realty Corp. | 683 | 20 | | | |
| KLA-Tencor Corp. | 885 | 62 | Macerich Co. (The) | 203 | 16 | TOTAL LONG TERM INVESTMENTS—99.2% | | |
| Lam Research Corp. | 625 | 59 | Prologis, Inc. | 4,399 | 235 | (Identified Cost \$21,610) | | 23,727 |
| Linear Technology Corp. | 121 | 7 | Public Storage | 192 | 43 | | | |
| MasterCard, Inc. Class A | 431 | 44 | Realty Income Corp. | 430 | 29 | TOTAL INVESTMENTS—99.2% | | |
| Microchip Technology, Inc. | 99 | 6 | Simon Property Group, Inc. | 520 | 108 | (Identified Cost \$21,610) | | 23,727⁽¹⁾ |
| Micron Technology, Inc. ⁽²⁾ | 492 | 9 | UDR, Inc. | 706 | 25 | Other assets and liabilities, net—0.8% | | 203 |
| Microsoft Corp. | 2,886 | 166 | Ventas, Inc. | 1,010 | 71 | | | |
| NVIDIA Corp. | 189 | 13 | Weyerhaeuser Co. | 949 | 30 | | | |
| Oracle Corp. | 1,163 | 46 | | | 984 | NET ASSETS—100.0% | | \$23,930 |
| Paychex, Inc. | 136 | 8 | | | | | | |
| PayPal Holdings, Inc. ⁽²⁾ | 492 | 20 | Telecommunication Services—0.8% | | | Footnote Legend: | | |
| Qorvo, Inc. ⁽²⁾ | 41 | 2 | AT&T, Inc. | 2,492 | 101 | ⁽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. | | |
| QUALCOMM, Inc. | 649 | 44 | CenturyLink, Inc. | 233 | 7 | ⁽²⁾ Non-income producing. | | |
| Red Hat, Inc. ⁽²⁾ | 73 | 6 | Frontier Communications Corp. | 491 | 2 | ⁽³⁾ Shares of these funds are publicly offered and the prospectus and annual reports of each are publicly available. | | |
| salesforce.com, Inc. ⁽²⁾ | 810 | 58 | Verizon Communications, Inc. | 1,639 | 85 | | | |
| Skyworks Solutions, Inc. | 101 | 8 | | | 195 | Country Weightings (Unaudited)[†] | | |
| Symantec Corp. | 270 | 7 | | | | United States | 83% | |
| Texas Instruments, Inc. | 463 | 32 | Utilities—1.8% | | | Korea | 6 | |
| Total System Services, Inc. | 73 | 3 | Ameren Corp. | 258 | 13 | India | 5 | |
| VeriSign, Inc. ⁽²⁾ | 20 | 2 | American Electric Power Co., Inc. | 277 | 18 | Taiwan | 5 | |
| Verisk Analytics, Inc. ⁽²⁾ | 671 | 55 | CenterPoint Energy, Inc. | 447 | 10 | Ireland | 1 | |
| Visa, Inc. Class A | 837 | 69 | CMS Energy Corp. | 285 | 12 | Total | 100% | |
| Western Union Co. (The) | 214 | 4 | Consolidated Edison, Inc. | 306 | 23 | | | |
| Xerox Corp. | 444 | 4 | Dominion Resources, Inc. | 615 | 46 | | | |
| Xilinx, Inc. | 123 | 7 | DTE Energy Co. | 191 | 18 | | | |
| Yahoo!, Inc. ⁽²⁾ | 226 | 10 | Duke Energy Corp. | 398 | 32 | | | |
| | | 1,947 | Edison International | 190 | 14 | | | |
| | | | Entergy Corp. | 114 | 9 | | | |
| Materials—6.0% | | | Eversource Energy | 198 | 11 | | | |
| Alcoa, Inc. | 22,122 | 224 | Exelon Corp. | 522 | 17 | | | |
| Dow Chemical Co. (The) | 1,806 | 94 | FirstEnergy Corp. | 271 | 9 | | | |
| Du Pont (E.I.) de Nemours & Co. | 1,380 | 92 | NextEra Energy, Inc. | 257 | 31 | | | |
| Eastman Chemical Co. | 256 | 17 | NiSource, Inc. | 332 | 8 | | | |
| Ecolab, Inc. | 535 | 65 | PG&E Corp. | 271 | 17 | | | |
| International Flavors & Fragrances, Inc. | 157 | 23 | Pinnacle West Capital Corp. | 72 | 5 | | | |
| International Paper Co. | 1,741 | 84 | PPL Corp. | 357 | 12 | | | |

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

See Notes to Financial Statements

VIRTUS GLOBAL EQUITY TREND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

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

| | Total Value at September 30, 2016 | Level 1 Quoted Prices |
|--------------------------|---|--------------------------|
| Equity Securities: | | |
| Common Stocks | \$13,691 | \$13,691 |
| Exchange-Traded Funds | 10,036 | 10,036 |
| Total Investments | <u>\$23,727</u> | <u>\$23,727</u> |

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

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

VIRTUS HERZFELD FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE |
|---|-----------|---------------|--|--------|-------|
| CLOSED END FUNDS⁽³⁾—54.1% | | | | | |
| Equity Funds—29.8% | | | | | |
| Adams Diversified Equity Fund, Inc. | 52,189 | \$ 686 | | | |
| Adams Natural Resources Fund, Inc. | 37,946 | 756 | | | |
| Allianzgi NFJ Dividend Interest & Premium Strategy Fund | 57,707 | 729 | | | |
| Alpine Total Dynamic Dividend Fund | 126,834 | 968 | | | |
| BlackRock Science & Technology Trust | 122,284 | 2,278 | | | |
| Boulder Growth & Income Fund, Inc. | 261,002 | 2,187 | | | |
| Gabelli Healthcare & WellnessRx Trust (The) | 57,157 | 596 | | | |
| Gabelli Multimedia Trust, Inc. | 36,000 | 277 | | | |
| General American Investors Co., Inc. | 29,765 | 972 | | | |
| Liberty All Star Equity Fund | 183,754 | 952 | | | |
| Salient Midstream & MLP Fund | 115,986 | 1,471 | | | |
| Special Opportunities Fund, Inc. | 2,824 | 73 | | | |
| Tortoise Pipeline & Energy Fund, Inc. | 74,979 | 1,588 | | | |
| Tri-Continental Corp. | 24,736 | 529 | | | |
| | | <u>14,062</u> | | | |
| Fixed Income Funds—6.5% | | | | | |
| NexPoint Credit Strategies Fund | 90,845 | 2,020 | | | |
| PIMCO Dynamic Credit Income Fund | 50,240 | 1,024 | | | |
| | | <u>3,044</u> | | | |
| International Equity Funds—17.1% | | | | | |
| Aberdeen Japan Equity Fund, Inc. | 71,048 | 584 | | | |
| Alpine Global Dynamic Dividend Fund | 105,759 | 920 | | | |
| Clough Global Opportunities Fund | 40,477 | 391 | | | |
| Delaware Enhanced Global Dividend and Income Fund | 18,872 | 191 | | | |
| First Trust Dynamic Europe Equity Income Fund | 38,955 | 612 | | | |
| Japan Smaller Capitalization Fund, Inc. | 56,954 | 602 | | | |
| New Germany Fund, Inc. (The) | 45,240 | 649 | | | |
| International Equity Funds—continued | | | | | |
| Taiwan Fund, Inc. (The) ⁽²⁾ | 10,400 | \$ 180 | | | |
| Tekla Healthcare Opportunities Fund | 123,203 | 2,154 | | | |
| Tekla World Healthcare Fund | 106,990 | 1,569 | | | |
| Templeton Dragon Fund, Inc. | 10,137 | 178 | | | |
| | | <u>8,030</u> | | | |
| International Fixed Income Fund—0.7% | | | | | |
| Diversified Real Asset Income Fund | 19,626 | 338 | | | |
| TOTAL CLOSED END FUNDS (Identified Cost \$25,205) 25,474 | | | | | |
| PREFERRED STOCKS—25.4% | | | | | |
| Financials—25.4% | | | | | |
| Eagle Point Credit Co., Inc. 7.00% | 152,396 | 3,889 | | | |
| Eagle Point Credit Co., Inc. Series A 7.75% | 19,349 | 507 | | | |
| MVC Capital, Inc. 7.25% | 84,231 | 2,127 | | | |
| Oxford Lane Capital Corp. 7.50% | 61,456 | 1,577 | | | |
| Oxford Lane Capital Corp. 8.125% | 150,730 | 3,881 | | | |
| TOTAL PREFERRED STOCKS (Identified Cost \$11,614) 11,981 | | | | | |
| TOTAL LONG TERM INVESTMENTS—79.5% (Identified Cost \$36,819) 37,455 | | | | | |
| SHORT-TERM INVESTMENT—19.4% | | | | | |
| Money Market Mutual Fund—19.4% | | | | | |
| JPMorgan U.S. Government Money Market Fund – Institutional Shares (seven-day effective yield 0.360%) ⁽³⁾ | 9,167,116 | 9,167 | | | |
| TOTAL SHORT-TERM INVESTMENT (Identified Cost \$9,167) 9,167 | | | | | |
| TOTAL INVESTMENTS—98.9% (Identified Cost \$45,986) 46,622⁽¹⁾ | | | | | |
| Other assets and liabilities, net—1.1% | | 517 | | | |
| NET ASSETS—100.0% \$47,139 | | | | | |

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 these funds are publicly offered and the prospectus and annual reports of each 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: | | |
| Closed-End Funds | \$25,474 | \$25,474 |
| Preferred Stocks | 11,981 | 11,981 |
| Short-Term Investments | 9,167 | 9,167 |
| Total Investments | <u>\$46,622</u> | <u>\$46,622</u> |

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

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

See Notes to Financial Statements

VIRTUS MULTI-ASSET TREND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|---|--------|--------|---|--------|-------|---|--------|-------|
| COMMON STOCKS—35.9% | | | Consumer Staples—continued | | | Health Care—continued | | |
| Consumer Discretionary—8.4% | | | Kimberly-Clark Corp. | 764 | \$ 96 | Endo International plc ⁽²⁾ | 138 | \$ 3 |
| Advance Auto Parts, Inc. | 661 | \$ 99 | Kraft Heinz Co. (The) | 2,421 | 217 | Henry Schein, Inc. ⁽²⁾ | 428 | 70 |
| Amazon.com, Inc. ⁽²⁾ | 787 | 659 | McCormick & Co., Inc. | 549 | 55 | Hologic, Inc. ⁽²⁾ | 389 | 15 |
| AutoNation, Inc. ⁽²⁾ | 748 | 36 | Mead Johnson Nutrition Co. | 798 | 63 | Humana, Inc. | 423 | 75 |
| AutoZone, Inc. ⁽²⁾ | 299 | 230 | Molson Coors Brewing Co. | | | Illumina, Inc. ⁽²⁾ | 1,000 | 182 |
| Best Buy Co., Inc. | 20,240 | 773 | Class B | 8,460 | 929 | Intuitive Surgical, Inc. ⁽²⁾ | 81 | 59 |
| CarMax, Inc. ⁽²⁾ | 1,908 | 102 | Mondelez International, Inc. | | | Johnson & Johnson | 1,382 | 163 |
| Chipotle Mexican Grill, Inc. ⁽²⁾ | 135 | 57 | Class A | 6,664 | 292 | Mallinckrodt plc ⁽²⁾ | 73 | 5 |
| Comcast Corp. Class A | 8,601 | 571 | Monster Beverage Corp. ⁽²⁾ | 316 | 46 | McKesson Corp. | 1,143 | 191 |
| Darden Restaurants, Inc. | 460 | 28 | PepsiCo, Inc. | 3,020 | 328 | Medtronic plc | 2,614 | 226 |
| Dollar General Corp. | 2,232 | 156 | Philip Morris International, Inc. | 3,966 | 386 | Merck & Co., Inc. | 1,421 | 89 |
| Dollar Tree, Inc. ⁽²⁾ | 1,894 | 150 | Procter & Gamble Co. (The) | 5,525 | 496 | Mylan NV ⁽²⁾ | 244 | 9 |
| Expedia, Inc. | 275 | 32 | Reynolds American, Inc. | 3,343 | 158 | Patterson Cos., Inc. | 442 | 20 |
| Foot Locker, Inc. | 937 | 63 | Sysco Corp. | 17,367 | 851 | PerkinElmer, Inc. | 830 | 47 |
| Gap, Inc. (The) | 1,495 | 33 | Tyson Foods, Inc. Class A | 988 | 74 | Perrigo Co. plc | 94 | 9 |
| Genuine Parts Co. | 7,559 | 759 | Walgreens Boots Alliance, Inc. | 2,258 | 182 | Pfizer, Inc. | 3,062 | 104 |
| Hasbro, Inc. | 3,965 | 315 | | | | St. Jude Medical, Inc. | 490 | 39 |
| Home Depot, Inc. (The) | 4,076 | 525 | | | | Stryker Corp. | 643 | 75 |
| Horton (D.R.), Inc. | 6,505 | 196 | | | | Thermo Fisher Scientific, Inc. | 2,637 | 419 |
| Interpublic Group of Cos., Inc. (The) | 15,114 | 338 | Energy—0.6% | | | UnitedHealth Group, Inc. | 2,604 | 364 |
| L Brands, Inc. | 1,854 | 131 | Marathon Petroleum Corp. | 4,322 | 175 | Varian Medical Systems, Inc. ⁽²⁾ | 191 | 19 |
| Leggett & Platt, Inc. | 3,538 | 161 | Phillips 66 | 3,911 | 315 | Waters Corp. ⁽²⁾ | 526 | 83 |
| Lennar Corp. Class A | 3,545 | 150 | Tesoro Corp. | 964 | 77 | Zimmer Biomet Holdings, Inc. | 369 | 48 |
| LKQ Corp. ⁽²⁾ | 9,377 | 333 | Valero Energy Corp. | 3,845 | 204 | Zoetis, Inc. | 256 | 13 |
| Lowe's Cos., Inc. | 3,004 | 217 | | | | | | 4,441 |
| Mattel, Inc. | 12,259 | 371 | Financials—1.7% | | | Industrials—4.1% | | |
| McDonald's Corp. | 2,675 | 309 | Allstate Corp. (The) | 2,733 | 189 | 3M Co. | 1,487 | 262 |
| Mohawk Industries, Inc. ⁽²⁾ | 1,680 | 337 | AON plc | 2,685 | 302 | Allegion plc | 4,434 | 306 |
| Netflix, Inc. ⁽²⁾ | 948 | 93 | CHUBB Ltd. | 2,977 | 374 | Avery Dennison Corp. | 1,028 | 80 |
| Newell Brands, Inc. | 11,217 | 591 | Cincinnati Financial Corp. | 1,012 | 76 | Boeing Co. (The) | 1,024 | 135 |
| NIKE, Inc. Class B | 11,763 | 619 | CME Group, Inc. | 1,470 | 154 | Cintas Corp. | 7,928 | 893 |
| O'Reilly Automotive, Inc. ⁽²⁾ | 914 | 256 | Four Corners Property Trust, Inc. | 90 | 2 | Dover Corp. | 1,008 | 74 |
| Omnicom Group, Inc. | 6,773 | 576 | Intercontinental Exchange, Inc. | 533 | 144 | Dun & Bradstreet Corp. (The) | 555 | 76 |
| Priceline Group, Inc. (The) ⁽²⁾ | 126 | 185 | Marsh & McLennan Cos., Inc. | 5,037 | 339 | Equifax, Inc. | 1,810 | 244 |
| PulteGroup, Inc. | 6,278 | 126 | Moody's Corp. | 755 | 82 | Flowserve Corp. | 888 | 43 |
| Ross Stores, Inc. | 2,807 | 180 | NASDAQ OMX Group, Inc. (The) | 543 | 37 | Fortive Corp. | 678 | 34 |
| Starbucks Corp. | 4,281 | 232 | Progressive Corp. (The) | 4,045 | 127 | General Dynamics Corp. | 506 | 78 |
| Target Corp. | 4,896 | 336 | S&P Global, Inc. | 1,159 | 147 | General Electric Co. | 16,700 | 495 |
| TJX Cos., Inc. (The) | 4,806 | 359 | Travelers Cos., Inc. (The) | 1,973 | 226 | Honeywell International, Inc. | 1,300 | 152 |
| TripAdvisor, Inc. ⁽²⁾ | 237 | 15 | Willis Towers Watson plc | 1,305 | 173 | Illinois Tool Works, Inc. | 1,948 | 233 |
| Urban Outfitters, Inc. ⁽²⁾ | 523 | 18 | XL Group Ltd. | 2,037 | 68 | Ingersoll-Rand plc | 1,536 | 104 |
| Wynn Resorts Ltd. | 8,304 | 809 | | | | L-3 Communications Holdings, Inc. | 144 | 22 |
| Yum! Brands, Inc. | 1,292 | 117 | | | 2,440 | Lockheed Martin Corp. | 387 | 93 |
| | | 11,643 | Health Care—3.2% | | | Masco Corp. | 15,495 | 532 |
| Consumer Staples—4.8% | | | Abbott Laboratories | 2,818 | 119 | Nielsen Holdings plc | 5,562 | 298 |
| Altria Group, Inc. | 4,928 | 312 | Aetna, Inc. | 922 | 106 | Northrop Grumman Corp. | 294 | 63 |
| Brown-Forman Corp. Class B | 4,251 | 202 | Agilent Technologies, Inc. | 2,310 | 109 | Parker Hannifin Corp. | 826 | 104 |
| Campbell Soup Co. | 880 | 48 | Allergan plc ⁽²⁾ | 238 | 55 | Pentair plc | 1,013 | 65 |
| Church & Dwight Co., Inc. | 588 | 28 | AmerisourceBergen Corp. | 1,000 | 81 | Raytheon Co. | 550 | 75 |
| Clorox Co. (The) | 335 | 42 | Anthem, Inc. | 761 | 95 | Republic Services, Inc. | 3,946 | 199 |
| Coca-Cola Co. (The) | 8,247 | 349 | Bard (C.R.), Inc. | 145 | 32 | Rockwell Collins, Inc. | 164 | 14 |
| Colgate-Palmolive Co. | 1,866 | 138 | Baxter International, Inc. | 947 | 45 | Roper Technologies, Inc. | 241 | 44 |
| ConAgra Foods, Inc. | 1,947 | 92 | Becton, Dickinson & Co. | 433 | 78 | Snap-On, Inc. | 351 | 53 |
| Constellation Brands, Inc. Class A | 3,600 | 599 | Boston Scientific Corp. ⁽²⁾ | 2,871 | 68 | Stanley Black & Decker, Inc. | 892 | 110 |
| CVS Health Corp. | 2,871 | 255 | Bristol-Myers Squibb Co. | 850 | 46 | Stericycle, Inc. ⁽²⁾ | 1,402 | 112 |
| Dr. Pepper Snapple Group, Inc. | 453 | 41 | Cardinal Health, Inc. | 1,648 | 128 | Textron, Inc. | 402 | 16 |
| General Mills, Inc. | 2,502 | 160 | Centene Corp. ⁽²⁾ | 397 | 27 | TransDigm Group, Inc. ⁽²⁾ | 109 | 31 |
| Hershey Co. (The) | 684 | 65 | Cigna Corp. | 719 | 94 | United Technologies Corp. | 1,314 | 133 |
| Hormel Foods Corp. | 1,360 | 52 | Danaher Corp. | 1,253 | 98 | Waste Management, Inc. | 6,700 | 427 |
| J.M. Smucker Co. (The) | 353 | 48 | DENTSPLY SIRONA, Inc. | 14,065 | 836 | Xylem, Inc. | 1,008 | 53 |
| Kellogg Co. | 911 | 71 | Edwards Lifesciences Corp. ⁽²⁾ | 456 | 55 | | | 5,653 |
| | | | Eli Lilly & Co. | 525 | 42 | | | |

