

Virtus Global Multi-Sector Income Fund  
Form N-Q  
October 30, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22608

Virtus Global Multi-Sector Income Fund

(Exact name of registrant as specified in charter)

101 Munson Street

Greenfield, MA 01301-9683

(Address of principal executive offices) (Zip code)

William Renahan, Esq.

Vice President, Chief Legal Officer and Secretary for Registrant

100 Pearl Street

Hartford, CT 06103-4506

(Name and address of agent for service)

Registrant's telephone number, including area code: (866) 270-7788

Date of fiscal year end: November 30

Date of reporting period: August 31, 2018

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q

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unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedules of Investments are attached herewith.

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited)****AUGUST 31, 2018**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>U.S. GOVERNMENT SECURITIES 3.4%</b>		
U.S. Treasury Note		
1.375%, 4/30/20	\$ 680	\$ 666
2.375%, 1/31/23	1,800	1,772
2.250%, 8/15/27	3,125	2,975
<b>TOTAL U.S. GOVERNMENT SECURITIES</b> <b>(Identified Cost \$5,397)</b>		<b>5,413</b>
<b>MUNICIPAL BONDS 1.0%</b>		
<b>California 0.5%</b>		
State of California Build America Bond Taxable 7.500%, 4/1/34	570	801
<b>Illinois 0.5%</b>		
State of Illinois Build America Bond Taxable 6.900%, 3/1/35	700	752
<b>TOTAL MUNICIPAL BONDS</b> <b>(Identified Cost \$1,480)</b>		<b>1,553</b>
<b>FOREIGN GOVERNMENT SECURITIES 20.6%</b>		
Argentine Republic		
7.500%, 4/22/26	710	586
6.875%, 1/26/27	545	426
Series NY, 8.280%, 12/31/33	1,269	1,060
7.125%, 7/6/36	365	266

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Bermuda RegS 4.854%, 2/6/24 <sup>(3)</sup>	700	724
Bolivarian Republic of Venezuela RegS 7.650%, 4/21/25 <sup>(3)(10)</sup>	1,380	338
<b>Dominican Republic</b>		
144A, 6.875%, 1/29/26 <sup>(2)</sup>	155	167
144A, 6.000%, 7/19/28 <sup>(2)</sup>	800	814
144A, 6.850%, 1/27/45 <sup>(2)</sup>	800	806
<b>Federal Republic of Nigeria</b>		
12.500%, 1/22/26	215,000 <sup>NGN</sup>	526
144A, 6.500%, 11/28/27 <sup>(2)</sup>	455	423
144A, 7.625%, 11/28/47 <sup>(2)</sup>	440	399
<b>Federative Republic of Brazil</b>		
12.500%, 1/5/22	625 <sup>BRL</sup>	170
Notas do Tesouro Nacional Series F, 10.000%, 1/1/23	2,560 <sup>BRL</sup>	614
10.000%, 1/1/25	940 <sup>BRL</sup>	217
10.250%, 1/10/28	2,325 <sup>BRL</sup>	600
	<b>PAR VALUE</b>	<b>VALUE</b>
Kingdom of Bahrain 144A 7.000%, 10/12/28 <sup>(2)</sup>	\$ 795	\$ 743
Kingdom of Jordan 144A 5.750%, 1/31/27 <sup>(2)</sup>	1,085	1,010
Kingdom of Morocco 144A 5.500% 12/11/42 <sup>(2)</sup>	800	848
<b>Provincia de Buenos Aires</b>		
144A, 9.125%, 3/16/24 <sup>(2)</sup>	405	342
144A, 7.875%, 6/15/27 <sup>(2)</sup>	1,165	845
Republic of Angola 144A 9.375%, 5/8/48 <sup>(2)</sup>	370	371
Republic of Armenia 144A 7.150%, 3/26/25 <sup>(2)</sup>	700	737
Republic of Chile 5.500%, 8/5/20	547,000 <sup>CLP</sup>	828
<b>Republic of Colombia</b>		
Treasury Note Series B, 11.250%, 10/24/18	998,500 <sup>COP</sup>	333
4.375%, 3/21/23	1,588,000 <sup>COP</sup>	493
<b>Republic of Costa Rica</b>		
RegS, 7.000%, 4/4/44 <sup>(3)</sup>	1,000	953
144A, 7.000%, 4/4/44 <sup>(2)</sup>	800	762
Republic of Ecuador 144A 8.875%, 10/23/27 <sup>(2)</sup>	870	792
<b>Republic of Indonesia</b>		
FR63, 5.625%, 5/15/23	7,482,000 <sup>IDR</sup>	462
FR70, 8.375%, 3/15/24	7,721,000 <sup>IDR</sup>	529
144A, 8.500%, 10/12/35 <sup>(2)</sup>	1,290	1,798
Republic of Philippines 9.500%, 2/2/30	1,220	1,802
<b>Republic of South Africa</b>		

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Series 2023, 7.750%, 2/28/23	10,000 <sup>ZAR</sup>	664
4.300%, 10/12/28	525	462
5.650%, 9/27/47	955	853
Republic of Turkey		
6.250%, 9/26/22	340	306
7.375%, 2/5/25	420	383
4.875%, 10/9/26	2,185	1,704
4.875%, 4/16/43	935	622
Republic of Uruguay 5.100%, 6/18/50		
Russian Federation Series 6216 6.700%, 5/15/19	78,125 <sup>RUB</sup>	1,154
Sultanate of Oman		
144A, 5.375%, 3/8/27 <sup>(2)</sup>	1,240	1,181
144A, 5.625%, 1/17/28 <sup>(2)</sup>	760	728
Ukraine		
144A, 7.750%, 9/1/23 <sup>(2)</sup>	785	761
144A, 7.750%, 9/1/26 <sup>(2)</sup>	1,335	1,227
United Mexican States		
Series M, 6.500%, 6/9/22	9,038 <sup>MXN</sup>	452
4.150%, 3/28/27	520	513