See Notes to Financial Statements

VIRTUS MULTI-ASSET TREND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|--|--------|--------|---|--------|----------|---|---------|--------|
| Information Technology—4.9% | | | | | | Utilities—continued | | |
| Activision Blizzard, Inc. | 6,622 | \$ 293 | Materials—continued | | | PPL Corp. | 1,517 | \$ 52 |
| Adobe Systems, Inc. ⁽²⁾ | 2,530 | 275 | Newmont Mining Corp. | 29,564 | \$ 1,161 | Public Service Enterprise Group, Inc. | 1,673 | 70 |
| Akamai Technologies, Inc. ⁽²⁾ | 460 | 24 | Nucor Corp. | 14,400 | 712 | SCANA Corp. | 449 | 32 |
| Alliance Data Systems Corp. ⁽²⁾ | 91 | 20 | PPG Industries, Inc. | 1,448 | 150 | Sempra Energy | 860 | 92 |
| Alphabet, Inc. Class A ⁽²⁾ | 460 | 370 | Sealed Air Corp. | 2,200 | 101 | Southern Co. | 2,171 | 111 |
| Alphabet, Inc. Class C ⁽²⁾ | 480 | 373 | Sherwin-Williams Co. (The) | 426 | 118 | WEC Energy Group, Inc. | 992 | 59 |
| Amphenol Corp. Class A | 5,839 | 379 | Vulcan Materials Co. | 4,021 | 457 | XCEL Energy, Inc. | 1,097 | 45 |
| Analog Devices, Inc. | 444 | 29 | Westrock Co. | 2,882 | 140 | | | 1,587 |
| Applied Materials, Inc. | 15,232 | 459 | | | 5,049 | TOTAL COMMON STOCKS | | |
| Autodesk, Inc. ⁽²⁾ | 1,108 | 80 | Real Estate—3.0% | | | (Identified Cost \$45,429) | | |
| Automatic Data Processing, Inc. | 571 | 50 | American Tower Corp. | 1,889 | 214 | EXCHANGE-TRADED FUNDS⁽³⁾—60.3% | | |
| Broadcom Ltd. | 580 | 100 | Apartment Investment & Management Co. Class A | 1,343 | 62 | iShares 20+ Year Treasury Bond Fund | 116,417 | 16,008 |
| CA, Inc. | 669 | 22 | AvalonBay Communities, Inc. | 1,195 | 212 | iShares Dow Jones U.S. Real Estate Index Fund | 54,682 | 4,410 |
| Citrix Systems, Inc. ⁽²⁾ | 858 | 73 | Crown Castle International Corp. | 1,494 | 141 | iShares iBoxx \$ High Yield Corporate Bond Index Fund | 91,923 | 8,021 |
| Corning, Inc. | 20,600 | 487 | Digital Realty Trust, Inc. | 539 | 52 | iShares iBoxx \$ Investment Grade Corporate Bond Fund | 64,621 | 7,960 |
| eBay, Inc. ⁽²⁾ | 2,426 | 80 | Equinix, Inc. | 316 | 114 | iShares JPMorgan Emerging Markets Bond Index Fund | 70,922 | 8,313 |
| Electronic Arts, Inc. ⁽²⁾ | 4,074 | 348 | Equity Residential | 3,175 | 204 | iShares MSCI Australia Index Fund | 205,773 | 4,301 |
| Facebook, Inc. Class A ⁽²⁾ | 2,071 | 266 | Essex Property Trust, Inc. | 584 | 130 | iShares MSCI Brazil Capped Index Fund | 145,084 | 4,894 |
| Fidelity National Information Services, Inc. | 349 | 27 | Extra Space Storage, Inc. | 658 | 52 | iShares MSCI Hong Kong Index Fund | 196,616 | 4,327 |
| First Solar, Inc. ⁽²⁾ | 224 | 9 | Federal Realty Investment Trust | 723 | 111 | iShares MSCI India Index Fund | 141,844 | 4,172 |
| Fiserv, Inc. ⁽²⁾ | 288 | 29 | General Growth Properties, Inc. | 5,480 | 151 | iShares MSCI Japan Index Fund | 340,280 | 4,267 |
| Global Payments, Inc. | 194 | 15 | HCP, Inc. | 4,844 | 184 | iShares MSCI South Korea Capped Index Fund | 74,321 | 4,320 |
| Intel Corp. | 7,339 | 277 | Iron Mountain, Inc. | 923 | 35 | iShares MSCI Switzerland Capped Index Fund | 135,679 | 4,145 |
| Intuit, Inc. | 1,403 | 154 | Kimco Realty Corp. | 3,646 | 106 | iShares MSCI Taiwan Index Fund | 282,122 | 4,429 |
| KLA-Tencor Corp. | 2,546 | 177 | Macerich Co. (The) | 1,148 | 93 | PowerShares DB Gold Fund ⁽²⁾ | 105,651 | 4,500 |
| Lam Research Corp. | 2,154 | 204 | Prologis, Inc. | 15,051 | 806 | TOTAL EXCHANGE-TRADED FUNDS | | |
| Linear Technology Corp. | 310 | 18 | Public Storage | 664 | 148 | (Identified Cost \$77,169) | | |
| MasterCard, Inc. Class A | 1,121 | 114 | Realty Income Corp. | 2,327 | 156 | TOTAL LONG TERM INVESTMENTS—96.2% | | |
| Microchip Technology, Inc. | 287 | 18 | Simon Property Group, Inc. | 2,229 | 461 | (Identified Cost \$122,598) | | |
| Micron Technology, Inc. ⁽²⁾ | 1,180 | 21 | UDR, Inc. | 2,173 | 78 | TOTAL INVESTMENTS—96.2% | | |
| Microsoft Corp. | 10,265 | 591 | Ventas, Inc. | 3,654 | 258 | (Identified Cost \$122,598) | | |
| NVIDIA Corp. | 711 | 49 | Welltower, Inc. | 3,837 | 287 | Other assets and liabilities, net—3.8% | | |
| Oracle Corp. | 5,179 | 203 | Weyerhaeuser Co. | 3,627 | 116 | <u>\$139,282</u> | | |
| Paychex, Inc. | 391 | 23 | | | 4,171 | | | |
| PayPal Holdings, Inc. ⁽²⁾ | 1,307 | 54 | Telecommunication Services—0.5% | | | NET ASSETS—100.0% | | |
| Qorvo, Inc. ⁽²⁾ | 271 | 15 | AT&T, Inc. | 8,967 | 364 | | | |
| QUALCOMM, Inc. | 2,194 | 150 | CenturyLink, Inc. | 964 | 26 | | | |
| Red Hat, Inc. ⁽²⁾ | 245 | 20 | Frontier Communications Corp. | 2,835 | 12 | | | |
| salesforce.com, Inc. ⁽²⁾ | 3,235 | 231 | Verizon Communications, Inc. | 5,732 | 298 | | | |
| Skyworks Solutions, Inc. | 338 | 26 | | | 700 | | | |
| Symantec Corp. | 868 | 22 | Utilities—1.1% | | | | | |
| Texas Instruments, Inc. | 1,495 | 105 | Ameren Corp. | 905 | 45 | | | |
| Total System Services, Inc. | 240 | 11 | American Electric Power Co., Inc. | 1,105 | 71 | | | |
| VeriSign, Inc. ⁽²⁾ | 160 | 12 | CenterPoint Energy, Inc. | 1,544 | 36 | | | |
| Verisk Analytics, Inc. ⁽²⁾ | 2,396 | 195 | CMS Energy Corp. | 1,064 | 45 | | | |
| Visa, Inc. Class A | 2,230 | 184 | Consolidated Edison, Inc. | 979 | 74 | | | |
| Western Union Co. (The) | 634 | 13 | Dominion Resources, Inc. | 2,124 | 158 | | | |
| Xerox Corp. | 1,141 | 12 | DTE Energy Co. | 654 | 61 | | | |
| Xilinx, Inc. | 287 | 16 | Duke Energy Corp. | 1,583 | 127 | | | |
| Yahoo!, Inc. ⁽²⁾ | 2,126 | 92 | Edison International | 661 | 48 | | | |
| | | 6,815 | Entergy Corp. | 396 | 30 | | | |
| Materials—3.6% | | | Eversource Energy | 772 | 42 | | | |
| Alcoa, Inc. ⁽²⁾ | 67,810 | 688 | Exelon Corp. | 2,301 | 77 | | | |
| Dow Chemical Co. (The) | 6,168 | 320 | FirstEnergy Corp. | 849 | 28 | | | |
| Du Pont (E.I.) de Nemours & Co. | 4,925 | 330 | NextEra Energy, Inc. | 1,066 | 130 | | | |
| Eastman Chemical Co. | 851 | 58 | NiSource, Inc. | 1,317 | 32 | | | |
| Ecolab, Inc. | 1,421 | 173 | PG&E Corp. | 1,691 | 103 | | | |
| International Flavors & Fragrances, Inc. | 444 | 63 | Pinnacle West Capital Corp. | 246 | 19 | | | |
| International Paper Co. | 4,616 | 221 | | | | | | |
| Martin Marietta Materials, Inc. | 1,993 | 357 | | | | | | |

See Notes to Financial Statements

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 these funds are publicly offered and the prospectus and annual reports of each are publicly available.

VIRTUS MULTI-ASSET TREND FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2016

(\$ reported in thousands)

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

| | Total Value at September 30, 2016 | Level 1 Quoted Prices |
|--------------------------|---|--------------------------|
| Equity Securities: | | |
| Common Stocks | \$ 49,945 | \$ 49,945 |
| Exchange-Traded Funds | 84,067 | 84,067 |
| Total Investments | <u>\$134,012</u> | <u>\$134,012</u> |

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

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

See Notes to Financial Statements

VIRTUS SECTOR TREND FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|---|---------|--------|---|---------|--------|--|---------|----------|
| COMMON STOCKS—99.1% | | | Consumer Discretionary—continued | | | Consumer Staples—continued | | |
| Consumer Discretionary—15.1% | | | Nordstrom, Inc. | 3,010 | \$ 156 | Kraft Heinz Co.(The) | 25,475 | \$ 2,280 |
| Advance Auto Parts, Inc. | 1,914 | \$ 285 | O'Reilly Automotive, Inc. ⁽²⁾ | 2,457 | 688 | Kroger Co. (The) | 45,709 | 1,357 |
| Amazon.com, Inc. ⁽²⁾ | 10,109 | 8,464 | Omnicom Group, Inc. | 6,088 | 518 | McCormick & Co., Inc. | 6,049 | 604 |
| AutoNation, Inc. ⁽²⁾ | 1,714 | 84 | Phillips-Van Heusen Corp. | 2,027 | 224 | Mead Johnson Nutrition Co. | 8,600 | 680 |
| AutoZone, Inc. ⁽²⁾ | 758 | 582 | Priceline Group, Inc. (The) ⁽²⁾ | 1,289 | 1,897 | Molson Coors Brewing Co. | | |
| Bed Bath & Beyond, Inc. | 3,964 | 171 | PulteGroup, Inc. | 8,022 | 161 | Class B | 9,942 | 1,092 |
| Best Buy Co., Inc. | 7,110 | 271 | Ralph Lauren Corp. | 1,452 | 147 | Mondelez International, Inc. | | |
| BorgWarner, Inc. | 5,163 | 182 | Ross Stores, Inc. | 10,222 | 657 | Class A | 62,324 | 2,736 |
| CarMax, Inc. ⁽²⁾ | 4,958 | 265 | Royal Caribbean Cruises Ltd. | 4,319 | 324 | Monster Beverage Corp. ⁽²⁾ | 6,598 | 969 |
| Carnival Corp. | 11,107 | 542 | Scripps Networks Interactive, Inc. Class A | 2,477 | 157 | PepsiCo, Inc. | 34,976 | 3,804 |
| CBS Corp. Class B | 10,565 | 578 | Signet Jewelers Ltd. | 1,964 | 146 | Philip Morris International, Inc. | 66,257 | 6,442 |
| Charter Communications, Inc. Class A ⁽²⁾ | 5,657 | 1,527 | Staples, Inc. | 16,735 | 143 | Procter & Gamble Co. (The) | 113,332 | 10,172 |
| Chipotle Mexican Grill, Inc. ⁽²⁾ | 756 | 320 | Starbucks Corp. | 37,640 | 2,038 | Reynolds American, Inc. | 39,323 | 1,854 |
| Coach, Inc. | 7,149 | 261 | Target Corp. | 14,843 | 1,019 | Sysco Corp. | 23,813 | 1,167 |
| Comcast Corp. Class A | 62,259 | 4,130 | TEGNA, Inc. | 5,545 | 121 | Tyson Foods, Inc. Class A | 16,584 | 1,238 |
| Darden Restaurants, Inc. | 3,249 | 199 | Tiffany & Co. | 2,752 | 200 | Wal-Mart Stores, Inc. | 63,770 | 4,599 |
| Delphi Automotive plc | 7,013 | 500 | Time Warner, Inc. | 19,958 | 1,589 | Walgreens Boots Alliance, Inc. | 38,618 | 3,113 |
| Discovery Communications, Inc. Class A ⁽²⁾ | 3,896 | 105 | TJX Cos., Inc. (The) | 16,916 | 1,265 | Whole Foods Market, Inc. | 15,045 | 427 |
| Discovery Communications, Inc. Class C ⁽²⁾ | 5,776 | 152 | Tractor Supply Co. | 3,499 | 236 | | | |
| Dollar General Corp. | 6,721 | 470 | TripAdvisor, Inc. ⁽²⁾ | 2,947 | 186 | | | 79,292 |
| Dollar Tree, Inc. ⁽²⁾ | 6,074 | 479 | Twenty-First Century Fox, Inc. Class A | 27,452 | 665 | Energy—5.1% | | |
| Expedia, Inc. | 3,138 | 366 | Twenty-First Century Fox, Inc. Class B | 12,549 | 311 | Anadarko Petroleum Corp. | 8,586 | 544 |
| Foot Locker, Inc. | 3,495 | 237 | Ulta Salon Cosmetics & Fragrance, Inc. ⁽²⁾ | 1,512 | 360 | Apache Corp. | 6,378 | 407 |
| Ford Motor Co. | 100,559 | 1,214 | Under Armour, Inc. Class A ⁽²⁾ | 4,748 | 184 | Baker Hughes, Inc. | 8,407 | 424 |
| Gap, Inc. (The) | 5,609 | 125 | Under Armour, Inc. Class C ⁽²⁾ | 4,780 | 162 | Cabot Oil & Gas Corp. | 15,076 | 389 |
| Garmin Ltd. | 2,982 | 144 | Urban Outfitters, Inc. ⁽²⁾ | 2,308 | 80 | Chesapeake Energy Corp. ⁽²⁾ | 12,733 | 80 |
| General Motors Co. | 36,585 | 1,162 | VF Corp. | 8,500 | 476 | Chevron Corp. | 28,389 | 2,922 |
| Genuine Parts Co. | 3,837 | 385 | Viacom, Inc. Class B | 9,026 | 344 | Cimarex Energy Co. | 1,380 | 185 |
| Goodyear Tire & Rubber Co. (The) | 6,794 | 219 | Wait Disney Co. (The) | 37,743 | 3,505 | Concho Resources, Inc. ⁽²⁾ | 2,068 | 284 |
| H&R Block, Inc. | 5,664 | 131 | Whirlpool Corp. | 1,941 | 315 | ConocoPhillips | 13,436 | 584 |
| Hanesbrands, Inc. | 9,823 | 248 | Wyndham Worldwide Corp. | 2,852 | 192 | Devon Energy Corp. | 8,829 | 390 |
| Harley-Davidson, Inc. | 4,681 | 246 | Wynn Resorts Ltd. | 2,122 | 207 | EOG Resources, Inc. | 9,754 | 943 |
| Harman International Industries, Inc. | 1,803 | 152 | Yum! Brands, Inc. | 9,534 | 866 | EQT Corp. | 2,542 | 185 |
| Hasbro, Inc. | 2,938 | 233 | | | 60,607 | Exxon Mobil Corp. | 41,065 | 3,584 |
| Home Depot, Inc. (The) | 32,010 | 4,119 | Consumer Staples—19.7% | | | FMC Technologies, Inc. ⁽²⁾ | 5,986 | 178 |
| Horton (D.R.), Inc. | 8,827 | 267 | Altria Group, Inc. | 75,428 | 4,769 | Halliburton Co. | 15,260 | 685 |
| Interpublic Group of Cos., Inc. (The) | 10,320 | 231 | Archer-Daniels-Midland Co. | 26,969 | 1,137 | Helmerich & Payne, Inc. | 1,567 | 106 |
| Johnson Controls International plc | 24,397 | 1,135 | Brown-Forman Corp. Class B | 9,054 | 430 | Hess Corp. | 4,889 | 262 |
| Kohl's Corp. | 4,614 | 202 | Campbell Soup Co. | 10,731 | 587 | Kinder Morgan, Inc. | 28,159 | 651 |
| L Brands, Inc. | 6,238 | 442 | Church & Dwight Co., Inc. | 10,974 | 526 | Marathon Oil Corp. | 14,610 | 231 |
| Leggett & Platt, Inc. | 3,505 | 160 | Clorox Co. (The) | 6,465 | 809 | Marathon Petroleum Corp. | 7,702 | 313 |
| Lennar Corp. Class A | 4,877 | 207 | Coca-Cola Co. (The) | 165,372 | 6,999 | Murphy Oil Corp. | 3,172 | 96 |
| LKQ Corp. ⁽²⁾ | 7,957 | 282 | Colgate-Palmolive Co. | 39,117 | 2,900 | National Oilwell Varco, Inc. | 7,055 | 259 |
| Lowe's Cos., Inc. | 22,784 | 1,645 | ConAgra Foods, Inc. | 20,625 | 972 | Newfield Exploration Co. ⁽²⁾ | 2,854 | 124 |
| Macy's, Inc. | 7,866 | 291 | Constellation Brands, Inc. Class A | 11,378 | 1,894 | Noble Energy, Inc. | 8,571 | 306 |
| Marriott International, Inc. Class A | 8,288 | 558 | Costco Wholesale Corp. | 19,337 | 2,949 | Occidental Petroleum Corp. | 9,799 | 715 |
| Mattel, Inc. | 8,927 | 270 | Coty, Inc. Class A | 2,953 | 69 | ONEOK, Inc. | 3,086 | 159 |
| McDonald's Corp. | 22,082 | 2,547 | CVS Health Corp. | 46,391 | 4,128 | Phillips 66 | 6,455 | 520 |
| Michael Kors Holdings Ltd. ⁽²⁾ | 4,420 | 207 | Dr. Pepper Snapple Group, Inc. | 9,266 | 846 | Pioneer Natural Resources Co. | 5,655 | 1,050 |
| Mohawk Industries, Inc. ⁽²⁾ | 1,633 | 327 | Estee Lauder Cos., Inc. (The) Class A | 10,653 | 943 | Range Resources Corp. | 4,545 | 176 |
| Netflix, Inc. ⁽²⁾ | 11,040 | 1,088 | General Mills, Inc. | 27,159 | 1,735 | Schlumberger Ltd. | 21,238 | 1,670 |
| Newell Brands, Inc. | 12,431 | 655 | Hershey Co. (The) | 6,910 | 661 | Southwestern Energy Co. ⁽²⁾ | 9,375 | 130 |
| News Corp. Class A | 9,835 | 138 | Hormel Foods Corp. | 16,322 | 619 | Spectra Energy Corp. | 13,660 | 584 |
| News Corp. Class B | 3,086 | 44 | J.M. Smucker Co. (The) | 5,957 | 807 | Tesoro Corp. | 5,394 | 429 |
| NIKE, Inc. Class B | 34,650 | 1,824 | Kellogg Co. | 12,174 | 943 | Transocean Ltd. ⁽²⁾ | 5,073 | 54 |
| | | | Kimberly-Clark Corp. | 16,132 | 2,035 | Valero Energy Corp. | 9,252 | 490 |
| | | | | | | Williams Cos., Inc. (The) | 14,035 | 431 |
| | | | | | | | | 20,540 |
| | | | | | | Financials—5.0% | | |
| | | | | | | Affiliated Managers Group, Inc. ⁽²⁾ | 443 | 64 |
| | | | | | | Aflac, Inc. | 3,362 | 242 |
| | | | | | | Allstate Corp. (The) | 3,035 | 210 |

See Notes to Financial Statements

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

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|---|--------|--------|---|---------|----------|---|--------|----------|
| Financials—continued | | | Financials—continued | | | Health Care—continued | | |
| American Express Co. | 6,344 | \$ 406 | Wells Fargo & Co. | 37,553 | \$ 1,663 | UnitedHealth Group, Inc. | 20,484 | \$ 2,868 |
| American International Group, Inc. | 8,371 | 497 | Willis Towers Watson plc | 1,068 | 142 | Universal Health Services, Inc. Class B | 1,908 | 235 |
| Ameriprise Financial, Inc. | 1,337 | 133 | XL Group Ltd. | 2,260 | 76 | Varian Medical Systems, Inc. ⁽²⁾ | 2,000 | 199 |
| AON plc | 2,169 | 244 | Zions Bancorp | 1,693 | 52 | Vertex Pharmaceuticals, Inc. ⁽²⁾ | 5,279 | 460 |
| Assurant, Inc. | 491 | 45 | | | 20,079 | Waters Corp. ⁽²⁾ | 1,734 | 275 |
| Bank of America Corp. | 83,612 | 1,308 | | | | Zimmer Biomet Holdings, Inc. | 4,322 | 562 |
| Bank of New York Mellon Corp. (The) | 8,843 | 353 | Health Care—14.7% | | | Zoetis, Inc. | 10,619 | 552 |
| BB&T Corp. | 6,693 | 252 | Abbott Laboratories | 26,612 | 1,125 | | | 58,936 |
| Berkshire Hathaway, Inc. Class B ⁽²⁾ | 15,623 | 2,257 | AbbVie, Inc. | 34,637 | 2,185 | Industrials—5.1% | | |
| BlackRock, Inc. | 997 | 361 | Aetna, Inc. | 7,683 | 887 | 3M Co. | 6,650 | 1,172 |
| Capital One Financial Corp. | 4,169 | 299 | Agilent Technologies, Inc. | 7,034 | 331 | Acuity Brands, Inc. | 472 | 125 |
| Charles Schwab Corp. (The) | 9,932 | 314 | Alexion Pharmaceuticals, Inc. ⁽²⁾ | 4,769 | 584 | Alaska Air Group, Inc. | 1,323 | 87 |
| CHUBB Ltd. | 3,797 | 477 | Allergan plc | 8,902 | 2,050 | Allegion plc | 1,027 | 71 |
| Cincinnati Financial Corp. | 1,224 | 92 | AmerisourceBergen Corp. | 4,017 | 324 | American Airlines Group, Inc. | 5,710 | 209 |
| Citigroup, Inc. | 23,970 | 1,132 | Amgen, Inc. | 15,973 | 2,664 | Ametek, Inc. | 2,501 | 120 |
| Citizens Financial Group, Inc. | 4,284 | 106 | Anthem, Inc. | 5,726 | 718 | Avery Dennison Corp. | 3,544 | 276 |
| CME Group, Inc. | 2,760 | 288 | Bard (C.R.), Inc. | 1,651 | 370 | Boeing Co. (The) | 6,493 | 855 |
| Comerica, Inc. | 1,429 | 68 | Baxter International, Inc. | 10,578 | 504 | Caterpillar, Inc. | 6,634 | 589 |
| Discover Financial Services | 3,317 | 188 | Becton, Dickinson & Co. | 4,648 | 835 | Cintas Corp. | 1,102 | 124 |
| E*Trade Financial Corp. ⁽²⁾ | 2,244 | 65 | Biogen, Inc. ⁽²⁾ | 4,775 | 1,495 | CSX Corp. | 12,111 | 369 |
| Fifth Third Bancorp | 6,278 | 128 | Boston Scientific Corp. ⁽²⁾ | 29,124 | 693 | Cummins, Inc. | 3,044 | 390 |
| Franklin Resources, Inc. | 2,922 | 104 | Bristol-Myers Squibb Co. | 35,789 | 1,930 | Deere & Co. | 3,432 | 293 |
| Gallagher (Arthur J.) & Co. | 1,445 | 73 | Cardinal Health, Inc. | 6,862 | 533 | Delta Air Lines, Inc. | 8,067 | 318 |
| Goldman Sachs Group, Inc. (The) | 3,105 | 501 | Celgene Corp. ⁽²⁾ | 16,534 | 1,728 | Dover Corp. | 2,014 | 148 |
| Hartford Financial Services Group, Inc. (The) | 3,171 | 136 | Centene Corp. ⁽²⁾ & Co. | 3,638 | 244 | Dun & Bradstreet Corp. (The) | 392 | 54 |
| Huntington Bancshares, Inc. | 8,984 | 89 | Cerner Corp. ⁽²⁾ | 6,399 | 395 | Eaton Corp. plc | 5,988 | 393 |
| Intercontinental Exchange, Inc. | 972 | 262 | Cigna Corp. | 5,650 | 736 | Emerson Electric Co. | 7,309 | 398 |
| Invesco Ltd. | 3,409 | 107 | Cooper Cos, Inc. (The) | 1,035 | 186 | Equifax, Inc. | 1,756 | 236 |
| JPMorgan Chase & Co. | 29,806 | 1,985 | Danaher Corp. | 12,947 | 1,015 | Expeditors International of Washington, Inc. | 1,933 | 100 |
| KeyCorp | 8,960 | 109 | DaVita HealthCare Partners, Inc. ⁽²⁾ | 3,518 | 232 | Fastenal Co. | 3,133 | 131 |
| Legg Mason, Inc. | 763 | 26 | DENTSPLY SIRONA, Inc. | 5,020 | 298 | FedEx Corp. | 2,810 | 491 |
| Leucadia National Corp. | 2,656 | 51 | Edwards Lifesciences Corp. ⁽²⁾ | 4,570 | 551 | Flowserve Corp. | 1,392 | 67 |
| Lincoln National Corp. | 1,945 | 91 | Eli Lilly & Co. | 20,721 | 1,663 | Fluor Corp. | 2,180 | 112 |
| Loews Corp. | 2,280 | 94 | Endo International plc ⁽²⁾ | 4,215 | 85 | Fortive Corp. | 3,634 | 185 |
| M&T Bank Corp. | 1,288 | 149 | Express Scripts Holding Co. ⁽²⁾ | 14,177 | 1,000 | Fortune Brands Home & Security, Inc. | 1,662 | 97 |
| Marsh & McLennan Cos., Inc. | 4,246 | 286 | Gilead Sciences, Inc. | 28,122 | 2,225 | General Dynamics Corp. | 3,361 | 522 |
| MetLife, Inc. | 9,091 | 404 | HCA Holdings, Inc. ⁽²⁾ | 6,327 | 479 | General Electric Co. | 70,701 | 2,094 |
| Moody's Corp. | 1,369 | 148 | Henry Schein, Inc. ⁽²⁾ | 1,739 | 283 | Honeywell International, Inc. | 8,627 | 1,006 |
| Morgan Stanley | 12,099 | 388 | Hologic, Inc. ⁽²⁾ | 5,937 | 231 | Hunt (JB) Transport Services, Inc. | 935 | 76 |
| NASDAQ OMX Group, Inc. (The) | 925 | 62 | Humana, Inc. | 3,441 | 609 | Illinois Tool Works, Inc. | 3,640 | 436 |
| Navient Corp. | 2,618 | 38 | Illumina, Inc. ⁽²⁾ | 3,128 | 568 | Ingersoll-Rand plc | 2,769 | 188 |
| Northern Trust Corp. | 1,759 | 120 | Intuitive Surgical, Inc. ⁽²⁾ | 825 | 598 | Jacobs Engineering Group, Inc. ⁽²⁾ | 1,317 | 68 |
| People's United Financial, Inc. | 2,567 | 41 | Johnson & Johnson | 58,251 | 6,881 | Kansas City Southern | 1,161 | 108 |
| PNC Financial Services Group, Inc. (The) | 4,054 | 365 | Laboratory Corporation of America Holdings ⁽²⁾ | 2,173 | 299 | L-3 Communications Holdings, Inc. | 824 | 124 |
| Principal Financial Group, Inc. | 2,215 | 114 | Mallinckrodt plc ⁽²⁾ | 2,307 | 161 | Lockheed Martin Corp. | 2,859 | 685 |
| Progressive Corp. (The) | 4,713 | 148 | McKesson Corp. | 4,960 | 827 | Masco Corp. | 3,966 | 136 |
| Prudential Financial, Inc. | 3,611 | 295 | Medtronic plc | 29,521 | 2,551 | Nielsen Holdings plc | 3,593 | 192 |
| Regions Financial Corp. | 10,318 | 102 | Merck & Co., Inc. | 59,176 | 3,693 | Norfolk Southern Corp. | 3,672 | 356 |
| S&P Global, Inc. | 2,163 | 274 | Mettler-Toledo International, Inc. ⁽²⁾ | 571 | 240 | Northrop Grumman Corp. | 2,051 | 439 |
| SL Green Realty Corp. | 3,513 | 380 | Mylan NV ⁽²⁾ | 9,832 | 375 | PACCAR, Inc. | 4,339 | 255 |
| State Street Corp. | 3,027 | 211 | Patterson Cos., Inc. | 1,780 | 82 | Parker Hannifin Corp. | 1,815 | 228 |
| SunTrust Banks, Inc. | 4,129 | 181 | PerkinElmer, Inc. | 2,329 | 131 | Pentair plc | 1,770 | 114 |
| Synchrony Financial | 6,511 | 182 | Perrigo Co. plc | 3,043 | 281 | Pitney Bowes, Inc. | 2,282 | 41 |
| T. Rowe Price Group, Inc. | 2,053 | 136 | Pfizer, Inc. | 129,431 | 4,384 | Quanta Services, Inc. ⁽²⁾ | 1,621 | 45 |
| Torchmark Corp. | 917 | 59 | Quest Diagnostics, Inc. | 3,076 | 260 | Raytheon Co. | 3,448 | 469 |
| Travelers Cos., Inc. (The) | 2,353 | 269 | Regeneron Pharmaceuticals, Inc. ⁽²⁾ | 1,608 | 646 | Republic Services, Inc. | 2,492 | 126 |
| U.S. Bancorp | 13,236 | 568 | St. Jude Medical, Inc. | 6,252 | 499 | Robert Half International, Inc. | 1,967 | 74 |
| Unum Group | 1,950 | 69 | Stryker Corp. | 6,753 | 786 | | | |
| | | | Thermo Fisher Scientific, Inc. | 8,390 | 1,335 | | | |

See Notes to Financial Statements

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

(\$ reported in thousands)