**TOTAL FOREIGN GOVERNMENT SECURITIES**

**(Identified Cost \$38,470)**

**33,303**

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>MORTGAGE-BACKED SECURITIES 14.8%</b>		
<b>Agency 3.8%</b>		
Federal National Mortgage Association		
Pool #MA2471, 3.500%, 12/1/45	\$ 974	\$ 970
Pool #AS6311, 3.500%, 12/1/45	441	439
Pool #BC9083, 3.000%, 12/1/46	1,168	1,131
Pool #MA2959, 3.500%, 4/1/47 <sup>(4)</sup>	1,560	1,551
Pool #AS9393, 4.000%, 4/1/47	408	416
Pool #MA3121, 4.000%, 9/1/47	1,567	1,596
		6,103
<b>Non-Agency 11.0%</b>		
American Homes 4 Rent Trust 2014-SFR2, C 144A 4.705%, 10/17/36 <sup>(2)</sup>	770	800
Ameriquist Mortgage Securities, Inc. Pass-Through Certificates, 2003-AR3, M4, (3 month LIBOR minus 5.850%) 3.329%, 6/25/33 <sup>(1)</sup>	743	739
AMSR Trust 2016-SFR1, D 144A, (1 month LIBOR + 2.400%) 4.460%, 11/17/33 <sup>(1)(2)</sup>	665	668
Bayview Opportunity Master Fund IVa Trust		
2016-SPL1, B1 144A, 4.250%, 4/28/55 <sup>(2)</sup>	540	550
2017-SPL5, B1 144A, 4.000%, 6/28/57 <sup>(1)(2)</sup>	130	131
Bayview Opportunity Master Fund IVb Trust 2016-SPL2, B1 144A 4.250%, 6/28/53 <sup>(1)(2)</sup>	385	392
Caesars Palace Las Vegas Trust 2017-VICI, C 144A 4.138%, 10/15/34 <sup>(2)</sup>	425	428
CIT Home Equity Loan Trust 2003-1, A5 5.480%, 7/20/34	732	741
Cold Storage Trust 2017-ICE3, A 144A, (1 month LIBOR + 1.000%) 3.063%, 4/15/36 <sup>(1)(2)</sup>	1,200	1,204

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COLT Mortgage Loan Trust Funding LLC 2018-1, A1 144A 2.930%, 2/25/48 <sup>(1)(2)</sup>	371	369
Credit Suisse Commercial Mortgage-Backed Trust 2006-8, 3A1 6.000%, 10/25/21	127	116
GAHR Commercial Mortgage Trust 2015-NRF, CFX 144A 3.495%, 12/15/34 <sup>(1)(2)</sup>	525	524
GSAA Home Equity Trust 2005-12, AF3W 4.999%, 9/25/35 <sup>(1)</sup>	292	295
Home Equity Loan Trust 2007-HSA3, AI4 6.110%, 6/25/37 <sup>(1)</sup>	462	462
JPMorgan Chase Mortgage Trust		
2014-5, B2 144A, 2.988%, 10/25/29 <sup>(1)(2)</sup>	232	218
2016-1, M2 144A, 3.750%, 4/25/45 <sup>(1)(2)</sup>	260	257
	<b>PAR VALUE</b>	<b>VALUE</b>
<b>Non-Agency (continued)</b>		
2016-2, M2 144A, 3.750%, 12/25/45 <sup>(1)(2)</sup>	\$ 246	\$ 243
2017-5, A1 144A, 3.172%, 10/26/48 <sup>(1)(2)</sup>	564	558
Motel 6 Trust 2017-MTL6, A 144A, (1 month LIBOR + 0.920%) 2.983%, 8/15/34 <sup>(1)(2)</sup>	1,184	1,184
New Residential Mortgage Loan Trust 2016-4A, B1A 144A 4.500%, 11/25/56 <sup>(1)(2)</sup>	533	546
Oak Hill Advisors Residential Loan Trust 2017- NPL2, A1 144A 3.000%, 7/25/57 <sup>(2)</sup>	1,130	1,112
One Market Plaza Trust 2017-1MKT, A 144A 3.614%, 2/10/32 <sup>(2)</sup>	520	520
Pretium Mortgage Credit Partners I LLC 2017- NPL5, A1 144A 3.327%, 12/30/32 <sup>(1)(2)</sup>	198	197
Progress Residential Trust 2018-SFR2, B 144A 3.841%, 8/17/35 <sup>(2)</sup>	530	532
Towd Point Mortgage Trust		
2015-6, M1 144A, 3.750%, 4/25/55 <sup>(1)(2)</sup>	275	275
2017-1, M1 144A, 3.750%, 10/25/56 <sup>(1)(2)</sup>	265	263
2017-6, A2 144A, 3.000%, 10/25/57 <sup>(1)(2)</sup>	260	245
2018-4, A1 144A, 3.000%, 6/25/58 <sup>(1)(2)</sup>	485	472
2015-2, 1M1 144A, 3.250%, 11/25/60 <sup>(1)(2)</sup>	1,665	1,616
Vericrest Opportunity Loan Trust LXIV LLC 2017- NP11, A1 144A 3.375%, 10/25/47 <sup>(2)</sup>	894	890
Verus Securitization Trust 2018-2, A1 144A 3.677%, 6/1/58 <sup>(1)(2)</sup>	450	450
VSD 2017-PLT1, A 3.600%, 12/25/43	128	128
Wells Fargo Commercial Mortgage Trust 2015- LC20, B 3.719%, 4/15/50	690	674



17,799

**TOTAL MORTGAGE-BACKED SECURITIES****(Identified Cost \$24,102)****23,902****ASSET-BACKED SECURITIES 8.1%****Automobiles 4.1%**

ACC Trust 2018-1, B 144A 4.820%, 5/20/21 <sup>(2)</sup>	470	470
CarNow Auto Receivables Trust 2016-1A, D 144A 7.340%, 11/15/21 <sup>(2)</sup>	640	645
Drive Auto Receivables Trust 2017-2, C 2.750%, 9/15/23	790	789
Exeter Automobile Receivables Trust 2014-3A, D 144A 5.690%, 4/15/21 <sup>(2)</sup>	790	803
Flagship Credit Auto Trust 2016-3, D 144A 3.890%, 11/15/22 <sup>(2)</sup>	785	787