| | SHARES | VALUE | | SHARES | VALUE | | SHARES | VALUE |
|--|--------|---------------|---|--------|---------------|--|---------|---------------|
| Industrials—continued | | | Information Technology—continued | | | Materials—continued | | |
| Robinson (C.H.) Worldwide, Inc. | 1,526 | \$ 108 | KLA-Tencor Corp. | 740 | \$ 52 | Westrock Co. | 9,451 | \$ 458 |
| Rockwell Automation, Inc. | 1,809 | 221 | Lam Research Corp. | 740 | 70 | | | <u>19,792</u> |
| Rockwell Collins, Inc. | 1,798 | 152 | Linear Technology Corp. | 1,118 | 66 | Real Estate—4.9% | | |
| Roper Technologies, Inc. | 1,090 | 199 | MasterCard, Inc. Class A | 4,272 | 435 | American Tower Corp. | 14,850 | 1,683 |
| Ryder System, Inc. | 1,036 | 68 | Microchip Technology, Inc. | 1,004 | 62 | Apartment Investment & Management Co. Class A | 5,488 | 252 |
| Snap-On, Inc. | 620 | 94 | Micron Technology, Inc. ⁽²⁾ | 4,729 | 84 | AvalonBay Communities, Inc. | 4,803 | 854 |
| Southwest Airlines Co. | 7,293 | 284 | Microsoft Corp. | 34,442 | 1,984 | Boston Properties, Inc. | 5,378 | 733 |
| Stanley Black & Decker, Inc. | 1,614 | 199 | Motorola Solutions, Inc. | 784 | 60 | CBRE Group, Inc. Class A ⁽²⁾ | 10,362 | 290 |
| Stericycle, Inc. ⁽²⁾ | 911 | 73 | NetApp, Inc. | 1,350 | 48 | Crown Castle International Corp. | 11,781 | 1,110 |
| Textron, Inc. | 3,592 | 143 | NVIDIA Corp. | 2,415 | 165 | Digital Realty Trust, Inc. | 5,157 | 501 |
| TransDigm Group, Inc. ⁽²⁾ | 532 | 154 | Oracle Corp. | 13,911 | 546 | Equinix, Inc. | 2,496 | 899 |
| Union Pacific Corp. | 9,695 | 946 | Paychex, Inc. | 1,479 | 86 | Equity Residential | 12,777 | 822 |
| United Continental Holdings, Inc. ⁽²⁾ | 3,132 | 164 | PayPal Holdings, Inc. ⁽²⁾ | 5,074 | 208 | Essex Property Trust, Inc. | 2,294 | 511 |
| United Parcel Service, Inc. Class B | 7,533 | 824 | Qorvo, Inc. ⁽²⁾ | 626 | 35 | Extra Space Storage, Inc. | 4,398 | 349 |
| United Rentals, Inc. ⁽²⁾ | 935 | 73 | QUALCOMM, Inc. | 6,524 | 447 | Federal Realty Investment Trust | 2,483 | 382 |
| United Technologies Corp. | 8,756 | 890 | Red Hat, Inc. ⁽²⁾ | 835 | 67 | General Growth Properties, Inc. | 20,416 | 563 |
| W.W. Grainger, Inc. | 815 | 183 | salesforce.com, Inc. ⁽²⁾ | 2,891 | 206 | HCP, Inc. | 16,351 | 620 |
| Waste Management, Inc. | 4,726 | 301 | Seagate Technology plc | 1,433 | 55 | Host Hotels & Resorts, Inc. | 25,967 | 404 |
| Xylem, Inc. | 1,919 | 101 | Skyworks Solutions, Inc. | 881 | 67 | Iron Mountain, Inc. | 8,548 | 321 |
| | | <u>20,369</u> | Symantec Corp. | 2,800 | 70 | Kimco Realty Corp. | 14,701 | 426 |
| Information Technology—4.5% | | | TE Connectivity Ltd. | 1,630 | 105 | Macerich Co. (The) | 4,220 | 341 |
| Accenture plc Class A | 2,789 | 341 | Teradata Corp. ⁽²⁾ | 689 | 21 | Prologis, Inc. | 18,445 | 988 |
| Activision Blizzard, Inc. | 3,117 | 138 | Texas Instruments, Inc. | 4,486 | 315 | Public Storage | 5,199 | 1,160 |
| Adobe Systems, Inc. ⁽²⁾ | 2,245 | 244 | Total System Services, Inc. | 792 | 37 | Realty Income Corp. | 9,056 | 606 |
| Akamai Technologies, Inc. ⁽²⁾ | 824 | 44 | VeriSign, Inc. ⁽²⁾ | 441 | 34 | Simon Property Group, Inc. | 10,947 | 2,266 |
| Alliance Data Systems Corp. ⁽²⁾ | 274 | 59 | Verisk Analytics, Inc. ⁽²⁾ | 1,686 | 137 | UDR, Inc. | 9,358 | 337 |
| Alphabet, Inc. Class A ⁽²⁾ | 1,309 | 1,052 | Visa, Inc. Class A | 8,392 | 694 | Ventas, Inc. | 12,273 | 867 |
| Alphabet, Inc. Class C ⁽²⁾ | 1,313 | 1,021 | Western Digital Corp. | 1,281 | 75 | Vornado Realty Trust | 6,013 | 609 |
| Amphenol Corp. Class A | 1,412 | 92 | Western Union Co. (The) | 2,300 | 48 | Welltower, Inc. | 12,515 | 936 |
| Analog Devices, Inc. | 1,420 | 91 | Xerox Corp. | 4,060 | 41 | Weyerhaeuser Co. | 26,259 | 839 |
| Apple, Inc. | 24,012 | 2,715 | Xilinx, Inc. | 1,183 | 64 | | | <u>19,669</u> |
| Applied Materials, Inc. | 4,862 | 147 | Yahoo!, Inc. ⁽²⁾ | 3,958 | 171 | Telecommunication Services—0.5% | | |
| Autodesk, Inc. ⁽²⁾ | 905 | 65 | | | <u>17,985</u> | AT&T, Inc. | 27,390 | 1,112 |
| Automatic Data Processing, Inc. | 2,061 | 182 | Materials—4.9% | | | CenturyLink, Inc. | 2,519 | 69 |
| Broadcom Ltd. | 1,780 | 307 | Air Products & Chemicals, Inc. | 6,674 | 1,003 | Frontier Communications Corp. | 6,012 | 25 |
| CA, Inc. | 1,492 | 49 | Albemarle Corp. | 4,150 | 355 | Level 3 Communications, Inc. ⁽²⁾ | 1,347 | 63 |
| Cisco Systems, Inc. | 22,640 | 718 | Alcoa, Inc. ⁽²⁾ | 50,875 | 516 | Verizon Communications, Inc. | 14,935 | 776 |
| Citrix Systems, Inc. ⁽²⁾ | 724 | 62 | Ball Corp. | 6,767 | 555 | | | <u>2,045</u> |
| Cognizant Technology Solutions Corp. Class A ⁽²⁾ | 2,761 | 132 | CF Industries Holdings, Inc. | 9,262 | 225 | Utilities—19.6% | | |
| Corning, Inc. | 4,702 | 111 | Dow Chemical Co. (The) | 41,468 | 2,149 | AES Corp. | 85,331 | 1,097 |
| CSRA, Inc. | 766 | 21 | Du Pont (E.I.) de Nemours & Co. | 32,234 | 2,159 | Alliant Energy Corp. | 29,105 | 1,115 |
| eBay, Inc. ⁽²⁾ | 4,772 | 157 | Eastman Chemical Co. | 5,788 | 392 | Ameren Corp. | 31,235 | 1,536 |
| Electronic Arts, Inc. ⁽²⁾ | 1,371 | 117 | Ecolab, Inc. | 9,714 | 1,182 | American Electric Power Co., Inc. | 63,406 | 4,071 |
| F5 Networks, Inc. ⁽²⁾ | 318 | 40 | FMC Corp. | 5,376 | 260 | American Water Works Co., Inc. | 22,740 | 1,702 |
| Facebook, Inc. Class A ⁽²⁾ | 10,228 | 1,312 | Freeport-McMoRan Copper & Gold, Inc. | 46,823 | 508 | CenterPoint Energy, Inc. | 55,687 | 1,294 |
| Fidelity National Information Services, Inc. | 1,511 | 116 | International Flavors & Fragrances, Inc. | 3,086 | 441 | CMS Energy Corp. | 36,521 | 1,534 |
| First Solar, Inc. ⁽²⁾ | 402 | 16 | International Paper Co. | 15,209 | 730 | Consolidated Edison, Inc. | 39,126 | 2,946 |
| Fiserv, Inc. ⁽²⁾ | 1,005 | 100 | LyondellBasell Industries N.V. Class A | 9,952 | 803 | Dominion Resources, Inc. | 80,004 | 5,942 |
| FLIR Systems, Inc. | 689 | 22 | Martin Marietta Materials, Inc. | 2,502 | 448 | DTE Energy Co. | 23,152 | 2,169 |
| Global Payments, Inc. | 728 | 56 | Monsanto Co. | 16,125 | 1,648 | Duke Energy Corp. | 81,651 | 6,535 |
| Harris Corp. | 586 | 54 | Mosaic Co. (The) | 13,727 | 336 | Edison International | 41,798 | 3,020 |
| Hewlett Packard Enterprise Co. | 7,482 | 170 | Newmont Mining Corp. | 20,842 | 819 | Entergy Corp. | 22,896 | 1,757 |
| HP Inc. | 7,749 | 120 | Nucor Corp. | 12,088 | 598 | Eversource Energy | 40,762 | 2,208 |
| Intel Corp. | 20,474 | 773 | Owens-Illinois, Inc. ⁽²⁾ | 7,586 | 139 | Exelon Corp. | 118,205 | 3,935 |
| International Business Machines Corp. | 3,888 | 618 | PPG Industries, Inc. | 9,847 | 1,018 | FirstEnergy Corp. | 54,622 | 1,807 |
| Intuit, Inc. | 1,116 | 123 | Praxair, Inc. | 10,512 | 1,270 | NextEra Energy, Inc. | 59,922 | 7,330 |
| Juniper Networks, Inc. | 1,856 | 45 | Sealed Air Corp. | 7,767 | 356 | NiSource, Inc. | 41,681 | 1,005 |
| | | | Sherwin-Williams Co. (The) | 3,044 | 842 | | | |
| | | | Vulcan Materials Co. | 5,114 | 582 | | | |

See Notes to Financial Statements

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

(\$ reported in thousands)

| | <u>SHARES</u> | <u>VALUE</u> |
|--|---------------|------------------------------|
| Utilities—continued | | |
| NRG Energy, Inc. | 41,140 | \$ 461 |
| PG&E Corp. | 64,167 | 3,925 |
| Pinnacle West Capital Corp. | 14,560 | 1,106 |
| PPL Corp. | 87,090 | 3,011 |
| Public Service Enterprise Group, Inc. | 64,888 | 2,717 |
| SCANA Corp. | 18,280 | 1,323 |
| Sempra Energy | 32,117 | 3,443 |
| Southern Co. | 125,207 | 6,423 |
| WEC Energy Group, Inc. | 40,417 | 2,420 |
| XCEL Energy, Inc. | 65,660 | 2,701 |
| | <u>78,533</u> | |
| TOTAL COMMON STOCKS (Identified Cost \$375,117) | | 397,847 |
| TOTAL LONG TERM INVESTMENTS—99.1% (Identified Cost \$375,117) | | 397,847 |
| TOTAL INVESTMENTS—99.1% (Identified Cost \$375,117) | | 397,847⁽¹⁾ |
| Other assets and liabilities, net—0.9% | | 3,712 |
| NET ASSETS—100.0% | | <u>\$401,559</u> |

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.

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

| | <u>Total Value at September 30, 2016</u> | <u>Level 1 Quoted Prices</u> |
|--------------------|--|----------------------------------|
| Equity Securities: | | |
| Common Stocks | \$397,847 | \$397,847 |
| Total Investments | <u>\$397,847</u> | <u>\$397,847</u> |

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

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

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

(Reported in thousands except shares and per share amounts)

| | Alternatives Diversifier Fund | Equity Trend Fund | Global Equity Trend Fund |
|--|--|----------------------------------|---|
| Assets | | | |
| Investment in unaffiliated securities at value ⁽¹⁾ | \$ 29,039 | \$ 944,772 | \$ 23,727 |
| Investments in affiliated funds at value ⁽²⁾ | 29,302 | — | — |
| Cash | 300 | — | 226 |
| Receivables | | | |
| Investment securities sold | — | 15,507 | — |
| Fund shares sold | 83 | 191 | 12 |
| Dividends and interest receivable | — ⁽³⁾ | 1,541 | 23 |
| Prepaid trustee retainer | 1 | 22 | 1 |
| Prepaid expenses | 23 | 49 | 18 |
| Other assets | 1 | 13 | — ⁽³⁾ |
| Total assets | 58,749 | 962,095 | 24,007 |
| Liabilities | | | |
| Cash overdraft | — | 1,885 | — |
| Payables | | | |
| Fund shares repurchased | 119 | 6,708 | 14 |
| Investment advisory fees | — | 822 | 20 |
| Distribution and service fees | 20 | 414 | 11 |
| Administration fees | 6 | 99 | 3 |
| Transfer agent fees and expenses | 18 | 198 | 7 |
| Trustees' fees and expenses | 1 | 10 | — ⁽³⁾ |
| Professional fees | 19 | 28 | 18 |
| Trustee deferred compensation plan | 1 | 13 | — ⁽³⁾ |
| Other accrued expenses | 6 | 134 | 4 |
| Total liabilities | 190 | 10,311 | 77 |
| Net Assets | \$ 58,559 | \$ 951,784 | \$ 23,930 |
| Net Assets Consist of: | | | |
| Capital paid in on shares of beneficial interest | \$ 127,270 | \$ 1,465,643 | \$ 36,349 |
| Accumulated undistributed net investment income (loss) | 316 | (1,663) | (207) |
| Accumulated undistributed net realized gain (loss) | (79,301) | (598,813) | (14,328) |
| Net unrealized appreciation (depreciation) on investments | 10,274 | 86,617 | 2,116 |
| Net Assets | \$ 58,559 | \$ 951,784 | \$ 23,930 |
| Class A | | | |
| Net asset value (net assets/shares outstanding) per share | \$ 10.89 | \$ 12.23 | \$ 9.94 |
| Maximum offering price per share NAV/(1-5.75%) | \$ 11.55 | \$ 12.98 | \$ 10.55 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,760,761 | 20,041,186 | 840,123 |
| Net Assets | \$ 19,171 | \$ 245,109 | \$ 8,351 |
| Class C | | | |
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.73 | \$ 11.88 | \$ 9.69 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,826,873 | 35,663,123 | 1,162,279 |
| Net Assets | \$ 19,611 | \$ 423,675 | \$ 11,267 |
| Class I | | | |
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.89 | \$ 12.31 | \$ 10.00 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,815,229 | 22,978,762 | 431,008 |
| Net Assets | \$ 19,777 | \$ 282,818 | \$ 4,312 |
| Class R6 | | | |
| Net asset value (net assets/shares outstanding) and offering price per share | \$ — | \$ 12.34 | \$ — |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | — | 14,720 | — |
| Net Assets | \$ — | \$ 182 | \$ — |
| ⁽¹⁾ Investment in unaffiliated securities at cost | \$ 27,522 | \$ 858,155 | \$ 21,610 |
| ⁽²⁾ Investment in affiliated funds at cost | \$ 20,545 | \$ — | \$ — |
| ⁽³⁾ Amount is less than \$500. | | | |

See Notes to Financial Statements

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

(Reported in thousands except shares and per share amounts)

| | Herzfeld Fund | Multi-Asset Trend Fund | Sector Trend Fund |
|--|------------------|------------------------------|-------------------------|
| Assets | | | |
| Investment in securities at value ⁽¹⁾ | \$ 46,622 | \$ 134,012 | \$ 397,847 |
| Cash | 750 | 5,173 | 4,706 |
| Receivables | | | |
| Investment securities sold | 65 | 1,432 | 40,527 |
| Fund shares sold | 83 | 25 | 587 |
| Dividends and interest receivable | 50 | 85 | 803 |
| Prepaid trustee retainer | 1 | 3 | 9 |
| Prepaid expenses | 32 | 20 | 36 |
| Other assets | 1 | 2 | 5 |
| Total assets | <u>47,604</u> | <u>140,752</u> | <u>444,520</u> |
| Liabilities | | | |
| Payables | | | |
| Fund shares repurchased | 90 | 1,199 | 1,765 |
| Investment securities purchased | 289 | — | 40,697 |
| Investment advisory fees | 29 | 118 | 150 |
| Distribution and service fees | 14 | 75 | 165 |
| Administration fees | 5 | 15 | 41 |
| Transfer agent fees and expenses | 13 | 28 | 81 |
| Trustees' fees and expenses | 1 | 1 | 4 |
| Professional fees | 19 | 18 | 19 |
| Trustee deferred compensation plan | 1 | 2 | 5 |
| Other accrued expenses | 4 | 14 | 34 |
| Total liabilities | <u>465</u> | <u>1,470</u> | <u>42,961</u> |
| Net Assets | <u>\$ 47,139</u> | <u>\$ 139,282</u> | <u>\$ 401,559</u> |
| Net Assets Consist of: | | | |
| Capital paid in on shares of beneficial interest | \$ 48,009 | \$ 163,588 | \$ 442,248 |
| Accumulated undistributed net investment income (loss) | 5 | (529) | 2,144 |
| Accumulated undistributed net realized gain (loss) | (1,511) | (35,191) | (65,564) |
| Net unrealized appreciation (depreciation) on investments | 636 | 11,414 | 22,731 |
| Net Assets | <u>\$ 47,139</u> | <u>\$ 139,282</u> | <u>\$ 401,559</u> |
| Class A | | | |
| Net asset value (net assets/shares outstanding) per share | \$ 10.92 | \$ 10.31 | \$ 11.29 |
| Maximum offering price per share NAV/(1-5.75%) | \$ 11.59 | \$ 10.94 | \$ 11.98 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,012,667 | 2,890,104 | 11,639,415 |
| Net Assets | \$ 11,060 | \$ 29,798 | \$ 131,389 |
| Class C | | | |
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.88 | \$ 10.10 | \$ 11.04 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,430,483 | 8,018,321 | 15,146,948 |
| Net Assets | \$ 15,568 | \$ 80,962 | \$ 167,265 |
| Class I | | | |
| Net asset value (net assets/shares outstanding) and offering price per share | \$ 10.94 | \$ 10.34 | \$ 11.28 |
| Shares of beneficial interest outstanding, no par value, unlimited authorization | 1,874,859 | 2,757,612 | 9,121,404 |
| Net Assets | \$ 20,511 | \$ 28,522 | \$ 102,905 |
| ⁽¹⁾ Investment in securities at cost | \$ 45,986 | \$ 122,598 | \$ 375,117 |

See Notes to Financial Statements

**VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2016**

(\$ reported in thousands)

| | Alternatives Diversifier Fund | Equity Trend Fund | Global Equity Trend Fund |
|--|-------------------------------------|-------------------------|--------------------------------|
| Investment Income | | | |
| Dividends | \$ 210 | \$ 20,226 | \$ 424 |
| Dividends from affiliated funds | 763 | — | — |
| Interest | — | 46 | 3 |
| Total investment income | <u>973</u> | <u>20,272</u> | <u>427</u> |
| Expenses | | | |
| Investment advisory fees | — | 13,889 | 371 |
| Service fees, Class A | 50 | 933 | 31 |
| Distribution and service fees, Class C | 216 | 5,876 | 158 |
| Administration fees | 80 | 1,750 | 47 |
| Transfer agent fees and expenses | 123 | 1,872 | 62 |
| Registration fees | 46 | 198 | 47 |
| Printing fees and expenses | 20 | 377 | 12 |
| Custodian fees | 7 | 50 | 2 |
| Professional fees | 23 | 42 | 19 |
| Trustees' fees and expenses | 6 | 134 | 3 |
| Miscellaneous expenses | 7 | 131 | 6 |
| Total expenses | <u>578</u> | <u>25,252</u> | <u>758</u> |
| Less expenses reimbursed and/or waived by investment adviser | — | (1,475) | (7) |
| Earnings credit from custodian | (1) | — | — |
| Low balance account fees | — ⁽¹⁾ | — ⁽¹⁾ | — |
| Net expenses | <u>577</u> | <u>23,777</u> | <u>751</u> |
| Net investment income (loss) | <u>396</u> | <u>(3,505)</u> | <u>(324)</u> |
| Net Realized and Unrealized Gain (Loss) on Investments | | | |
| Net realized gain (loss) on unaffiliated investments | (3,160) | (51,631) | (1,741) |
| Net realized gain (loss) on affiliated investments | 3,486 | — | — |
| Capital gain distributions from affiliated funds | 1,938 | — | — |
| Net change in unrealized appreciation (depreciation) on unaffiliated investments | 5,474 | 68,111 | 1,774 |
| Net change in unrealized appreciation (depreciation) on affiliated investments | (2,816) | — | — |
| Net gain (loss) on investments | <u>4,922</u> | <u>16,480</u> | <u>33</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$ 5,318</u> | <u>\$ 12,975</u> | <u>\$ (291)</u> |

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED SEPTEMBER 30, 2016

(\$ reported in thousands)

| | Herzfeld Fund | Multi-Asset Trend Fund | Sector Trend Fund |
|---|------------------|------------------------------|-------------------------|
| Investment Income | | | |
| Dividends | \$ 2,213 | \$ 2,883 | \$ 8,805 |
| Interest | — | 19 | 18 |
| Total investment income | <u>2,213</u> | <u>2,902</u> | <u>8,823</u> |
| Expenses | | | |
| Investment advisory fees | 446 | 1,875 | 1,953 |
| Service fees, Class A | 20 | 99 | 344 |
| Distribution and service fees, Class C | 152 | 1,049 | 1,741 |
| Administration fees | 56 | 237 | 547 |
| Transfer agent fees and expenses | 61 | 275 | 588 |
| Registration fees | 52 | 54 | 164 |
| Printing fees and expenses | 15 | 51 | 115 |
| Custodian fees | 4 | 3 | 7 |
| Professional fees | 21 | 21 | 26 |
| Trustees' fees and expenses | 4 | 17 | 39 |
| Miscellaneous expenses | 5 | 18 | 35 |
| Total expenses | <u>836</u> | <u>3,699</u> | <u>5,559</u> |
| Less expenses reimbursed and/or waived by investment adviser | (55) | — | — |
| Earnings credit from custodian | (1) | — | — |
| Low balance account fees | — | — ⁽¹⁾ | (1) |
| Net expenses | <u>780</u> | <u>3,699</u> | <u>5,558</u> |
| Net investment income (loss) | <u>1,433</u> | <u>(797)</u> | <u>3,265</u> |
| Net Realized and Unrealized Gain (Loss) on Investments | | | |
| Net realized gain (loss) on investments | (3,058) | (5,127) | (17,641) |
| Capital gain distributions from underlying funds | 2,512 | — | — |
| Net change in unrealized appreciation (depreciation) on investments | <u>5,023</u> | <u>9,563</u> | <u>25,827</u> |
| Net gain (loss) on investments | <u>4,477</u> | <u>4,436</u> | <u>8,186</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$ 5,910</u> | <u>\$ 3,639</u> | <u>\$ 11,451</u> |

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS OPPORTUNITIES TRUST
STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

| | Alternatives Diversifier Fund | | Equity Trend Fund | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Year Ended September 30, 2016 | Year Ended September 30, 2015 | Year Ended September 30, 2016 | Year Ended September 30, 2015 |
| INCREASE/(DECREASE) IN NET ASSETS | | | | |
| From Operations | | | | |
| Net investment income (loss) | \$ 396 | \$ 1,799 | \$ (3,505) | \$ (15,311) |
| Net realized gain (loss) | 2,264 | 400 | (51,631) | 179,217 |
| Net change in unrealized appreciation (depreciation) | 2,658 | (12,509) | 68,111 | (738,910) |
| Increase (decrease) in net assets resulting from operations | 5,318 | (10,310) | 12,975 | (575,004) |
| From Distributions to Shareholders | | | | |
| Net investment income, Class A | (140) | (652) | — | (816) |
| Net investment income, Class C | (97) | (386) | — | — |
| Net investment income, Class I | (177) | (977) | — | (4,384) |
| Net realized short-term gains, Class A | — | — | — | (96,936) |
| Net realized short-term gains, Class C | — | — | — | (98,311) |
| Net realized short-term gains, Class I | — | — | — | (160,323) |
| Net realized short-term gains, Class R6 | — | — | — | (5) |
| Net realized long-term gains, Class A | — | — | — | (286,197) |
| Net realized long-term gains, Class C | — | — | — | (289,362) |
| Net realized long-term gains, Class I | — | — | — | (473,696) |
| Net realized long-term gains, Class R6 | — | — | — | (15) |
| Decrease in net assets from distributions to shareholders | (414) | (2,015) | — | (1,410,045) |
| From Share Transactions (See Note 6) | | | | |
| Change in net assets from share transactions, Class A | (7,767) | (9,920) | (278,173) | (984,779) |
| Change in net assets from share transactions, Class C | (7,687) | (8,585) | (326,634) | (668,784) |
| Change in net assets from share transactions, Class I | (12,448) | (12,643) | (317,745) | (2,373,748) |
| Change in net assets from share transactions, Class R6 | — | — | 85 | 120 |
| Increase (decrease) in net assets from share transactions | (27,902) | (31,148) | (922,467) | (4,027,191) |
| Net increase (decrease) in net assets | (22,998) | (43,473) | (909,492) | (6,012,240) |
| Net Assets | | | | |
| Beginning of fiscal year | 81,557 | 125,030 | 1,861,276 | 7,873,516 |
| End of fiscal year | \$ 58,559 | \$ 81,557 | \$ 951,784 | \$ 1,861,276 |
| Accumulated undistributed net investment income (loss) at end of fiscal year | \$ 316 | \$ 411 | \$ (1,663) | \$ (8,830) |

(1) Amount is less than \$500.