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

**Automobiles (continued)**

GLS Auto Receivables Trust

2017-1A, C 144A, 3.500%,  
7/15/22<sup>(2)</sup>

\$ 790 \$ 786

2018-1A, B 144A, 3.520%,  
8/15/23<sup>(2)</sup>

760 758

Hertz Vehicle Financing II LP 2016-4A, A 144A 2.650%, 7/25/22<sup>(2)</sup>

790 769

Skopos Auto Receivables Trust 2018-1A, B 144A 3.930%,  
5/16/22<sup>(2)</sup>

790 788

6,595

**Other 4.0%**Aqua Finance Trust 2017-A, A 144A 3.720%, 11/15/35<sup>(2)</sup>

631 619

Conn s Receivables Funding LLC 2017-B, B 144A 4.520%,  
4/15/21<sup>(2)</sup>

655 659

DB Master Finance LLC 2017-1A, A2I 144A 3.629%, 11/20/47<sup>(2)</sup>

655 644

Diamond Resorts Owner Trust 2017-1A, A 144A 3.270%,  
10/22/29<sup>(2)</sup>

402 400

Drug Royalty III LP 1 2016-1A, A 144A 3.979%, 4/15/27<sup>(2)</sup>

441 441

HOA Funding LLC 2014-1A, A2 144A 4.846%, 8/20/44<sup>(2)</sup>

731 720

Opportun Funding VIII LLC 2018-A, A 144A 3.610%, 3/8/24<sup>(2)</sup>

605 602

TGIF Funding LLC 2017-1A, A2 144A 6.202%, 4/30/47<sup>(2)</sup>

639 640

Upstart Securitization Trust 2018-1, B 144A 3.887%, 8/20/25<sup>(2)</sup>

475 474

Wendy s Funding LLC

2015-1A, A2II 144A, 4.080%, 6/15/45<sup>(2)</sup>

763 768

2018-1A, A2I 144A, 3.573%, 3/15/48<sup>(2)</sup>

522 508

6,475

**TOTAL ASSET-BACKED SECURITIES****13,070****(Identified Cost \$13,099)**

**CORPORATE BONDS AND NOTES 68.9%****Consumer Discretionary 7.3%**

American Axle & Manufacturing, Inc. 6.250%, 3/15/26	35	34
Beazer Homes USA, Inc. 6.750%, 3/15/25	195	182
5.875%, 10/15/27	375	320
Boyd Gaming Corp. 6.000%, 8/15/26	135	136
	<b>PAR VALUE</b>	<b>VALUE</b>

**Consumer Discretionary (continued)**

Charter Communications Operating LLC 4.908%, 7/23/25	\$ 655	\$ 668
Clear Channel Worldwide Holdings, Inc. Series B 7.625%, 3/15/20	365	366
Discovery Communications LLC 3.950%, 3/20/28	775	737
DISH DBS Corp. 5.875%, 7/15/22	355	341
7.750%, 7/1/26	330	298
Dollar Tree, Inc. 4.000%, 5/15/25	337	333
Downstream Development Authority of The Quapaw Tribe of Oklahoma 144A 10.500%, 2/15/23 <sup>(2)</sup>	140	140
frontdoor, Inc. 144A 6.750%, 8/15/26 <sup>(2)</sup>	415	425
Gateway Casinos & Entertainment Ltd. 144A 8.250%, 3/1/24 <sup>(2)</sup>	495	525
GLP Capital LP 5.250%, 6/1/25	410	426
Graham Holdings Co. 144A 5.750%, 6/1/26 <sup>(2)</sup>	650	665
Grupo Televisa SAB 4.625%, 1/30/26	525	535
7.250%, 5/14/43	8,000 <sup>MXN</sup>	300
iHeartCommunications, Inc. 9.000%, 12/15/19 <sup>(10)</sup>	255	189
Lear Corp. 3.800%, 9/15/27	600	566
Lennar Corp. 4.750%, 11/29/27	640	610
M/I Homes, Inc. 5.625%, 8/1/25	450	422
Marriott Ownership Resorts, Inc. 144A 6.500%, 9/15/26 <sup>(2)</sup>	315	321
McGraw-Hill Global Education Holdings LLC 144A 7.875%, 5/15/24 <sup>(2)</sup>	425	374
MDC Holdings, Inc. 5.500%, 1/15/24	545	542
Meredith Corp. 144A 6.875%, 2/1/26 <sup>(2)</sup>	315	319
Neiman Marcus Group Ltd. 144A 8.000%, 10/15/21 <sup>(2)</sup>	360	244
QVC, Inc. 5.125%, 7/2/22	690	704

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Vista Outdoor, Inc. 5.875%, 10/1/23	530	519
William Lyon Homes, Inc. 144A 6.000%, 9/1/23 <sup>(2)</sup>	610	589
		11,830

**Consumer Staples 1.6%**

BAT Capital Corp. 144A 3.557%, 8/15/27 <sup>(2)</sup>	535	501
Kronos Acquisition Holdings, Inc. 144A 9.000%, 8/15/23 <sup>(2)</sup>	390	357
Safeway, Inc. 7.250%, 2/1/31	520	495

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## VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

## SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

AUGUST 31, 2018

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Consumer Staples (continued)</b>		
Sigma Finance Netherlands BV 144A 4.875%, 3/27/28 <sup>(2)</sup>	\$ 880	\$ 859
Tops Holding LLC 144A 8.000%, 6/15/22 <sup>(2)(10)</sup>	480	279
		2,491
<b>Energy 14.8%</b>		
Afren plc		
144A, 10.250%, 4/8/19 <sup>(2)(10)(13)</sup>	635	(15)
144A, 6.625%, 12/9/20 <sup>(2)(10)(13)</sup>	732	(15)
Alta Mesa Holdings LP 7.875%, 12/15/24	315	309
American Midstream Partners LP 144A 9.250%, 12/15/21 <sup>(2)</sup>	245	242
Anadarko Petroleum Corp. 6.600%, 3/15/46	390	469
Bristow Group, Inc. 144A 8.750%, 3/1/23 <sup>(2)</sup>	210	201
Callon Petroleum Co. 6.125%, 10/1/24	495	506
Cheniere Corpus Christi Holdings LLC 7.000%, 6/30/24	495	548
Chesapeake Energy Corp. 8.000%, 6/15/27	555	562
Citgo Holding, Inc. 144A 10.750%, 2/15/20 <sup>(2)</sup>	295	315
Continental Resources, Inc. 4.500%, 4/15/23	260	266
Denbury Resources, Inc.		
144A, 9.250%, 3/31/22 <sup>(2)</sup>	419	448
144A, 7.500%, 2/15/24 <sup>(2)</sup>	225	229
Ecopetrol S.A. 5.375%, 6/26/26	695	718
Encana Corp. 8.125%, 9/15/30	280	362

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<b>EP Energy LLC</b>		
144A, 9.375%, 5/1/24 <sup>(2)</sup>	235	185
144A, 8.000%, 11/29/24 <sup>(2)</sup>	350	351
144A, 7.750%, 5/15/26 <sup>(2)</sup>	205	210
<b>Fermaca Enterprises S de RL de CV 144A</b>		
6.375%, 3/30/38 <sup>(2)(4)</sup>	1,281	1,309
<b>Geopark Ltd. 144A 6.500%,</b>		
9/21/24 <sup>(2)</sup>	595	594
<b>Jagged Peak Energy LLC 144A 5.875%, 5/1/26<sup>(2)</sup></b>		
	550	542
<b>KazMunayGas National Co. JSC 144A 4.750%, 4/19/27<sup>(2)</sup></b>		
	1,015	1,009
<b>Kinder Morgan, Inc. 7.750%,</b>		
1/15/32 <sup>(4)</sup>	980	1,216
<b>Lukoil International Finance BV</b>		
144A, 6.125%, 11/9/20 <sup>(2)(7)</sup>	1,100	1,141
144A, 4.563%, 4/24/23 <sup>(2)</sup>	400	393
<b>Nabors Industries, Inc.</b>		
5.500%, 1/15/23	355	354
144A, 5.750%, 2/1/25 <sup>(2)</sup>	245	236
	<b>PAR</b>	<b>VALUE</b>
	<b>VALUE</b>	<b>VALUE</b>
<b>Energy (continued)</b>		
<b>Odebrecht Offshore Drilling Finance Ltd. PIK Interest Capitalization, 144A</b>		
7.720%, 12/1/26 <sup>(2)(16)</sup>	\$ 994	\$ 268
<b>Odebrecht Oil &amp; Gas Finance Ltd. 144A</b>		
0.000% <sup>(2)(5)</sup>	154	1
<b>Petrobras Global Finance BV 7.375%, 1/17/27</b>		
	1,505	1,492
<b>Petroleos de Venezuela S.A. 144A 6.000%,</b>		
5/16/24 <sup>(2)(10)</sup>	1,820	346
<b>Petroleos Mexicanos</b>		
4.875%, 1/24/22	250	251
6.500%, 6/2/41	1,360	1,245
6.375%, 1/23/45	1,515	1,357
<b>PTTEP Treasury Center Co., Ltd. 144A</b>		
4.875% <sup>(2)(5)</sup>	383	383
<b>Range Resources Corp. 4.875%, 5/15/25</b>		
	650	622
<b>Sanchez Energy Corp. 144A 7.250%, 2/15/23<sup>(2)</sup></b>		
	135	131
<b>Sinopec Group Overseas Development 2017 Ltd.</b>		
144A 3.625%, 4/12/27 <sup>(2)</sup>	800	771
<b>State Oil Co. of the Azerbaijan Republic RegS</b>		
6.950%, 3/18/30 <sup>(3)</sup>	780	822

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<b>Sunoco LP</b>		
144A, 5.500%, 2/15/26 <sup>(2)</sup>	170	163
144A, 5.875%, 3/15/28 <sup>(2)</sup>	150	144
<b>Transocean, Inc.</b>		
144A, 9.000%, 7/15/23 <sup>(2)</sup>	290	313
6.800%, 3/15/38	185	152
<b>Transportadora de Gas del Peru SA 144A</b>		
4.250%, 4/30/28 <sup>(2)</sup>	1,350	1,331
Vine Oil & Gas LP 144A 8.750%, 4/15/23 <sup>(2)</sup>	430	415
Weatherford International Ltd. 9.875%, 2/15/24	170	161
YPF S.A. 144A 6.950%, 7/21/27 <sup>(2)</sup>	835	683
		23,766

**Financials 18.9%**

Acrisure LLC 144A 7.000%, 11/15/25 <sup>(2)</sup>	620	595
Africa Finance Corp. 144A 4.375%, 4/29/20 <sup>(2)</sup>	800	799
Allstate Corp. (The) Series B 5.750%, 8/15/53 <sup>(4)(6)</sup>	1,446	1,507
Apollo Management Holdings LP 144A 4.000%, 5/30/24 <sup>(2)</sup>	785	787
Ares Finance Co., LLC 144A 4.000%, 10/8/24 <sup>(2)(4)</sup>	830	786
Australia & New Zealand Banking Group Ltd. 144A 4.400%, 5/19/26 <sup>(2)</sup>	755	747

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## VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

## SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

AUGUST 31, 2018

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Financials (continued)</b>		
Banco Bilbao Vizcaya Argentaria Bancomer S.A.		
144A, 6.500%, 3/10/21 <sup>(2)(4)</sup>	\$ 900	\$ 941
144A, 5.125%, 1/18/33 <sup>(2)</sup>	700	640
Banco de Bogota S.A. 144A 6.250%, 5/12/26 <sup>(2)</sup>	560	582
Banco de Credito e Inversiones 144A 3.500%, 10/12/27 <sup>(2)</sup>	1,335	1,224
Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29 <sup>(2)</sup>	1,085	1,176
Banco Nacional de Comercio Exterior SNC 144A 4.375%, 10/14/25 <sup>(2)</sup>	510	502
Banco Santander Chile 144A 3.875%, 9/20/22 <sup>(2)(4)</sup>	900	900
Bancolombia S.A. 5.125%, 9/11/22	1,220	1,249
Bank of China Hong Kong Ltd. 144A 5.550%, 2/11/20 <sup>(2)</sup>	780	803
Bank of Montreal 3.803%, 12/15/32	1,064	1,000
BrightHouse Financial, Inc. 3.700%, 6/22/27	660	589
BrightSphere Investment Group plc 4.800%, 7/27/26 <sup>(4)</sup>	675	658
Development Bank of Kazakhstan JSC 144A 8.950%, 5/4/23 <sup>(2)</sup>	105,000 <sup>KZT</sup>	283
Discover Bank 4.682%, 8/9/28	630	630
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 <sup>(2)(4)</sup>	925	930
E*TRADE Financial Corp. 4.500%, 6/20/28	600	606
Fairfax Financial Holdings Ltd. 144A 4.850%, 4/17/28 <sup>(2)</sup>	650	650
FS Investment Corp. 4.750%, 5/15/22	225	224
Goldman Sachs Group, Inc. (The), (3 month LIBOR + 1.170%) 3.484%, 5/15/26 <sup>(1)</sup>	575	572
Grupo de Inversiones Suramericana S.A. 144A 5.500%, 4/29/26 <sup>(2)</sup>	755	781
Guanay Finance Ltd. 144A 6.000%, 12/15/20 <sup>(2)</sup>	1,022	1,025
ICAHN Enterprises LP 6.375%, 12/15/25	630	638
ING Groep N.V. 6.000% <sup>(5)(6)</sup>	615	610
Jefferies Group LLC 4.850%, 1/15/27	180	178
Kazakhstan Temir Zholy National Co. JSC 144A 4.850%, 11/17/27 <sup>(2)</sup>	1,435	1,415
Nuveen Finance LLC 144A 4.125%, 11/1/24 <sup>(2)</sup>	985	981
Santander Holdings USA, Inc. 4.400%, 7/13/27	660	642



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Sberbank of Russia 144A 5.500%, 2/26/24 <sup>(2)(7)</sup>	650	643
Springleaf Finance Corp. 7.125%, 3/15/26	290	289
Synchrony Financial 3.950%, 12/1/27	925	843
	<b>PAR VALUE</b>	<b>VALUE</b>
<b>Financials (continued)</b>		
Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 <sup>(2)(4)</sup>	\$ 640	\$ 639
Tempo Acquisition LLC 144A 6.750%, 6/1/25 <sup>(2)</sup>	600	584
Turkiye Garanti Bankasi AS 144A 5.250%, 9/13/22 <sup>(2)</sup>	435	359
Turkiye Vakiflar Bankasi TAO 144A 5.625%, 5/30/22 <sup>(2)</sup>	855	627
Ukreximbank Via Biz Finance plc 144A 9.625%, 4/27/22 <sup>(2)</sup>	870	885
		30,519