See Notes to Financial Statements

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

(\$ reported in thousands)

| | Global Equity Trend Fund | | Herzfeld Fund | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Year Ended September 30, 2016 | Year Ended September 30, 2015 | Year Ended September 30, 2016 | Year Ended September 30, 2015 |
| INCREASE/(DECREASE) IN NET ASSETS | | | | |
| From Operations | | | | |
| Net investment income (loss) | \$ (324) | \$ (487) | \$ 1,433 | \$ 929 |
| Net realized gain (loss) | (1,741) | (8,221) | (546) | 218 |
| Net change in unrealized appreciation (depreciation) | 1,774 | (10,115) | 5,023 | (4,845) |
| Increase (decrease) in net assets resulting from operations | <u>(291)</u> | <u>(18,823)</u> | <u>5,910</u> | <u>(3,698)</u> |
| From Distributions to Shareholders | | | | |
| Net investment income, Class A | — | (271) | (348) | (283) |
| Net investment income, Class C | — | — | (527) | (365) |
| Net investment income, Class I | — | (467) | (971) | (414) |
| Net realized short-term gains, Class A | — | (1,492) | — | (122) |
| Net realized short-term gains, Class C | — | (1,771) | — | (166) |
| Net realized short-term gains, Class I | — | (1,788) | — | (74) |
| Net realized long-term gains, Class A | — | (3,944) | (77) | (104) |
| Net realized long-term gains, Class C | — | (4,687) | (151) | (143) |
| Net realized long-term gains, Class I | — | (4,759) | (232) | (69) |
| Decrease in net assets from distributions to shareholders | <u>—</u> | <u>(19,179)</u> | <u>(2,306)</u> | <u>(1,740)</u> |
| From Share Transactions (See Note 6) | | | | |
| Change in net assets from share transactions, Class A | (10,228) | (45,890) | 2,011 | 428 |
| Change in net assets from share transactions, Class C | (10,974) | (36,615) | (595) | 6,251 |
| Change in net assets from share transactions, Class I | (11,474) | (70,130) | 3,886 | 13,715 |
| Increase (decrease) in net assets from share transactions | <u>(32,676)</u> | <u>(152,635)</u> | <u>5,302</u> | <u>20,394</u> |
| Net increase (decrease) in net assets | <u>(32,967)</u> | <u>(190,637)</u> | <u>8,906</u> | <u>14,956</u> |
| Net Assets | | | | |
| Beginning of fiscal year | 56,897 | 247,534 | 38,233 | 23,277 |
| End of fiscal year | <u>\$ 23,930</u> | <u>\$ 56,897</u> | <u>\$47,139</u> | <u>\$38,233</u> |
| Accumulated undistributed net investment income (loss) at end of fiscal year | \$ (207) | \$ (698) | \$ 5 | \$ — |

See Notes to Financial Statements

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

(\$ reported in thousands)

| | Multi-Asset Trend Fund | | Sector Trend Fund | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Year Ended September 30, 2016 | Year Ended September 30, 2015 | Year Ended September 30, 2016 | Year Ended September 30, 2015 |
| INCREASE/(DECREASE) IN NET ASSETS | | | | |
| From Operations | | | | |
| Net investment income (loss) | \$ (797) | \$ (2,088) | \$ 3,265 | \$ 1,801 |
| Net realized gain (loss) | (5,127) | (20,676) | (17,641) | 94,402 |
| Net change in unrealized appreciation (depreciation) | 9,563 | (21,205) | 25,827 | (139,165) |
| Increase (decrease) in net assets resulting from operations | <u>3,639</u> | <u>(43,969)</u> | <u>11,451</u> | <u>(42,962)</u> |
| From Distributions to Shareholders | | | | |
| Net investment income, Class A | (41) | (516) | (986) | (1,055) |
| Net investment income, Class C | — | — | — | (406) |
| Net investment income, Class I | (244) | (1,292) | (1,649) | (1,161) |
| Net realized short-term gains, Class A | — | (3,223) | — | (13,616) |
| Net realized short-term gains, Class C | — | (7,394) | — | (13,013) |
| Net realized short-term gains, Class I | — | (6,241) | — | (12,582) |
| Net realized long-term gains, Class A | — | (7,765) | — | (59,091) |
| Net realized long-term gains, Class C | — | (17,829) | — | (56,735) |
| Net realized long-term gains, Class I | — | (15,105) | — | (54,658) |
| Decrease in net assets from distributions to shareholders | <u>(285)</u> | <u>(59,365)</u> | <u>(2,635)</u> | <u>(212,317)</u> |
| From Share Transactions (See Note 6) | | | | |
| Change in net assets from share transactions, Class A | (26,252) | (68,771) | (28,578) | (72,892) |
| Change in net assets from share transactions, Class C | (60,210) | (146,112) | (42,844) | (2,219) |
| Change in net assets from share transactions, Class I | (45,575) | (206,162) | (69,127) | (62,196) |
| Increase (decrease) in net assets from share transactions | <u>(132,037)</u> | <u>(421,045)</u> | <u>(140,549)</u> | <u>(137,307)</u> |
| Net increase (decrease) in net assets | <u>(128,683)</u> | <u>(524,379)</u> | <u>(131,733)</u> | <u>(392,586)</u> |
| Net Assets | | | | |
| Beginning of fiscal year | 267,965 | 792,344 | 533,292 | 925,878 |
| End of fiscal year | <u>\$ 139,282</u> | <u>\$ 267,965</u> | <u>\$ 401,559</u> | <u>\$ 533,292</u> |
| Accumulated undistributed net investment income (loss) at end of fiscal year | \$ (529) | \$ (2,581) | \$ 2,144 | \$ 1,513 |

(1) Amount is less than \$500.

See Notes to Financial Statements

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

| | Net Asset Value, Beginning of Period | Net Investment Income (Loss) ⁽²⁾ | Capital Gains Distributions Received from Affiliated Funds ⁽²⁾ | Net Realized and Unrealized Gain (Loss) | Total from Investment Operations | Dividends from Net Investment Income | 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 ⁽⁶⁾ | Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁶⁾ | Ratio of Net Investment Income (Loss) to Average Net Assets | Portfolio Turnover Rate |
|--------------------------------------|---|---|--|--|----------------------------------|---|---------------------|---------------------------|--------------------------------|-----------------------------|---|---|--|--|-------------------------|
| Alternatives Diversifier Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.99 | 0.08 | 0.31 | 0.58 | 0.97 | (0.07) | (0.07) | 0.90 | \$10.89 | 9.74% | \$ 19,171 | 0.74% ⁽⁹⁾⁽¹²⁾ | 0.74% | 0.80% | 56% |
| 10/1/14 to 9/30/15 | 11.31 | 0.19 | 0.09 | (1.39) | (1.11) | (0.21) | (0.21) | (1.32) | 9.99 | (10.02) | 25,377 | 0.64 | 0.64 | 1.77 | 46 |
| 10/1/13 to 9/30/14 | 10.97 | 0.15 | 0.07 | 0.25 | 0.47 | (0.13) | (0.13) | 0.34 | 11.31 | 4.28 | 39,076 | 0.65 | 0.65 | 1.32 | 27 |
| 10/1/12 to 9/30/13 | 11.10 | 0.21 | — | (0.13) | 0.08 | (0.21) | (0.21) | (0.13) | 10.97 | 0.73 | 51,339 | 0.58 ⁽⁷⁾ | 0.63 | 1.93 | 24 |
| 10/1/11 to 9/30/12 | 9.68 | 0.10 | — | 1.38 | 1.48 | (0.06) | (0.06) | 1.42 | 11.10 | 15.37 | 65,463 | 0.45 | 0.65 | 0.95 | 29 |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.90 | — ⁽⁵⁾ | 0.31 | 0.56 | 0.87 | (0.04) | (0.04) | 0.83 | \$10.73 | 8.86% | \$ 19,611 | 1.49% ⁽⁹⁾⁽¹²⁾ | 1.49% | 0.04% | 56% |
| 10/1/14 to 9/30/15 | 11.21 | 0.11 | 0.09 | (1.39) | (1.19) | (0.12) | (0.12) | (1.31) | 9.90 | (10.66) | 25,637 | 1.39 | 1.39 | 1.02 | 46 |
| 10/1/13 to 9/30/14 | 10.83 | 0.07 | 0.07 | 0.25 | 0.39 | (0.01) | (0.01) | 0.38 | 11.21 | 3.47 | 38,005 | 1.40 | 1.40 | 0.58 | 27 |
| 10/1/12 to 9/30/13 | 10.93 | 0.13 | — | (0.13) | — | (0.10) | (0.10) | (0.10) | 10.83 | (0.05) | 44,850 | 1.33 ⁽⁷⁾ | 1.38 | 1.22 | 24 |
| 10/1/11 to 9/30/12 | 9.55 | 0.02 | — | 1.36 | 1.38 | — | — | 1.38 | 10.93 | 14.45 | 57,336 | 1.20 | 1.40 | 0.20 | 29 |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.98 | 0.11 | 0.31 | 0.56 | 0.98 | (0.07) | (0.07) | 0.91 | \$10.89 | 9.94% | \$ 19,777 | 0.49% ⁽⁹⁾⁽¹²⁾ | 0.49% | 1.04% | 56% |
| 10/1/14 to 9/30/15 | 11.30 | 0.22 | 0.09 | (1.39) | (1.08) | (0.24) | (0.24) | (1.32) | 9.98 | (9.77) | 30,543 | 0.39 | 0.39 | 1.99 | 46 |
| 10/1/13 to 9/30/14 | 10.98 | 0.18 | 0.08 | 0.24 | 0.50 | (0.18) | (0.18) | 0.32 | 11.30 | 4.52 | 47,949 | 0.40 | 0.40 | 1.56 | 27 |
| 10/1/12 to 9/30/13 | 11.12 | 0.16 | — | (0.05) | 0.11 | (0.25) | (0.25) | (0.14) | 10.98 | 1.00 | 111,396 | 0.36 ⁽⁷⁾ | 0.38 | 1.48 | 24 |
| 10/1/11 to 9/30/12 | 9.70 | 0.13 | — | 1.38 | 1.51 | (0.09) | (0.09) | 1.42 | 11.12 | 15.63 | 37,590 | 0.20 | 0.40 | 1.21 | 29 |

The footnote legend is at the end of the Financial Highlights

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

| | Net Asset Value, Beginning of Period | Net Investment Income (Loss) ⁽²⁾ | Net Realized and Unrealized Gain (Loss) | Total from Investment Operations | Dividends from Net Investment Income | Distributions from Net Realized Gains | Total Distributions | 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 ⁽⁶⁾ | Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁶⁾ | Ratio of Net Investment Income (Loss) to Average Net Assets | Portfolio Turnover Rate |
|------------------------------------|---|---|--|----------------------------------|---|--|---------------------|---------------------------|--------------------------------|-----------------------------|---|---|--|--|-------------------------|
| Equity Trend Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$12.14 | (0.01) | 0.10 | 0.09 | — | — | — | 0.09 | \$12.23 | 0.74% | \$ 245,109 | 1.50% ⁽⁷⁾⁽¹²⁾ | 1.58% | (0.05)% | 229% |
| 10/1/14 to 9/30/15 | 17.39 | (0.03) | (1.79) | (1.82) | (0.01) | (3.42) | (3.43) | (5.25) | 12.14 | (12.79) | 520,337 | 1.60 ⁽¹¹⁾ | 1.60 | (0.22) | 674 |
| 10/1/13 to 9/30/14 | 15.52 | 0.06 | 2.29 | 2.35 | (0.04) | (0.44) | (0.48) | 1.87 | 17.39 | 15.31 | 2,044,955 | 1.61 ⁽¹¹⁾ | 1.61 | 0.36 | 227 |
| 10/1/12 to 9/30/13 | 13.43 | 0.11 | 2.09 | 2.20 | (0.11) | — | (0.11) | 2.09 | 15.52 | 16.50 | 1,937,456 | 1.62 ⁽¹¹⁾ | 1.62 | 0.75 | 140 |
| 10/1/11 to 9/30/12 | 11.69 | 0.10 | 1.73 | 1.83 | (0.09) | — | (0.09) | 1.74 | 13.43 | 15.74 | 1,323,109 | 1.64 | 1.64 | 0.80 | 297 |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$11.87 | (0.08) | 0.09 | 0.01 | — | — | — | 0.01 | \$11.88 | 0.08% | \$ 423,675 | 2.16% ⁽⁷⁾⁽¹²⁾ | 2.33% | (0.69)% | 229% |
| 10/1/14 to 9/30/15 | 17.16 | (0.13) | (1.76) | (1.89) | — | (3.40) | (3.40) | (5.29) | 11.87 | (13.45) | 746,390 | 2.36 ⁽¹¹⁾ | 2.36 | (0.97) | 674 |
| 10/1/13 to 9/30/14 | 15.39 | (0.06) | 2.27 | 2.21 | — | (0.44) | (0.44) | 1.77 | 17.16 | 14.48 | 1,988,290 | 2.36 ⁽¹¹⁾ | 2.36 | (0.38) | 227 |
| 10/1/12 to 9/30/13 | 13.34 | — | 2.07 | 2.07 | (0.02) | — | (0.02) | 2.05 | 15.39 | 15.55 | 1,307,857 | 2.37 ⁽¹¹⁾ | 2.37 | 0.02 | 140 |
| 10/1/11 to 9/30/12 | 11.62 | 0.01 | 1.72 | 1.73 | (0.01) | — | (0.01) | 1.72 | 13.34 | 14.91 | 767,602 | 2.38 | 2.39 | 0.09 | 297 |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$12.19 | 0.02 | 0.10 | 0.12 | — | — | — | 0.12 | \$12.31 | 0.98% | \$ 282,818 | 1.29% ⁽⁷⁾⁽¹²⁾ | 1.33% | 0.16% | 229% |
| 10/1/14 to 9/30/15 | 17.42 | 0.01 | (1.80) | (1.79) | (0.02) | (3.42) | (3.44) | (5.23) | 12.19 | (12.57) | 594,460 | 1.35 ⁽¹¹⁾ | 1.35 | 0.04 | 674 |
| 10/1/13 to 9/30/14 | 15.54 | 0.10 | 2.30 | 2.40 | (0.08) | (0.44) | (0.52) | 1.88 | 17.42 | 15.61 | 3,840,271 | 1.36 ⁽¹¹⁾ | 1.36 | 0.62 | 227 |
| 10/1/12 to 9/30/13 | 13.45 | 0.15 | 2.08 | 2.23 | (0.14) | — | (0.14) | 2.09 | 15.54 | 16.75 | 2,580,005 | 1.37 ⁽¹¹⁾ | 1.37 | 1.02 | 140 |
| 10/1/11 to 9/30/12 | 11.71 | 0.14 | 1.72 | 1.86 | (0.12) | — | (0.12) | 1.74 | 13.45 | 15.98 | 1,479,042 | 1.39 | 1.39 | 1.10 | 297 |
| Class R6 | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$12.20 | 0.06 | 0.08 | 0.14 | — | — | — | 0.14 | \$12.34 | 1.15% | \$ 182 | 1.10% ⁽⁷⁾⁽¹²⁾ | 1.25% | 0.49% | 229% |
| 11/12/14 ⁽⁶⁾ to 9/30/15 | 17.20 | 0.01 | (1.57) | (1.56) | (0.02) | (3.42) | (3.44) | (5.00) | 12.20 | (11.39) ⁽⁴⁾ | 89 | 1.28 ⁽⁹⁾⁽¹¹⁾ | 1.28 ⁽³⁾ | 0.10 ⁽³⁾ | 674 |
| Global Equity Trend Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.76 | (0.06) | 0.24 | 0.18 | — | — | — | 0.18 | \$ 9.94 | 1.84% | \$ 8,351 | 1.77% ⁽¹²⁾ | 1.79% | (0.60)% | 282% |
| 10/1/14 to 9/30/15 | 12.42 | (0.03) | (1.48) | (1.51) | (0.07) | (1.08) | (1.15) | (2.66) | 9.76 | (13.21) | 18,523 | 1.68 ⁽¹¹⁾ | 1.68 | (0.23) | 614 |
| 10/1/13 to 9/30/14 | 11.76 | 0.07 | 0.91 | 0.98 | (0.02) | (0.30) | (0.32) | 0.66 | 12.42 | 8.43 | 75,879 | 1.66 ⁽¹⁰⁾ | 1.65 | 0.55 | 205 |
| 10/1/12 to 9/30/13 | 10.56 | 0.04 | 1.26 | 1.30 | (0.06) | (0.04) | (0.10) | 1.20 | 11.76 | 12.32 | 56,689 | 1.75 ⁽¹⁰⁾ | 1.71 | 0.33 | 194 |
| 10/1/11 to 9/30/12 | 9.42 | 0.08 | 1.12 | 1.20 | (0.06) | — | (0.06) | 1.14 | 10.56 | 12.75 | 27,699 | 1.75 | 1.78 | 0.83 | 258 |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.59 | (0.13) | 0.23 | 0.10 | — | — | — | 0.10 | \$ 9.69 | 1.04% | \$ 11,267 | 2.52% ⁽¹²⁾ | 2.54% | (1.35)% | 282% |
| 10/1/14 to 9/30/15 | 12.24 | (0.09) | (1.48) | (1.57) | — | (1.08) | (1.08) | (2.65) | 9.59 | (13.88) | 22,376 | 2.41 ⁽¹¹⁾ | 2.43 | (0.87) | 614 |
| 10/1/13 to 9/30/14 | 11.64 | (0.02) | 0.92 | 0.90 | — | (0.30) | (0.30) | 0.60 | 12.24 | 7.69 | 72,013 | 2.37 ⁽¹⁰⁾ | 2.40 | (0.17) | 205 |
| 10/1/12 to 9/30/13 | 10.50 | (0.05) | 1.25 | 1.20 | (0.02) | (0.04) | (0.06) | 1.14 | 11.64 | 11.52 | 44,239 | 2.48 ⁽¹⁰⁾ | 2.46 | (0.42) | 194 |
| 10/1/11 to 9/30/12 | 9.40 | — ⁽⁵⁾ | 1.12 | 1.12 | (0.02) | — | (0.02) | 1.10 | 10.50 | 12.04 | 21,051 | 2.50 | 2.53 | 0.01 | 258 |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.79 | (0.04) | 0.25 | 0.21 | — | — | — | 0.21 | \$10.00 | 2.15% | \$ 4,312 | 1.51% ⁽¹²⁾ | 1.52% | (0.40)% | 282% |
| 10/1/14 to 9/30/15 | 12.47 | — ⁽⁵⁾ | (1.50) | (1.50) | (0.10) | (1.08) | (1.18) | (2.68) | 9.79 | (13.06) | 15,998 | 1.43 ⁽¹¹⁾ | 1.43 | 0.01 | 614 |
| 10/1/13 to 9/30/14 | 11.80 | 0.10 | 0.92 | 1.02 | (0.05) | (0.30) | (0.35) | 0.67 | 12.47 | 8.68 | 99,642 | 1.44 ⁽¹⁰⁾ | 1.41 | 0.80 | 205 |
| 10/1/12 to 9/30/13 | 10.58 | 0.07 | 1.25 | 1.32 | (0.06) | (0.04) | (0.10) | 1.22 | 11.80 | 12.59 | 38,889 | 1.50 ⁽¹⁰⁾ | 1.46 | 0.58 | 194 |
| 10/1/11 to 9/30/12 | 9.42 | 0.09 | 1.14 | 1.23 | (0.07) | — | (0.07) | 1.16 | 10.58 | 13.15 | 19,112 | 1.50 | 1.52 | 0.90 | 258 |