**Health Care 3.9%**

<b>Avantor, Inc.</b>		
144A, 6.000%, 10/1/24 <sup>(2)</sup>	260	264
144A, 9.000%, 10/1/25 <sup>(2)</sup>	405	418
<b>Bausch Health Cos., Inc.</b>		
144A, 6.500%, 3/15/22 <sup>(2)</sup>	55	57
144A, 7.000%, 3/15/24 <sup>(2)</sup>	65	69
144A, 5.500%, 11/1/25 <sup>(2)</sup>	525	524
144A, 9.250%, 4/1/26 <sup>(2)</sup>	155	164
Bayer US Finance II LLC 144A 3.875%, 12/15/23 <sup>(2)</sup>	685	685
Becton Dickinson & Co. 3.700%, 6/6/27	600	574
Centene Corp. 144A 5.375%, 6/1/26 <sup>(2)</sup>	160	165
Concordia International Corp. 144A 9.000%, 4/1/22 <sup>(2)</sup>	160	146
DJO Finco, Inc. 144A 8.125%, 6/15/21 <sup>(2)</sup>	245	253
Eagle Holding Co. II, LLC PIK Interest Capitalization, 144A 7.625%, 5/15/22 <sup>(2)(11)</sup>	300	304
HLF Financing S.a.r.l. LLC 144A 7.250%, 8/15/26 <sup>(2)</sup>	620	629
Mylan NV 3.950%, 6/15/26	600	569
<b>Surgery Center Holdings, Inc.</b>		
144A, 8.875%, 4/15/21 <sup>(2)</sup>	405	422
144A, 6.750%, 7/1/25 <sup>(2)</sup>	70	67
<b>Tenet Healthcare Corp.</b>		
8.125%, 4/1/22	140	148
7.000%, 8/1/25	570	569
Teva Pharmaceutical Finance Netherlands III BV 3.150%, 10/1/26	365	302
		6,329

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Industrials 4.8%</b>		
Alfa SAB de CV 144A 5.250%, 3/25/24 <sup>(2)</sup>	\$ 910	\$ 926
Ashtead Capital, Inc. 144A 4.375%, 8/15/27 <sup>(2)</sup>	705	679
Bombardier, Inc. 144A 6.125%, 1/15/23 <sup>(2)</sup>	430	433
DP World Ltd. 144A 6.850%, 7/2/37 <sup>(2)</sup>	1,000	1,174
Hulk Finance Corp. 144A 7.000%, 6/1/26 <sup>(2)</sup>	495	475
JSL Europe S.A. 144A 7.750%, 7/26/24 <sup>(2)</sup>	675	598
Latam Finance Ltd. 144A 6.875%, 4/11/24 <sup>(2)</sup>	585	571
New Enterprise Stone & Lime Co., Inc. 144A 10.125%, 4/1/22 <sup>(2)</sup>	45	48
Oshkosh Corp. 4.600%, 5/15/28	752	755
Pitney Bowes, Inc. 4.375%, 5/15/22	757	690
Topaz Marine S.A. 144A 9.125%, 7/26/22 <sup>(2)</sup>	440	446
Transnet SOC Ltd. 144A 4.000%, 7/26/22 <sup>(2)</sup>	1,000	939
		7,734
<b>Information Technology 2.0%</b>		
Banff Merger Sub, Inc. 144A 9.750%, 9/1/26 <sup>(2)</sup>	70	70
Citrix Systems, Inc. 4.500%, 12/1/27 <sup>(4)</sup>	630	612
Dell International LLC		
144A, 5.450%, 6/15/23 <sup>(2)</sup>	135	142
144A, 8.100%, 7/15/36 <sup>(2)</sup>	255	301
Jabil, Inc. 3.950%, 1/12/28	655	626
Rackspace Hosting, Inc. 144A 8.625%, 11/15/24 <sup>(2)</sup>	280	276
Radiate Holdco LLC		
144A, 6.875%, 2/15/23 <sup>(2)</sup>	65	63
144A, 6.625%, 2/15/25 <sup>(2)</sup>	615	575
VMware, Inc. 3.900%, 8/21/27	627	593

3,258

**Materials 8.9%**

AK Steel Corp. 7.500%, 7/15/23	275	287
Alpek SAB de C.V. 144A 5.375%, 8/8/23 <sup>(2)</sup>	1,000	1,019
Anglo American Capital plc 144A 4.000%, 9/11/27 <sup>(2)(4)</sup>	970	894
ArcelorMittal 6.125%, 6/1/25	595	648
BHP Billiton Finance USA Ltd. 144A 6.750% <sup>(2)(5)(6)</sup>	635	697
CPG Merger Sub LLC 144A 8.000%, 10/1/21 <sup>(2)</sup>	435	442
Equate Petrochemical BV 144A 4.250%, 11/3/26 <sup>(2)</sup>	790	778
Fibra Overseas Finance Ltd. 4.000%, 1/14/25	789	726
FMG Resources August 2006 Pty Ltd. 144A 5.125%, 3/15/23 <sup>(2)</sup>	280	274
GTL Trade Finance, Inc. 144A 5.893%, 4/29/24 <sup>(2)</sup>	840	844
Hexion, Inc. 6.625%, 4/15/20	360	341

**PAR VALUE      VALUE**

**Materials (continued)**

Inversiones CMPC S.A. 144A 4.375%, 5/15/23 <sup>(2)</sup>	\$ 1,000	\$ 1,002
James Hardie International Finance DAC 144A 5.000%, 1/15/28 <sup>(2)</sup>	515	484
Kraton Polymers LLC 144A 7.000%, 4/15/25 <sup>(2)</sup>	440	454
NOVA Chemicals Corp.		
144A, 4.875%, 6/1/24 <sup>(2)</sup>	245	239
144A, 5.000%, 5/1/25 <sup>(2)</sup>	490	473
OCP SA 144A 5.625%, 4/25/24 <sup>(2)</sup>	1,500	1,541
Rusal Capital Designated Activity Co. 144A 5.125%, 2/2/22 <sup>(2)</sup>	910	573
Severstal OAO Via Steel Capital S.A. 144A 5.900%, 10/17/22 <sup>(2)(7)</sup>	1,100	1,125
Syngenta Finance N.V.		
144A, 4.441%, 4/24/23 <sup>(2)</sup>	355	356
144A, 4.892%, 4/24/25 <sup>(2)</sup>	250	249
Teck Resources Ltd. 144A 8.500%, 6/1/24 <sup>(2)</sup>	125	137
Trident Merger Sub, Inc. 144A 6.625%, 11/1/25 <sup>(2)</sup>	345	326
United States Steel Corp. 6.250%, 3/15/26	485	483

14,392

**Real Estate 1.9%****EPR Properties**

4.750%, 12/15/26	260	257
4.500%, 6/1/27	395	381
Hospitality Properties Trust 4.500%, 3/15/25	745	731

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<b>MPT Operating Partnership LP</b>		
5.500%, 5/1/24	140	142
5.000%, 10/15/27	270	264
Physicians Realty LP 4.300%, 3/15/27	655	639
Select Income REIT 4.500%, 2/1/25	690	670
		3,084
<b>Telecommunication Services 3.4%</b>		
Altice Luxembourg S.A. 144A 7.625%, 2/15/25 <sup>(2)</sup>	590	545
America Movil SAB de C.V. 6.450%, 12/5/22	8,000 <sup>MXN</sup>	382
Axtel SAB de C.V. 144A 6.375%, 11/14/24 <sup>(2)</sup>	600	583
Cincinnati Bell, Inc. 144A 7.000%, 7/15/24 <sup>(2)</sup>	630	554
Digicel Group Ltd. 144A 8.250%, 9/30/20 <sup>(2)</sup>	520	391
<b>Frontier Communications Corp.</b>		
8.500%, 4/15/20	195	197
7.625%, 4/15/24	570	359
144A, 8.500%, 4/1/26 <sup>(2)</sup>	175	165

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	<b>PAR VALUE</b>	<b>VALUE</b>
<b>Telecommunication Services (continued)</b>		
<b>Sprint Corp.</b>		
7.875%, 9/15/23	\$ 145	\$ 156
7.625%, 3/1/26	170	179
Sprint Spectrum Co. LLC 144A 5.152%, 3/20/28 <sup>(2)</sup>	485	485
Telenet Finance Luxembourg Notes S.a.r.l. 144A 5.500%, 3/1/28 <sup>(2)</sup>	800	748
West Corp. 144A 8.500%, 10/15/25 <sup>(2)</sup>	145	132
<b>Windstream Services LLC</b>		
144A, 10.500%, 6/30/24 <sup>(2)</sup>	255	204
144A, 8.625%, 10/31/25 <sup>(2)</sup>	385	359
		5,439
<b>Utilities 1.4%</b>		
Eskom Holdings SOC Ltd. 144A 7.125%, 2/11/25 <sup>(2)</sup>	200	189
Ferrellgas Partners LP 8.625%, 6/15/20	125	123
Perusahaan Listrik Negara PT 144A 4.125%, 5/15/27 <sup>(2)</sup>	950	896
State Grid Overseas Investment 2014 Ltd. 144A 4.125%, 5/7/24 <sup>(2)</sup>	620	629
TerraForm Power Operating LLC 144A 5.000%, 1/31/28 <sup>(2)</sup>	450	421
		2,258
<b>TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$116,311)</b>		<b>111,100</b>

**LEVERAGED LOANS<sup>(1)</sup> 17.5%****Aerospace 0.3%**

TransDigm, Inc.

Tranche G, (1 month LIBOR + 2.500%) 4.576%, 8/22/24 272 272

Tranche E, (1 month LIBOR + 2.500%) 4.576%, 5/30/25 200 199

471

**Chemicals 0.4%**

New Arclin U.S. Holding Corp. First Lien, (3 month LIBOR + 3.500%)

5.834%, 2/14/24 149 150

Omnova Solutions, Inc. Tranche B-2, (1 month LIBOR + 3.250%)

5.326%, 8/25/23 449 450

600

**PAR VALUE VALUE****Consumer Durables 0.3%**

Global Appliance, Inc. Tranche B, (1 month LIBOR + 4.000%) 6.080%, 9/29/24 \$ 447 \$ 444

**Consumer Non-Durables 0.6%**

American Greetings Corp., (1 month LIBOR + 4.500%) 6.576%, 4/6/24 244 244

Energizer Holdings, Inc. Tranche B, (3 month LIBOR + 2.250%) 0.000%,  
6/20/25<sup>(8)</sup> 115 116

Herbalife Nutrition Ltd. Tranche B, (1 month LIBOR + 3.250%) 5.326%, 8/9/25 75 75

Kronos Acquisition Intermediate, Inc., (1 month LIBOR + 4.000%) 6.065%,  
5/15/23 228 226Parfums Holdings Co., Inc. First Lien, (3 month LIBOR + 4.750%) 7.063%,  
6/30/24 272 274

935

**Energy 0.5%**

California Resources Corp., (1 month LIBOR + 10.375%) 12.440%, 12/31/21 360 398

Chesapeake Energy Corp. Tranche A, (1 month LIBOR + 7.500%) 9.576%,  
8/23/21 106 111

Traverse Midstream Partners LLC, (3 month LIBOR + 4.000%) 6.340%, 9/27/24 375 376

885

**Financial 1.5%**

819 842

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Asurion LLC Tranche B-2, Second Lien, (1 month LIBOR + 6.500%) 8.576%,  
8/4/25

Blackhawk Network Holdings, Inc. First Lien, (2 month LIBOR + 3.000%) 5.183%, 6/15/25	300	301
Ditech Holding Corp. Tranche B, (1 month LIBOR + 6.000%) 8.076%, 6/30/22	429	407
FinCo I LLC 2018 Replacement, (1 month LIBOR + 2.000%) 4.076%, 12/27/22	125	125
Franklin Square Holdings LP, (3 month LIBOR + 2.500%) 4.625%, 8/1/25	80	80
Genworth Holdings, Inc., (1 month LIBOR + 4.500%) 6.567%, 3/7/23	40	41
iStar, Inc., (1 month LIBOR + 2.750%) 4.877%, 6/28/23	614	613
		2,409