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| | Net Asset Value, Beginning of Period | Net Investment Income (Loss) ⁽²⁾ | Net Realized and Unrealized Gain (Loss) | Total from Investment Operations | Dividends from Net Investment Income | Distributions from Net Realized Gains | 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 ⁽⁶⁾ | Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁶⁾ | Ratio of Net Investment Income (Loss) to Average Net Assets | Portfolio Turnover Rate |
|----------------------------------|---|---|--|----------------------------------|---|--|---------------------|---------------------------|--------------------------------|-----------------------------|---|---|--|--|-------------------------|
| Herzfeld Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.91 | 0.34 | 1.20 | 1.54 | (0.43) | (0.10) | (0.53) | 1.01 | \$10.92 | 16.04% | \$ 11,060 | 1.61% ⁽⁹⁾⁽¹²⁾ | 1.74% | 3.33% | 53% |
| 10/1/14 to 9/30/15 | 11.37 | 0.35 | (1.12) | (0.77) | (0.37) | (0.32) | (0.69) | (1.46) | 9.91 | (7.17) | 8,324 | 1.60 | 1.73 | 3.20 | 57 |
| 10/1/13 to 9/30/14 | 10.45 | 0.34 | 1.02 | 1.36 | (0.36) | (0.08) | (0.44) | 0.92 | 11.37 | 13.21 | 9,212 | 1.60 | 1.93 | 3.04 | 53 |
| 10/1/12 to 9/30/13 | 10.21 | 0.33 | 0.18 | 0.51 | (0.26) | (0.01) | (0.27) | 0.24 | 10.45 | 5.10 | 2,917 | 1.60 | 2.60 | 3.13 | 22 |
| 9/5/12 ⁽⁶⁾ to 9/30/12 | 10.00 | 0.04 | 0.17 | 0.21 | — | — | — | 0.21 | 10.21 | 2.10 ⁽⁴⁾ | 105 | 1.60 ⁽³⁾ | 37.91 ⁽³⁾ | 5.93 | 3 ⁽⁴⁾ |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.87 | 0.27 | 1.19 | 1.46 | (0.35) | (0.10) | (0.45) | 1.01 | \$10.88 | 15.22% | \$ 15,568 | 2.36% ⁽⁹⁾⁽¹²⁾ | 2.49% | 2.61% | 53% |
| 10/1/14 to 9/30/15 | 11.34 | 0.26 | (1.11) | (0.85) | (0.30) | (0.32) | (0.62) | (1.47) | 9.87 | (7.94) | 14,761 | 2.35 | 2.48 | 2.39 | 57 |
| 10/1/13 to 9/30/14 | 10.43 | 0.26 | 1.01 | 1.27 | (0.28) | (0.08) | (0.36) | 0.91 | 11.34 | 12.34 | 10,624 | 2.35 | 2.70 | 2.35 | 53 |
| 10/1/12 to 9/30/13 | 10.21 | 0.25 | 0.19 | 0.44 | (0.21) | (0.01) | (0.22) | 0.22 | 10.43 | 4.36 | 4,942 | 2.35 | 3.25 | 2.40 | 22 |
| 9/5/12 ⁽⁶⁾ to 9/30/12 | 10.00 | 0.03 | 0.18 | 0.21 | — | — | — | 0.21 | 10.21 | 2.10 ⁽⁴⁾ | 102 | 2.35 ⁽³⁾ | 38.62 ⁽³⁾ | 5.21 | 3 ⁽⁴⁾ |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.92 | 0.37 | 1.21 | 1.58 | (0.46) | (0.10) | (0.56) | 1.02 | \$10.94 | 16.40% | \$ 20,511 | 1.36% ⁽⁹⁾⁽¹²⁾ | 1.49% | 3.59% | 53% |
| 10/1/14 to 9/30/15 | 11.39 | 0.37 | (1.12) | (0.75) | (0.40) | (0.32) | (0.72) | (1.47) | 9.92 | (7.01) | 15,148 | 1.35 | 1.47 | 3.39 | 57 |
| 10/1/13 to 9/30/14 | 10.46 | 0.38 | 1.01 | 1.39 | (0.38) | (0.08) | (0.46) | 0.93 | 11.39 | 13.54 | 3,441 | 1.35 | 1.71 | 3.40 | 53 |
| 10/1/12 to 9/30/13 | 10.21 | 0.09 | 0.46 | 0.55 | (0.29) | (0.01) | (0.30) | 0.25 | 10.46 | 5.41 | 1,765 | 1.35 | 3.71 | 0.86 | 22 |
| 9/5/12 ⁽⁶⁾ to 9/30/12 | 10.00 | 0.03 | 0.18 | 0.21 | — | — | — | 0.21 | 10.21 | 2.10 ⁽⁴⁾ | 1,017 | 1.35 ⁽³⁾ | 38.61 ⁽³⁾ | 4.39 | 3 ⁽⁴⁾ |
| Multi-Asset Trend Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.94 | (0.01) | 0.39 | 0.38 | (0.01) | — | (0.01) | 0.37 | \$10.31 | 3.82% | \$ 29,798 | 1.61% ⁽¹¹⁾⁽¹²⁾ | 1.61% | (0.07)% | 223% |
| 10/1/14 to 9/30/15 | 11.85 | (0.02) | (0.92) | (0.94) | (0.04) | (0.93) | (0.97) | (1.91) | 9.94 | (8.58) | 55,214 | 1.62 ⁽¹¹⁾ | 1.62 | (0.15) | 519 |
| 10/1/13 to 9/30/14 | 11.28 | 0.10 | 0.69 | 0.79 | (0.07) | (0.15) | (0.22) | 0.57 | 11.85 | 6.97 | 143,765 | 1.62 ⁽¹¹⁾ | 1.62 | 0.83 | 337 |
| 10/1/12 to 9/30/13 | 10.67 | 0.06 | 0.62 | 0.68 | (0.05) | (0.02) | (0.07) | 0.61 | 11.28 | 6.39 | 114,697 | 1.64 ⁽¹¹⁾ | 1.64 | 0.51 | 275 |
| 10/1/11 to 9/30/12 | 9.69 | 0.09 | 0.98 | 1.07 | (0.09) | — | (0.09) | 0.98 | 10.67 | 11.08 | 66,122 | 1.73 | 1.70 | 0.84 | 211 |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.80 | (0.08) | 0.38 | 0.30 | — | — | — | 0.30 | \$10.10 | 3.06% | \$ 80,962 | 2.36% ⁽¹¹⁾⁽¹²⁾ | 2.36% | (0.80)% | 223% |
| 10/1/14 to 9/30/15 | 11.73 | (0.09) | (0.91) | (1.00) | — | (0.93) | (0.93) | (1.93) | 9.80 | (9.23) | 139,223 | 2.36 ⁽¹¹⁾ | 2.37 | (0.89) | 519 |
| 10/1/13 to 9/30/14 | 11.19 | 0.01 | 0.68 | 0.69 | — | (0.15) | (0.15) | 0.54 | 11.73 | 6.15 | 331,980 | 2.35 ⁽¹¹⁾ | 2.37 | 0.09 | 337 |
| 10/1/12 to 9/30/13 | 10.60 | (0.02) | 0.63 | 0.61 | — | (0.02) | (0.02) | 0.59 | 11.19 | 5.71 | 230,459 | 2.37 ⁽¹¹⁾ | 2.39 | (0.23) | 275 |
| 10/1/11 to 9/30/12 | 9.66 | 0.02 | 0.96 | 0.98 | (0.04) | — | (0.04) | 0.94 | 10.60 | 10.13 | 131,330 | 2.45 | 2.45 | 0.16 | 211 |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$ 9.99 | 0.02 | 0.38 | 0.40 | (0.05) | — | (0.05) | 0.35 | \$10.34 | 3.97% | \$ 28,522 | 1.36% ⁽¹¹⁾⁽¹²⁾ | 1.36% | 0.16% | 223% |
| 10/1/14 to 9/30/15 | 11.88 | 0.01 | (0.91) | (0.90) | (0.06) | (0.93) | (0.99) | (1.89) | 9.99 | (8.36) | 73,528 | 1.36 ⁽¹¹⁾ | 1.36 | 0.11 | 519 |
| 10/1/13 to 9/30/14 | 11.31 | 0.13 | 0.69 | 0.82 | (0.10) | (0.15) | (0.25) | 0.57 | 11.88 | 7.20 | 316,599 | 1.37 ⁽¹¹⁾ | 1.37 | 1.06 | 337 |
| 10/1/12 to 9/30/13 | 10.69 | 0.08 | 0.63 | 0.71 | (0.07) | (0.02) | (0.09) | 0.62 | 11.31 | 6.70 | 248,984 | 1.39 ⁽¹¹⁾ | 1.39 | 0.74 | 275 |
| 10/1/11 to 9/30/12 | 9.71 | 0.12 | 0.96 | 1.08 | (0.10) | — | (0.10) | 0.98 | 10.69 | 11.24 | 146,634 | 1.49 | 1.46 | 1.17 | 211 |

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|--------------------------|--------------------------------------|---|---|----------------------------------|--------------------------------------|---------------------------------------|---------------------|---------------------------|--------------------------------|-----------------------------|---|--|--|---|-------------------------|
| Sector Trend Fund | | | | | | | | | | | | | | | |
| Class A | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$11.00 | 0.11 | 0.26 | 0.37 | (0.08) | — | (0.08) | 0.29 | \$11.29 | 3.36% | \$131,389 | 1.05% ⁽¹²⁾ | 1.05% | 1.00% | 337% |
| 10/1/14 to 9/30/15 | 15.21 | 0.05 | (0.71) | (0.66) | (0.05) | (3.50) | (3.55) | (4.21) | 11.00 | (6.19) | 156,759 | 0.98 | 0.98 | 0.39 | 576 |
| 10/1/13 to 9/30/14 | 13.87 | 0.15 | 2.25 | 2.40 | (0.13) | (0.93) | (1.06) | 1.34 | 15.21 | 17.81 | 316,571 | 0.98 | 0.98 | 1.02 | 129 |
| 10/1/12 to 9/30/13 | 12.15 | 0.17 | 2.11 | 2.28 | (0.17) | (0.39) | (0.56) | 1.72 | 13.87 | 19.63 | 257,492 | 1.00 | 1.00 | 1.29 | 123 |
| 10/1/11 to 9/30/12 | 10.67 | 0.14 | 1.68 | 1.82 | (0.12) | (0.22) | (0.34) | 1.48 | 12.15 | 17.51 | 199,268 | 1.02 | 1.02 | 1.22 | 190 |
| Class C | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$10.76 | 0.03 | 0.25 | 0.28 | — | — | — | 0.28 | \$11.04 | 2.60% | \$167,265 | 1.80% ⁽¹²⁾ | 1.80% | 0.24% | 337% |
| 10/1/14 to 9/30/15 | 15.02 | (0.04) | (0.69) | (0.73) | (0.02) | (3.51) | (3.53) | (4.26) | 10.76 | (6.86) | 206,556 | 1.74 | 1.74 | (0.34) | 576 |
| 10/1/13 to 9/30/14 | 13.73 | 0.04 | 2.21 | 2.25 | (0.03) | (0.93) | (0.96) | 1.29 | 15.02 | 16.89 | 296,160 | 1.73 | 1.73 | 0.28 | 129 |
| 10/1/12 to 9/30/13 | 12.03 | 0.07 | 2.10 | 2.17 | (0.08) | (0.39) | (0.47) | 1.70 | 13.73 | 18.80 | 217,861 | 1.74 | 1.75 | 0.57 | 123 |
| 10/1/11 to 9/30/12 | 10.56 | 0.06 | 1.67 | 1.73 | (0.04) | (0.22) | (0.26) | 1.47 | 12.03 | 16.60 | 157,461 | 1.75 | 1.77 | 0.53 | 190 |
| Class I | | | | | | | | | | | | | | | |
| 10/1/15 to 9/30/16 | \$11.02 | 0.13 | 0.27 | 0.40 | (0.14) | — | (0.14) | 0.26 | \$11.28 | 3.65% | \$102,905 | 0.80% ⁽¹²⁾ | 0.80% | 1.21% | 337% |
| 10/1/14 to 9/30/15 | 15.21 | 0.08 | (0.71) | (0.63) | (0.05) | (3.51) | (3.56) | (4.19) | 11.02 | (5.90) | 169,977 | 0.73 | 0.73 | 0.65 | 576 |
| 10/1/13 to 9/30/14 | 13.87 | 0.19 | 2.25 | 2.44 | (0.17) | (0.93) | (1.10) | 1.34 | 15.21 | 18.08 | 313,147 | 0.73 | 0.73 | 1.29 | 129 |
| 10/1/12 to 9/30/13 | 12.15 | 0.20 | 2.11 | 2.31 | (0.20) | (0.39) | (0.59) | 1.72 | 13.87 | 19.92 | 173,096 | 0.75 | 0.75 | 1.56 | 123 |
| 10/1/11 to 9/30/12 | 10.67 | 0.17 | 1.68 | 1.85 | (0.15) | (0.22) | (0.37) | 1.48 | 12.15 | 17.71 | 122,198 | 0.77 | 0.77 | 1.53 | 190 |

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⁾ Inception date.

⁽⁷⁾ Due to a change in expense cap, the ratio shown is a blended expense ratio.

⁽⁸⁾ The Funds will also indirectly bear their prorated share of expenses of the underlying funds in which they invest. Such expenses are not included in the calculation of this ratio.

⁽⁹⁾ Earnings credits from custodian were not material, as reflected in the Statements of Operations, and had no impact on Financial Highlights.

⁽¹⁰⁾ See Note 3C in the Notes to Financial Statements for information on recapture of expense previously waived.

⁽¹¹⁾ The Fund is currently under its expense limitation.

⁽¹²⁾ Net expense ratios include extraordinary proxy expenses.

VIRTUS OPPORTUNITIES TRUST

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

Note 1. Organization

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

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

The Funds' investment objectives are outlined in each Fund's summary page. There is no guarantee that a Fund will achieve its objective(s).

All of the Funds offer Class A shares, Class C shares, and Class I shares. The Equity Trend Fund now offers Class R6 shares. Class A shares are sold with a front-end sales charge of up to 5.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Funds when redeemed; however, a 0.50% – 1% contingent deferred sales charge ("CDSC") may be imposed on certain redemptions made within a certain period following purchases on which a finder's fee has been paid. The period for which such CDSC applies for the Funds is 18 months. The CDSC period begins on the last day of the month preceding the month in which the purchase was made.

Class 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. These fees are reflected as "Low Balance Account Fees" in each Fund's Statements of Operations for the period, as applicable.

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

Note 2. Significant Accounting Policies

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

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.).
- Level 3 – prices determined using significant unobservable inputs (including the Valuation Committee's own assumptions in determining the fair value of investments).

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

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

Certain non-U.S. securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that non-U.S. markets close (where the security is principally traded) and the time that a Fund calculates its net asset value ("NAV") (at the close of regular trading on the New York Stock Exchange ("NYSE"), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets. In such cases the Fund fair values non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. security to the intraday trading in the U.S. markets for investments such as ADRs, financial futures, ETFs, and certain indexes, as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

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

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 which 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 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 and ETFs are valued as of the close of regular trading on the NYSE each business day. Both are categorized as Level 1 in the hierarchy.