See Notes to Schedules of Investments



**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	<b>PAR VALUE</b>	<b>VALUE</b>
<b>Food and Drug 0.3%</b>		
Albertson's LLC Tranche B-5, (3 month LIBOR + 3.000%) 5.337%, 12/21/22	\$ 508	\$ 507
<b>Food/Tobacco 0.5%</b>		
Chobani LLC First Lien, (1 month LIBOR + 3.500%) 5.576%, 10/10/23	255	241
JBS USA Lux S.A., (3 month LIBOR + 2.500%) 4.835%, 10/30/22	173	173
Milk Specialties Co., (1 month LIBOR + 4.000%) 6.076%, 8/16/23	322	322
		736
<b>Forest Prod/Containers 0.1%</b>		
Anchor Glass Container Corp. Second Lien, (1 month LIBOR + 7.750%) 9.814%, 12/7/24	173	113
<b>Gaming/Leisure 1.7%</b>		
Aristocrat Leisure Ltd. Tranche B-3, (2 month LIBOR + 1.750%) 4.098%, 10/19/24	702	700
Everi Payments, Inc. Tranche B, (1 month LIBOR + 3.000%) 5.076%, 5/9/24	183	184
Gateway Casinos & Entertainment Ltd., (3 month LIBOR + 3.000%) 5.473%, 12/1/23	150	150
Playa Resorts Holding B.V., (1 month LIBOR + 2.750%) 4.830%, 4/29/24	531	527
Scientific Games International, Inc. Tranche B-5, (1 month LIBOR + 2.750%) 4.826%, 8/14/24	229	229
Seminole Tribe of Florida 2018 Replacement, Tranche B, (1 month LIBOR + 1.750%) 3.826%, 7/8/24	412	413
Stars Group Holdings B.V., (3 month LIBOR + 3.500%) 5.831%, 7/10/25	90	91
UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%) 5.330%, 8/18/23	341	343
	70	70

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Wyndham Hotels & Resorts, Inc. Tranche B, (1 month LIBOR + 1.750%)  
3.826%, 5/30/25

2,707

**Healthcare 1.0%**

21st Century Oncology, Inc. Tranche B, (3 month LIBOR + 6.125%) 8.465%,  
1/16/23

160

150

AHP Health Partners, Inc., (1 month LIBOR + 4.500%) 6.576%, 6/30/25

345

347

**VALUE**

**PAR VALUE**

**Healthcare (continued)**

Auris LuxCo Tranche B, First Lien, (3 month LIBOR + 3.750%) 0.000%,  
7/24/25<sup>(8)</sup>

\$

55

\$

56

Bausch Health Cos., Inc., (1 month LIBOR + 3.000%) 5.081%, 6/2/25

69

69

CHG Healthcare Services, Inc. First Lien, (3 month LIBOR + 3.000%) 5.209%,  
6/7/23

436

437

MPH Acquisition Holdings LLC, (3 month LIBOR + 2.750%) 5.084%, 6/7/23

157

157

Quorum Health Corp., (1 month LIBOR + 6.750%) 8.826%, 4/29/22

203

205

Verscend Holding Corp. Tranche B, (3 month LIBOR + 4.500%) 0.000%,  
8/10/25<sup>(8)</sup>

255

257

1,678

**Housing 0.7%**

84 Lumber Co. Tranche B-1, (1 month LIBOR + 5.250%) 7.315%, 10/25/23

359

362

American Builders & Contractors Supply Co., Inc. Tranche B-2, (1 month  
LIBOR + 2.000%) 4.076%, 10/31/23

579

576

Capital Automotive LP Tranche B, Second Lien, (1 month LIBOR + 6.000%)  
8.076%, 3/24/25

253

257

1,195

**Information Technology 1.3%**

Applied Systems, Inc. Second Lien, (3 month LIBOR + 7.000%) 9.334%,  
9/19/25

70

72

Intralinks, Inc. First Lien, (1 month LIBOR + 4.000%) 6.080%, 11/14/24

230

231

Kronos, Inc.

First Lien, (3 month LIBOR + 3.000%) 5.252%, 11/1/23

484

485

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Second Lien, (3 month LIBOR + 8.250%) 10.593%, 11/1/24	166	169
Presidio Holdings, Inc. Tranche B, (3 month LIBOR + 2.750%) 4.999%, 2/2/24	484	484
SS&C Technologies Holdings, Inc. (3 month LIBOR + 2.500%) 0.000%, 4/16/25 <sup>(8)</sup>	90	90
Tranche B-3, (1 month LIBOR + 2.250%) 4.326%, 4/16/25	444	444
Tranche B-4, (1 month LIBOR + 2.250%) 4.326%, 4/16/25	173	173

2,148

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Manufacturing 0.8%</b>		
Accudyne Industries Borrower S.C.A., (1 month LIBOR + 3.000%) 5.076%, 8/18/24	\$ 441	\$ 442
CPI Acquisition, Inc. First Lien, (3 month LIBOR + 4.500%) 6.839%, 8/17/22	845	557
Deliver Buyer, Inc., (3 month LIBOR + 5.000%) 7.194%, 5/1/24	294	295
		1,294
<b>Media/Telecom - Diversified Media 0.2%</b>		
Meredith Corp., (1 month LIBOR + 3.000%) 5.076%, 1/31/25	320	321
<b>Media/Telecom - Telecommunications 1.2%</b>		
CenturyLink, Inc. Tranche B, (1 month LIBOR + 2.750%) 4.826%, 1/31/25	633	625
Securus Technologies Holdings, Inc. (3 month LIBOR + 4.500%) 0.000%, 11/1/24 <sup>(8)</sup>	92	92
First Lien, (1 month LIBOR + 4.500%) 6.576%, 11/1/24	450	450
Second Lien, (1 month LIBOR + 8.250%) 10.326%, 11/1/25	295	294
West Corp. Tranche B-1, (1 month LIBOR + 3.500%) 5.576%, 10/10/24	110	109
Tranche B, (1 month LIBOR + 4.000%) 6.076%, 10/10/24	321	319
		1,889
<b>Media/Telecom - Wireless Communications 0.0%</b>		
Digicel International Finance Ltd. Tranche B, First Lien, (3 month LIBOR + 3.250%) 5.570%, 5/27/24	79	74

**Metals/Minerals 0.5%**

Contura Energy, Inc., (1 month LIBOR + 5.000%) 7.080%, 3/18/24	248	249
Covia Holdings Corp., (3 month LIBOR + 3.750%) 6.050%, 6/1/25	155	153
Graftech International Ltd., (1 month LIBOR + 3.500%) 5.576%, 2/12/25	460	462
		864

**PAR VALUE                      VALUE**

**Retail 0.5%**

Bass Pro Group LLC, (1 month LIBOR + 5.000%) 7.076%, 9/25/24	\$ 392	\$ 396
Neiman Marcus Group Ltd. LLC, (1 month LIBOR + 3.250%) 5.330%, 10/25/20	466	432
		828

**Service 3.1%**

Advantage Sales & Marketing, Inc.		
Tranche B-2, First Lien, (1 month LIBOR + 3.250%) 5.326%, 7/23/21	342	323
Second Lien, (1 month LIBOR + 6.500%) 8.576%, 7/25/22	405	334
Hoya Midco LLC First Lien, (1 month LIBOR + 3.500%) 5.576%, 6/30/24	458	454
Laureate Education, Inc., (1 month LIBOR + 3.500%) 5.576%, 4/26/24	404	405
NAB Holdings LLC 2018 Refinancing, (3 month LIBOR + 3.000%) 5.334%, 7/1/24	468	466
One Call Corp. First Lien, (1 month LIBOR + 5.250%) 7.313%, 11/27/22	454	432
PI UK Holdco II Ltd. Tranche B-1, (1 month LIBOR + 3.500%) 5.576%, 1/3/25	713	709
Red Ventures LLC First Lien, (1 month LIBOR + 4.000%) 6.076%, 11/8/24	622	629
Sedgwick Claims Management Services, Inc. Second Lien, (3 month LIBOR + 5.750%) 7.944%, 2/28/22	570	572
SSH Group Holdings, Inc. First Lien, (3 month LIBOR + 4.250%) 6.590%, 7/30/25	230	232
TKC Holdings, Inc. First Lien, (1 month LIBOR + 3.750%) 5.830%, 2/1/23	380	380
		4,936