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

B. Security Transactions and Investment Income

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

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

E. Expenses

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

In addition to the net annual operating expenses that a fund bears directly, the shareholders of a fund indirectly bear the pro-rata expenses of 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. Securities Lending

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

VIRTUS OPPORTUNITIES TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
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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, none of the Funds had securities on loan.

H. 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. 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 (except as otherwise noted) of the following Funds:

| | <u>First \$2 Billion</u> | <u>\$2+ Billion through \$4 Billion</u> | <u>\$4+ Billion</u> |
|--------------------------------|--------------------------|---|---------------------|
| Global Equity Trend Fund | 1.00% | 0.95% | 0.90% |
| Multi-Asset Trend Fund | 1.00 | 0.95 | 0.90 |
| | <u>First \$1 Billion</u> | <u>\$1+ Billion</u> | |
| Herzfeld Fund | 1.00 | 0.95 | |
| Sector Trend Fund | 0.45 | 0.40 | |
| | <u>First \$4 Billion</u> | <u>\$4+ Billion</u> | |
| Equity Trend Fund | 1.00% | 0.95% | |

Alternatives Diversifier Fund – the Adviser has discontinued charging an advisory fee.

B. Subadvisers

Thomas J. Herzfeld Advisors, Inc. serves as the subadviser ("subadviser") to Virtus Herzfeld Fund, managing the investments of that Fund for which the subadviser is paid a fee by the Adviser. Prior to September 7, 2016, Euclid Advisors LLC served as a subadviser to the remaining Funds; since that date those Funds do not have a subadviser.

C. Expense Limits and Fee Waivers

The Adviser has contractually agreed to limit certain Funds' total operating expenses (excluding interest, taxes, extraordinary expenses and acquired fund fees and expenses, if any), so that such expenses do not exceed the percentages of the Fund's average daily net asset values as listed below through January 31, 2017.

| | <u>Class A</u> | <u>Class C</u> | <u>Class I</u> | <u>Class R6</u> |
|--------------------------------|----------------|----------------|----------------|-----------------|
| Equity Trend Fund* | 1.42% | 2.02% | 1.24% | 1.03% |
| Global Equity Trend Fund | 1.75 | 2.50 | 1.50 | — |
| Herzfeld Fund | 1.60 | 2.35 | 1.35 | — |
| Multi-Asset Trend Fund† | 1.75 | 2.50 | 1.50 | — |

† expenses are currently below the cap level.

* Effective February 8, 2016. For the period of October 1, 2015, through February 5, 2016, the expense caps were as follows for Class A, Class C, Class I, and Class R6, respectively: 1.70%, 2.45%, 1.45%, and 1.38%.

D. Expense Recapture

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

| | <u>Fiscal Year Ended</u> | | | |
|--------------------------------|--------------------------|-------------|-------------|--------------|
| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>Total</u> |
| Equity Trend Fund | \$— | \$— | \$1,475 | \$1,475 |
| Global Equity Trend Fund | — | — | 7 | 7 |
| Herzfeld Fund | 56 | 40 | 55 | 151 |

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 fiscal year (the "period") ended September 30, 2016, it retained net commissions of \$37 of Class A shares and deferred sales charges of \$36 and \$91 for Class A shares and Class C shares, respectively.

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

In addition, each Fund pays VP Distributors distribution and/or service fees under a 12b-1 Plan as a percentage of the average daily net assets of each respective class at the annual rates of 0.25%⁽¹⁾ for Class A shares and 1.00%⁽¹⁾⁽²⁾ for Class C shares. Class I shares and Class R6 shares are not subject to a 12b-1 Plan.

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

⁽¹⁾ The Funds invest in ETFs. In addition to the fees listed the Funds bear their proportionate shares of any distribution and shareholder servicing fees of the ETFs.

⁽²⁾ The Funds' distributor has contractually agreed to waive its 12b-1 fees applicable to Class C shares to the extent that the Funds' investments in underlying ETFs with their own 12b-1 fees would otherwise cause the total 12b-1 fees paid directly or indirectly by the Fund to exceed the limits set forth in applicable law or regulation.

F. Administrator and Transfer Agent

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

For the period ended September 30, 2016, the Funds incurred administration fees from the Trust totaling \$2,070 which are included in the Statements of Operations.

For the period ended September 30, 2016, the Funds incurred transfer agent fees from the Trust totaling \$2,741 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

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> |
|-------------------|---------------|--|
| Equity Trend Fund | | |
| Class R6 | 14,720 | \$ 182 |
| Herzfeld Fund | | |
| Class A | 11,982 | 131 |
| Class C | 11,670 | 127 |
| Class I | 96,718 | 1,058 |

H. Investments in Affiliates

A summary of the Alternatives Diversifier Fund's total long-term and short-term purchases and sales of the Class I shares of the affiliated underlying funds⁽¹⁾ during the period ended September 30, 2016, is as follows:

| | <u>Value, beginning of period</u> | <u>Purchases⁽²⁾</u> | <u>Sales Proceeds</u> |
|---|---|--------------------------------|--|
| Virtus Global Infrastructure Fund | \$15,334 | \$ 3,658 | \$ 9,850 |
| Virtus Global Real Estate Securities Fund | 7,542 | 188 | 3,200 |
| Virtus International Real Estate Securities Fund | 7,707 | 3,138 | 5,500 |
| Virtus Real Estate Securities Fund | 7,189 | 3,681 | 5,830 |
| Virtus Senior Floating Rate Fund | 12,164 | 2,487 | 10,075 |
| | <u>\$49,936</u> | <u>\$13,152</u> | <u>\$34,455</u> |
| | | | |
| | <u>Value, end of period</u> | <u>Dividend Income</u> | <u>Distributions of Realized Gains</u> |
| Virtus Global Infrastructure Fund | \$ 9,734 | \$ 253 | \$ 605 |
| Virtus Global Real Estate Securities Fund | 5,143 | 91 | 97 |
| Virtus International Real Estate Securities Fund | 5,564 | 88 | — |
| Virtus Real Estate Securities Fund | 4,375 | 94 | 1,236 |
| Virtus Senior Floating Rate Fund | 4,486 | 237 | — |
| | <u>\$29,302</u> | <u>\$ 763</u> | <u>\$ 1,938</u> |

⁽¹⁾ The Alternatives Diversifier Fund does not invest in the underlying funds for the purpose of exercising management or control; however, investments made by the Fund within each of its principal investment strategies may represent a significant portion of an underlying fund's net assets. At September 30, 2016, the Fund was the owner of record of approximately 16% of Virtus International Real Estate Securities Fund.

⁽²⁾ Includes reinvested dividends from income and capital gain distributions.

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

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

Note 4. Purchases and Sales of Securities
(\$ reported in thousands)

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

| | <u>Purchases</u> | <u>Sales</u> |
|---|------------------|--------------|
| Alternatives Diversifier Fund | \$ 35,711 | \$ 61,646 |
| Equity Trend Fund | 2,676,708 | 2,758,568 |
| Global Equity Trend Fund | 77,327 | 73,613 |
| Herzfeld Fund | 21,684 | 22,996 |
| Multi-Asset Trend Fund | 346,120 | 383,133 |
| Sector Trend Fund | 1,475,298 | 1,199,981 |

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

Note 5. 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") is 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 or one-fifth of each Fund's total net assets in accordance with the Agreement. The Agreement has a term of 364 days and is renewable by the Funds with the Bank's consent. Interest is charged at the higher of the LIBOR (London Interbank Offered Rate) or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Funds and other 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.

From February 17, 2016, to February 29, 2016, the Herzfeld Fund made borrowings. The average daily borrowings under the Agreement and the weighted daily average interest rate were \$407 and 1.43%, respectively. No other Funds made borrowings during the period and no Fund had any outstanding borrowings as of September 30, 2016.

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

Note 6. Capital Share Transactions
(reported in thousands)

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

| | Alternatives Diversifier Fund | | | | Equity Trend Fund | | | |
|----------------------------------|----------------------------------|-------------|----------------------------------|-------------|----------------------------------|--------------|----------------------------------|------------------|
| | Year Ended September 30, 2016 | | Year Ended September 30, 2015 | | Year Ended September 30, 2016 | | Year Ended September 30, 2015 | |
| | SHARES | AMOUNT | SHARES | AMOUNT | SHARES | AMOUNT | SHARES | AMOUNT |
| Class A | | | | | | | | |
| Sale of shares | 233 | \$ 2,463 | 240 | \$ 2,652 | 1,506 | \$ 18,086 | 14,875 | \$ 216,781 |
| Reinvestment of distributions | 13 | 130 | 55 | 607 | — | — | 26,015 | 358,962 |
| Plan of Reorganization (Note 12) | — | — | — | — | 7,287 | 82,432 | — | — |
| Shares repurchased | (1,026) | (10,360) | (1,209) | (13,179) | (31,626) | (378,691) | (115,604) | (1,560,522) |
| Net Increase / (Decrease) | (780) | \$ (7,767) | (914) | \$ (9,920) | (22,833) | \$ (278,173) | (74,714) | \$ (984,779) |
| Class C | | | | | | | | |
| Sale of shares | 46 | \$ 462 | 75 | \$ 825 | 1,455 | \$ 17,143 | 16,872 | \$ 238,376 |
| Reinvestment of distributions | 8 | 78 | 28 | 309 | — | — | 24,034 | 325,886 |
| Plan of Reorganization (Note 12) | — | — | — | — | 11,669 | 128,740 | — | — |
| Shares repurchased | (817) | (8,227) | (904) | (9,720) | (40,364) | (472,517) | (93,877) | (1,233,046) |
| Net Increase / (Decrease) | (763) | \$ (7,687) | (801) | \$ (8,586) | (27,240) | \$ (326,634) | (52,971) | \$ (668,784) |
| Class I | | | | | | | | |
| Sale of shares | 386 | \$ 3,967 | 1,229 | \$ 13,567 | 4,635 | \$ 56,183 | 39,668 | \$ 574,419 |
| Reinvestment of distributions | 16 | 153 | 62 | 681 | — | — | 37,699 | 521,659 |
| Plan of Reorganization (Note 12) | — | — | — | — | 11,946 | 135,785 | — | — |
| Shares repurchased | (1,648) | (16,568) | (2,472) | (26,891) | (42,372) | (509,713) | (248,990) | (3,469,826) |
| Net Increase / (Decrease) | (1,246) | \$ (12,448) | (1,181) | \$ (12,643) | (25,791) | \$ (317,745) | (171,623) | \$(2,373,748) |
| Class R6 | | | | | | | | |
| Sale of shares | — | \$ — | — | \$ — | — | \$ — | 6 | \$ 100 |
| Reinvestment of distributions | — | — | — | — | — | — | 1 | 20 |
| Plan of Reorganization (Note 12) | — | — | — | — | 7 | 85 | — ⁽¹⁾ | — ⁽²⁾ |
| Shares repurchased | — | — | — | — | — | — | — ⁽¹⁾ | — ⁽²⁾ |
| Net Increase / (Decrease) | — | \$ — | — | \$ — | 7 | \$ 85 | 7 | \$ 120 |
| Global Equity Trend Fund | | | | | | | | |
| | Year Ended September 30, 2016 | | Year Ended September 30, 2015 | | | | | |
| | SHARES | AMOUNT | SHARES | AMOUNT | | | | |
| Class A | | | | | | | | |
| Sale of shares | 107 | \$ 1,027 | 1,197 | \$ 13,144 | | | | |
| Reinvestment of distributions | — | — | 509 | 5,652 | | | | |
| Shares repurchased | (1,165) | (11,255) | (5,916) | (64,685) | | | | |
| Net Increase / (Decrease) | (1,058) | \$ (10,228) | (4,210) | \$ (45,889) | | | | |
| Class C | | | | | | | | |
| Sale of shares | 80 | \$ 754 | 635 | \$ 6,902 | | | | |
| Reinvestment of distributions | — | — | 584 | 6,384 | | | | |
| Shares repurchased | (1,251) | (11,728) | (4,770) | (49,901) | | | | |
| Net Increase / (Decrease) | (1,171) | \$ (10,974) | (3,551) | \$ (36,615) | | | | |
| Class I | | | | | | | | |
| Sale of shares | 97 | \$ 932 | 992 | \$ 11,048 | | | | |
| Reinvestment of distributions | — | — | 631 | 7,036 | | | | |
| Shares repurchased | (1,299) | (12,406) | (7,982) | (88,214) | | | | |
| Net Increase / (Decrease) | (1,202) | \$ (11,474) | (6,359) | \$ (70,130) | | | | |

⁽¹⁾ Amount is less than 500.

⁽²⁾ Amount is less than \$500.

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

Note 7. 10% Shareholders

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

| | <u>% of Shares Outstanding</u> | <u>Number of Accounts</u> |
|-------------------------------------|------------------------------------|-------------------------------|
| Alternatives Diversifier Fund | 12% | 1 |
| Global Equity Trend Fund | 15 | 1 |
| Herzfeld Fund | 66 | 5 |
| Multi-Asset Trend Fund | 21 | 1 |

* Includes affiliated shareholder accounts.

Note 8. Credit Risk and Asset Concentration

Certain Funds may invest a high percentage of their assets in specific sectors of the market in their 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 Funds did not invest a high percentage of their assets in specific sectors.

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>Federal Tax Cost</u> | <u>Unrealized Appreciation</u> | <u>Unrealized (Depreciation)</u> | <u>Net Unrealized Appreciation (Depreciation)</u> |
|-------------------------------------|-----------------------------|------------------------------------|--------------------------------------|---|
| Alternatives Diversifier Fund | \$ 75,793 | \$ 7,375 | \$(24,827) | \$(17,452) |
| Equity Trend Fund | 865,765 | 93,316 | (14,309) | 79,007 |
| Global Equity Trend Fund | 21,828 | 2,105 | (206) | 1,899 |
| Herzfeld Fund | 46,079 | 1,826 | (1,283) | 543 |
| Multi-Asset Trend Fund | 123,261 | 11,525 | (774) | 10,751 |
| Sector Trend Fund | 378,753 | 24,548 | (5,454) | 19,094 |

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

| | <u>2018</u> | | <u>No Expiration</u> | | <u>Total</u> | |
|-------------------------------------|-------------------|------------------|----------------------|------------------|-------------------|------------------|
| | <u>Short-Term</u> | <u>Long-Term</u> | <u>Short-Term</u> | <u>Long-Term</u> | <u>Short-Term</u> | <u>Long-Term</u> |
| Alternatives Diversifier Fund | \$49,187 | \$— | \$ — | \$ — | \$ 49,187 | \$ — |
| Equity Trend Fund | — | — | 533,867 | — | 533,867 | — |
| Global Equity Trend Fund | — | — | 12,017 | 42 | 12,017 | 42 |
| Herzfeld Fund | — | — | 489 | — | 489 | — |
| Multi-Asset Trend Fund | — | — | 28,586 | — | 28,586 | — |
| Sector Trend Fund | 1,080 | — | 36,964 | 1,695 | 38,044 | 1,695 |

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

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

For the period ended September 30, 2016, the following Funds utilized losses deferred in prior years against current year capital gains:

| | |
|-------------------------------|---------|
| Alternatives Diversifier Fund | \$2,742 |
|-------------------------------|---------|

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

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

| | Late Year Ordinary Losses Deferred | Late Year Ordinary Losses Recognized | Capital Loss Deferred | Capital Loss Recognized |
|-------------------------------------|---|---|--------------------------------------|--|
| Alternatives Diversifier Fund | \$ — | \$ — | \$ 2,389 | \$ 2,312 |
| Equity Trend Fund | 1,663 | 9,400 | 57,335 | 386,068 |
| Global Equity Trend Fund | 207 | 705 | 2,051 | 12,067 |
| Herzfeld Fund | — | — | 929 | 327 |
| Multi-Asset Trend Fund | 529 | 2,881 | 5,942 | 28,669 |
| Sector Trend Fund | — | — | 22,188 | 42,927 |

⁽¹⁾ Amount is less than \$500.

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

| | Undistributed Ordinary Income | Undistributed Long-Term Capital Gains |
|-------------------------------------|--|--|
| Alternatives Diversifier Fund | \$ 316 | \$— |
| Equity Trend Fund | — | — |
| Global Equity Trend Fund | — | — |
| Herzfeld Fund | 5 | — |
| Multi-Asset Trend Fund | — | — |
| Sector Trend Fund | 2,144 | — |

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

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

| | 2016 | | | 2015 | | |
|-------------------------------------|----------------------------|------------------------------------|--------------|----------------------------|------------------------------------|--------------|
| | Ordinary income | Long-Term Capital Gains | Total | Ordinary income | Long-Term Capital Gains | Total |
| Alternatives Diversifier Fund | \$ 414 | \$ — | \$ 414 | \$ 2,015 | \$ — | \$ 2,015 |
| Equity Trend Fund | — | — | — | 360,775 | 1,049,270 | 1,410,045 |
| Global Equity Trend Fund | — | — | — | 5,789 | 13,389 | 19,178 |
| Herzfeld Fund | 1,846 | 460 | 2,306 | 1,424 | 315 | 1,739 |
| Multi-Asset Trend Fund | 285 | — | 285 | 18,666 | 40,699 | 59,365 |
| Sector Trend Fund | 2,635 | — | 2,635 | 41,833 | 170,484 | 212,317 |

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

For financial reporting purposes, book basis capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Permanent reclassifications can arise from differing treatment of certain income and gain transactions, nondeductible current year net operating losses, expiring capital loss carryovers and investments in passive foreign investment companies. The reclassifications have no impact on the net assets or net asset value of the Funds. As of September 30, 2016, the Funds recorded reclassifications to increase (decrease) the accounts as listed below:

| | Capital Paid in on Shares of Beneficial Interest | Undistributed Net Investment Income (Loss) | Accumulated Net Realized Gain (Loss) |
|-------------------------------------|---|---|---|
| Alternatives Diversifier Fund | \$ 20 | \$ (77) | \$ 57 |
| Equity Trend Fund | 138,232 | 10,672 | (148,904) |
| Global Equity Trend Fund | (816) | 816 | — |
| Herzfeld Fund | — | 417 | (417) |
| Multi-Asset Trend Fund | (3,194) | 3,134 | 60 |

Note 12. Plans of Reorganization

A. On October 22, 2015, the Board of Trustees of Virtus Opportunities Trust approved an Agreement and Plan of Reorganization (the "Plan") with respect to Virtus Dynamic Trend Fund (the "Merged Fund"), a series of Virtus Opportunities Trust, and Virtus Equity Trend Fund (the "Acquiring Fund"), a series of Virtus Opportunities Trust, which provided for the transfer of all of the assets of the Merged Fund for shares of the Acquiring Fund and the assumption of the liabilities of the Merged Fund. The purpose of the transaction was to eliminate the offering of overlapping Funds with similar investment objectives and similar investment strategies within the Virtus Mutual Fund Complex, while simultaneously creating

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

economies of scale for the surviving Funds that were intended to lower Fund expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Fund were recorded at fair value; however, the cost basis of the investments received from the Merged Fund was carried forward to align ongoing reporting of the Acquiring Fund's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

On January 15, 2016, Class B shares were converted into Class A shares in the Merged Fund.

The acquisition was accomplished by a tax-free exchange of shares on February 5, 2016. The share transactions associated with the merger are as follows:

| <u>Merged Fund</u> | <u>Shares Outstanding</u> | | <u>Acquiring Fund</u> | <u>Shares Converted</u> | | <u>Merged Fund Net Asset Value of Converted Shares</u> |
|---------------------------|---------------------------|----------|--------------------------|-------------------------|----------|--|
| Virtus Dynamic Trend Fund | Class | A 9,028 | Virtus Equity Trend Fund | Class | A 7,287 | \$ 82,432 |
| | | C 15,688 | | | C 11,669 | 128,740 |
| | | I 14,645 | | | I 11,946 | 135,785 |
| | | R 9 | | | R 7 | 85 |

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

| <u>Merged Fund</u> | <u>Net Assets</u> | <u>Unrealized Appreciation (Depreciation)</u> | <u>Acquiring Fund</u> | <u>Net Assets</u> |
|---------------------------|-----------------------|---|---------------------------|-----------------------|
| Virtus Dynamic Trend Fund | \$347,042 | \$1,481 | Virtus Equity Trend Fund | \$1,271,368 |

Assuming the acquisition had been completed on October 1, 2015, the Virtus Equity Trend Fund results of operations for the period ended September 30, 2016, would have been as follows:

| | |
|---|-------------------------|
| Net investment income (loss) | \$ 2,270 ^(a) |
| Net gain (loss) on investments | (13,042) ^(b) |
| Net increase (decrease) in assets from operations . . . | \$(10,772) |

^(a) \$(3,505), as reported in the Statement of Operations, plus \$5,775 Net Investment Income from Virtus Dynamic Trend Fund pre-merger.

^(b) \$16,480, as reported in the Statement of Operations, plus \$(29,522) Net Realized and Unrealized Gain (Loss) on Investments from Virtus Dynamic Trend Fund pre-merger.

Because the combined Funds have been managed as an integrated single Fund since the completion date it is also not feasible to separate the income/(losses) and gains/(losses) of the merged Virtus Dynamic Trend Fund that have been included in the acquiring Virtus Equity Trend Fund Statement of Operations since February 5, 2016.

Note 13. 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 Funds did not hold any securities that were illiquid.

Note 14. Exemptive Order

On August 23, 2010, the SEC issued an amended order under Section 12(d)(1)(J) of the 1940 Act granting an exemption from Sections 12(d)(1)(A) and (B) of the 1940 Act and under Sections 6(c) and 17(b) of the 1940 Act granting an exemption from Section 17(a) of the 1940 Act, which permits the Trust to invest in other affiliated and unaffiliated funds, including exchange-traded funds, in each case subject to certain conditions.

Note 15. Regulatory Matters and Litigation

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

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

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

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

Note 16. Subsequent Events

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



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

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

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
November 22, 2016

VIRTUS OPPORTUNITIES TRUST
TAX INFORMATION NOTICE
SEPTEMBER 30, 2016

For the fiscal year ended September 30, 2016, the Funds make the following disclosures for federal income tax purposes. Below is listed the percentages, or the maximum amount allowable, of its ordinary income dividends ("QDI") to qualify for the lower tax rates applicable to individual shareholders, and the percentage of ordinary income dividends earned by the Funds which qualifies for the dividends received deduction ("DRD") for corporate shareholders. The actual percentage of QDI and DRD for the calendar year will be designated in year-end tax statements. The Funds designate the amounts below as long-term capital gains dividends ("LTCG") taxable at a 20% rate, or lower depending on the shareholder's income (\$ reported in thousands). LTCG amounts, if subsequently different, will be designated in the next annual report.

| <u>Fund</u> | <u>QDI</u> | <u>DRD</u> | <u>LTCG</u> |
|-------------------------------------|------------|------------|-------------|
| Alternatives Diversifier Fund | 100% | 100% | \$— |
| Equity Trend Fund | — | — | — |
| Global Equity Trend Fund | — | — | — |
| Herzfeld Fund | 34 | 14 | — |
| Multi-Asset Trend Fund | — | — | — |
| Sector Trend Fund | 100 | 100 | — |

For the fiscal year ended September 30, 2016, certain Funds are disclosing the following information pursuant to notice requirements of Section 853(a) and 855(d) of the Internal Revenue Code, as amended, and the Treasury Regulations thereunder (\$ reported in thousands):

| | <u>Foreign Source Income Recognized</u> | <u>Foreign Taxes Paid on Foreign Source Income</u> |
|-------------------------------------|---|--|
| Alternatives Diversifier Fund | \$ 88 | \$7 |
| Herzfeld Fund | 147 | 9 |

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

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

Proposal 1.

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

Shareholders of the Trust voted to approve the above proposal.

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 CA Tax Exempt Bond Fund | 1,258,194.893 | 91,895.368 | 41,271.245 |
| Virtus Emerging Markets Debt Fund | 3,015,152.206 | 198.283 | 0 |
| Virtus Emerging Markets Equity Income Fund | 3,672,832.400 | 0 | 0 |
| Virtus Emerging Markets Opportunities Fund | 620,793,093.034 | 25,302,093.728 | 9,306,937.262 |
| Virtus Emerging Markets Small-Cap Fund | 494,281.793 | 0 | 0 |
| Virtus Essential Resources Fund | 504,931.913 | 0 | 0 |
| Virtus Foreign Opportunities Fund | 27,726,679.250 | 666,663.374 | 564,703.507 |
| Virtus Greater European Opportunities Fund | 818,457.900 | 37,502.974 | 15,676.215 |
| Virtus International Small-Cap Fund | 3,074,638.276 | 5,991.041 | 10,261.000 |
| Virtus International Wealth Masters Fund | 518,044.295 | 0 | 0 |
| Virtus Low Duration Income Fund | 10,449,114.393 | 779,684.940 | 311,840.943 |
| Virtus Multi-Sector Intermediate Bond Fund | 11,147,670.008 | 724,253.699 | 406,427.672 |
| Virtus Multi-Sector Short Term Bond Fund | 618,834,424.483 | 21,316,032.964 | 14,819,955.463 |

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

Proposal 6.

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

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

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

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

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 Global Equity Trend Fund | 2,071,338.688 | 221,721.989 | 61,016.655 |
| Virtus Global Opportunities Fund | 6,475,669.315 | 399,601.579 | 221,211.057 |
| Virtus Herzfeld Fund | 2,285,754.412 | 134,756.871 | 89,510.278 |
| Virtus International Equity Fund | 347,976.498 | 45,434.960 | 4,980.529 |
| Virtus Low Volatility Equity Fund | 234,510.520 | 7,334.000 | 90,835.796 |
| Virtus Real Estate Securities Fund | 14,196,247.698 | 691,146.713 | 476,502.196 |
| Virtus Sector Trend Fund | 14,380,526.646 | 1,274,297.224 | 1,097,176.679 |
| Virtus Wealth Masters Fund | 2,759,756.937 | 182,003.481 | 154,822.394 |
| Virtus Alternatives Diversifier Fund | 2,054,425.037 | 135,901.800 | 177,500.739 |
| Virtus Equity Trend Fund | 47,080,228.694 | 3,814,318.119 | 2,960,680.324 |
| Virtus Multi-Asset Trend Fund | 7,428,521.065 | 660,946.728 | 521,389.418 |
| Virtus Tax-Exempt Bond Fund | 7,423,225.114 | 802,129.342 | 492,588.498 |

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

Proposal 6.

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

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

Proposal 7.

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

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

FUND MANAGEMENT TABLES

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

Independent Trustees

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

FUND MANAGEMENT TABLES (Continued)

Interested Trustee

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

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

Officers

| Name, Address and Year of Birth | Position(s) Held with Trust and Length of Time Served | Principal Occupation(s) During Past 5 Years |
|------------------------------------|---|--|
| Bradley, W. Patrick YOB: 1972 | Executive Vice President (since 2016); Senior Vice President (2013 to 2016); Vice President (2011 to 2013); Chief Financial Officer and Treasurer (since 2006). | Executive Vice President, Fund Services (since 2016), Senior Vice President, Fund Services (2010 to 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2004), Virtus Variable Insurance Trust; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006), Virtus Mutual Fund Complex; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer (Chief Financial Officer) (since 2007), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2011), Virtus Closed-End Funds; Vice President and Assistant Treasurer (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Director (since 2013), Virtus Global Funds, PLC; and Executive Vice President (since 2016), Senior Vice President, Chief Financial Officer and Treasurer (2013 to 2016), Virtus Alternative Solutions Trust. |
| Carr, Kevin J. YOB: 1954 | Senior Vice President (since 2013); Vice President (2005 to 2013); Chief Legal Officer, Counsel and Secretary (since 2005). | Senior Vice President (since 2009), Vice President, Counsel and Secretary (2008 to 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2005) with Virtus affiliates; Senior Vice President (since 2013), Vice President (2005 to 2013), Chief Legal Officer, Counsel and Secretary (since 2005), Virtus Mutual Fund Complex; Senior Vice President (2013 to 2014), Vice President (2012 to 2013) and Assistant Secretary (since 2012), Secretary and Chief Legal Officer (2005 to 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Assistant Secretary (since 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2010 to 2013), Virtus Variable Insurance Trust; Vice President and Assistant Secretary (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Senior Vice President and Assistant Secretary (2013 to 2014), Vice President and Assistant Secretary (2012 to 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2011 to 2012), Virtus Closed-End Funds; and Assistant Secretary (since 2013), Virtus Alternative Solutions Trust. |
| Engberg, Nancy J. YOB: 1956 | Vice President and Chief Compliance Officer since 2011. | Vice President (since 2008) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Vice President and Chief Compliance Officer (since 2011), Virtus Mutual Fund Complex; Vice President (since 2010) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Vice President and Chief Compliance Officer (since 2011), Virtus Closed-End Funds; Vice President and Chief Compliance Officer (since 2012), The Zweig Fund and Virtus Global Dividend & Income Fund Inc.; Vice President and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Chief Compliance Officer (since 2015), ETFis Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II. |
| Waltman, Francis G. YOB: 1962 | Executive Vice President (since 2013); Senior Vice President (2008-2013). | Executive Vice President, Product Development (since 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2013), Senior Vice President (2008 to 2013), Virtus Mutual Fund Complex; Executive Vice President (since 2013), Senior Vice President (2010 to 2013), Virtus Variable Insurance Trust; Executive Vice President (since 2013), Senior Vice President (2011 to 2013), Virtus Closed-End Funds; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust. |

Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Global Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Sector Trend Fund, each a series of Virtus Opportunities Trust

Supplement dated September 7, 2016 to the Summary and Statutory Prospectuses dated January 28, 2016

IMPORTANT NOTICE TO INVESTORS

As approved by the Board of Trustees of Virtus Opportunities Trust, effective September 7, 2016, the funds' current subadviser, Euclid Advisors LLC ("Euclid") is removed as subadviser. Accordingly, effective September 7, 2016, all references to Euclid as subadviser to the funds, and to David Dickerson, Carlton Neel and Amy Robinson as portfolio managers, are hereby removed from the funds' prospectuses. Virtus Investment Advisers, Inc., the funds' investment adviser, will continue to serve as investment adviser and will be responsible for the day-to-day management of the funds.

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

Virtus Alternatives Diversifier Fund

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

- > **Warun Kumar**, Senior Managing Director and Portfolio Manager at VIA, is a manager of the fund. Mr. Kumar has served as a Portfolio Manager of the fund since September 2016.

Virtus Equity Trend Fund, Virtus Global Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Sector Trend Fund

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

- > **Michael Davis**, a Managing Director at VIA is a manager of the fund. Mr. Davis has served as a Portfolio Manager of the fund since September 2016.
- > **Brendan R. Finneran**, Managing Director and Equity Trader at VIA, is a manager of the fund. Mr. Finneran has served as a Portfolio Manager of the fund since September 2016.
- > **Robert F. Hofeman, Jr.**, Managing Director and Equity Trader at VIA, is a manager of the fund. Mr. Hofeman has served as a Portfolio Manager of the fund since September 2016.
- > **Warun Kumar**, Senior Managing Director and Portfolio Manager at VIA, is a manager of the fund. Mr. Kumar has served as a Portfolio Manager of the fund since May 2015.

All Funds

Under "The Adviser" on page 179 of the statutory prospectus, the following disclosure replaces the second sentence of the third paragraph: "For Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Global Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Sector Trend Fund, VIA is responsible for the day-to-day management of the fund's investments and manages the investments of the fund to conform with its investment policies as described in this prospectus."

Additionally, the table in this section is hereby amended by deleting the rows for Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Global Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Sector Trend Fund.

Under "The Subadvisers" on page 182 of the statutory prospectus, the table showing subadvisory fees is hereby amended by deleting the rows for Virtus Alternatives Diversifier Fund, Virtus Equity Trend Fund, Virtus Global Equity Trend Fund, Virtus Multi-Asset Trend Fund and Virtus Sector Trend Fund.

In the section “Portfolio Management” on page 188 of the statutory prospectus, the section under the subheading “VIA” is hereby replaced in its entirety with the following:

| | |
|--------------------------------------|---|
| Virtus Alternatives Diversifier Fund | Warun Kumar (since September 2016) |
| Virtus Equity Trend Fund | Michael Davis (since September 2016) Brendan R. Finneran (since September 2016) Robert F. Hofeman, Jr. (since September 2016) Warun Kumar (since May 2015) |
| Virtus Global Equity Trend Fund | Michael Davis (since September 2016) Brendan R. Finneran (since September 2016) Robert F. Hofeman, Jr. (since September 2016) Warun Kumar (since May 2015) |
| Virtus Multi-Asset Trend Fund | Michael Davis (since September 2016) Brendan R. Finneran (since September 2016) Robert F. Hofeman, Jr. (since September 2016) Warun Kumar (since May 2015) |
| Virtus Sector Trend Fund | Michael Davis (since September 2016) Brendan R. Finneran (since September 2016) Robert F. Hofeman, Jr. (since September 2016) Warun Kumar (since May 2015) |

Michael Davis. Mr. Davis is a Managing Director at Virtus Investment Advisers (since 2014) and has over 15 years of experience in the financial services industry, including investment management and capital markets. Prior to joining Virtus in 2014, he was a founding partner of Varick Asset Management, an independent alternative manager focused on the development of innovative portfolio solutions and investment strategies. Before forming Varick, Mr. Davis worked in the institutional asset management division of Barclays Capital, focused on quantitative and derivative-based investment strategies. Prior to Barclays, he worked in the derivative structuring group at Lehman Brothers. Mr. Davis started his career at Merrill Lynch in the asset-backed finance business.

Brendan R. Finneran. Mr. Finneran serves as Managing Director and Equity Trader at VIA (since September 2016) and has served in the same capacity at Rampart Investment Management Company, LLC, an affiliate of VIA (since July 2008). Mr. Finneran has 12 years of investment experience. Prior to Rampart, he was trader and operations manager at Andover Capital Advisors (2003 to 2008), where he was responsible for operational account management (processing and settlement) for all equity, option, bond, bank debt, CDS and swap trades. Prior to Andover Capital Advisors, Mr. Finneran held various positions at Cone Jacquards and Robert Fleming as Account Manager.

Robert F. Hofeman, Jr. Mr. Hofeman serves as Managing Director and Equity Trader at VIA (since September 2016) and has served in the same capacity at Rampart Investment Management Company, LLC, an affiliate of VIA (since May 2012). Mr. Hofeman has more than 12 years of investment experience. Prior to Rampart, he was an equity trading consultant for Linedata (2010 to 2012) where he translated buy-side business processes to the technology staff. Previously, Mr. Hofeman was a vice president of Evergreen Investments (2007 to 2009), where he traded stocks, options and futures, and was the primary trader at Ironwood Investment Management, LLC (2002 to 2007), focusing on small cap stocks and assisting with the research processes.

Warun Kumar. Mr. Kumar is Senior Managing Director and Portfolio Manager at VIA (since April 2015), and Portfolio Manager at Virtus Alternative Investment Advisers, Inc., an affiliate of VIA (since May 2014). He also serves as the Chief Investment Officer for Rampart Investment Management LLC, an affiliate of VIA (since October 2015). Before joining Virtus, Mr. Kumar was founder and managing partner of Varick Asset Management, an independent alternative manager focused on the development of innovative portfolio solutions and investment strategies for high net worth investors and institutional clients (2010 to 2014). Prior to forming Varick, Mr. Kumar was the U.S. head of Barclays Capital Fund Solutions, where he led the investment committee and managed business expansion throughout the Americas (2007 to 2010). Mr. Kumar’s investment management career began at Volaris Advisors, where he was a partner and headed the derivative advisory business. In addition to these roles, Mr. Kumar has held senior positions in the capital markets divisions of Lehman Brothers and Robertson Stephens, and was a founding partner of Sigma Advisors, an alternative investment advisory firm. Mr. Kumar began his financial services career in 1993 as a member of JP Morgan’s equity derivatives business.

All other disclosure concerning the fund, including fees and expenses, remains unchanged from the prospectuses dated January 28, 2016.

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

VIRTUS OPPORTUNITIES TRUST

101 Munson Street
Greenfield, MA 01301-9668

Trustees

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

Officers

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

Investment Adviser

Virtus Investment Advisers, Inc.
100 Pearl Street
Hartford, CT 06103-4506

Principal Underwriter

VP Distributors, LLC
100 Pearl Street
Hartford, CT 06103-4506

Administrator and Transfer Agent

Virtus Fund Services, LLC
100 Pearl Street
Hartford, CT 06103-4506

Custodian

JPMorgan Chase Bank, NA
1 Chase Manhattan Plaza
New York, NY 10005-1401

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
2001 Market Street
Philadelphia, PA 19103-7042

How to Contact Us

| | |
|--------------------------|-------------------|
| Mutual Fund Services | 1-800-243-1574 |
| Adviser Consulting Group | 1-800-243-4361 |
| Website | Virtus.com |

Important Notice to Shareholders

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



P.O. Box 9874
Providence, RI 02940-8074

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