**Transportation Automotive 0.3%**

Navistar, Inc. Tranche B, (1 month LIBOR + 3.500%) 5.580%, 11/6/24	488	489
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**Utility 1.7%**

APLP Holdings LP, (1 month LIBOR + 3.000%) 5.076%, 4/13/23	445	445
	235	238

Brookfield WEC Holdings, Inc. Second Lien, (1 month LIBOR + 6.750%)  
8.826%, 7/24/26

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****AUGUST 31, 2018**

(\$ reported in thousands)

	<b>PAR VALUE</b>	<b>VALUE</b>
<b>Utility (continued)</b>		
Brookfield WEC Holdings, Inc. (Westinghouse Electric Co., LLC) First Lien, (1 month LIBOR + 3.750%) 5.826%, 8/1/25	\$ 410	\$ 412
NRG Energy, Inc., (3 month LIBOR + 1.750%) 4.084%, 6/30/23	439	438
Talen Energy Supply LLC, (1 month LIBOR + 4.000%) 6.076%, 4/15/24	325	326
<b>Vistra Operations Co., LLC</b>		
(1 month LIBOR + 2.000%) 4.076%, 8/4/23	282	281
(1 month LIBOR + 2.000%) 4.068%, 12/31/25	520	519
		2,659
<b>TOTAL LEVERAGED LOANS</b>		
<b>(Identified Cost \$28,476)</b>		<b>28,182</b>
	<b>SHARES</b>	
<b>PREFERRED STOCKS 3.0%</b>		
<b>Financials 2.2%</b>		
Huntington Bancshares, Inc. Series E, 5.700%	595 <sup>(9)</sup>	593
KeyCorp Series D, 5.000% <sup>(18)</sup>	530 <sup>(9)</sup>	523
M&T Bank Corp. Series F, 5.125% <sup>(18)</sup>	795 <sup>(9)</sup>	791
MetLife, Inc. Series D, 5.875%	313 <sup>(9)</sup>	324
Zions Bancorp 6.950%	47,150	1,389
		3,620

**Industrials 0.8%**

General Electric Co. Series D, 5.000% <sup>(4)</sup>	1,248 <sup>(9)</sup>	1,229
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**TOTAL PREFERRED STOCKS  
(Identified Cost \$4,593)****4,849****COMMON STOCKS 0.1%****Energy 0.1%**

Frontera Energy Corp. <sup>(14)</sup>	7,526	107
Hercules Offshore, Inc. <sup>(10)(12)(14)</sup>	10,017	17
Sabine Oil & Gas LLC <sup>(13)(14)</sup>	457	23

**TOTAL COMMON STOCKS  
(Identified Cost \$771)****147****WARRANTS 0.0%****Energy 0.0%**

Sabine Oil & Gas LLC <sup>(13)(14)</sup>	258	1
Sabine Oil & Gas LLC <sup>(13)(14)</sup>	1,450	9
	<b>SHARES</b>	<b>VALUE</b>

**TOTAL WARRANTS****(Identified Cost \$12)****10****TOTAL LONG-TERM INVESTMENTS 137.4%  
(Identified Cost \$232,711)****221,529<sup>(19)</sup>****SHORT-TERM INVESTMENTS 0.0%****Purchased Options 0.1%****(See the open purchased options table on page 13 for the detailed information)**



**TOTAL PURCHASED OPTIONS 0.1%**

**(Premiums Paid \$352) 177**

**SHORT-TERM INVESTMENTS 1.9%**

**Money Market Mutual Fund 1.9%**

Dreyfus Government Cash Management Fund Institutional Shares (seven-day effective yield 1.840%)<sup>(17)</sup> 2,999,984 \$ 3,000<sup>(19)</sup>

**TOTAL SHORT-TERM INVESTMENTS 3,177**  
**(Identified Cost \$3,352)**

**CONTRACTS**

**TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS 139.3%**  
**(Identified Cost \$236,063) 224,706**

**WRITTEN OPTIONS (0.3)%**

**See the table on page 13 for the detailed information**

**TOTAL WRITTEN OPTIONS (0.3%)**

**(Premiums Received \$726) (445)**

**TOTAL INVESTMENTS NET OF WRITTEN OPTIONS 139.0%**  
**(Identified Cost \$235,337) 224,261**

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Unaudited)****AUGUST 31, 2018**

(\$ reported in thousands)

Other assets and liabilities, net (39.0)% (63,039)

**NET ASSETS 100.0%** **\$ 161,222****Abbreviations:**

LIBOR London Interbank Offered Rate

PIK Payment-in-Kind Security

REIT Real Estate Investment Trust

**Footnote Legend:**

- (1) Variable rate security. Rate disclosed is as of August 31, 2018. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (2) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2018, these securities amounted to a value of \$110,006 or 68.2% of net assets.
- (3) Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under Rules 903 and 904 of the Securities Act of 1933.
- (4) All or a portion of the security is segregated as collateral for written options.
- (5) No contractual maturity date.
- (6) Interest payments may be deferred.
- (7) This Note was issued for the sole purpose of funding a leveraged loan between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- (8) This loan will settle after August 31, 2018, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- (9) Value shown as par value.
- (10) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (11) 100% of the income received was in cash.
- (12) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (13) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located at the end of the Schedule of Investments.
- (14) Non-income producing.
- (15) Amount is less than \$500.

- (16) 87% of the income received was in cash and 13% in PIK.
- (17) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.
- (18) Interest may be forfeited.
- (19) All or a portion of the portfolio is segregated as collateral for borrowings.

**Foreign Currencies:**

BRL Brazilian Real  
CLP Chilean Peso  
COP Colombian Peso  
IDR Indonesian Rupiah  
KZT Kazakhstani Tenge  
MXN Mexican Peso  
NGN Nigerian Naira  
RUB Russian Ruble  
ZAR South African Rand

See Notes to Schedules of Investments

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**SCHEDULE OF INVESTMENTS (Unaudited)**

**AUGUST 31, 2018**

(\$ reported in thousands)

**Country Weightings**

United States	57%
Mexico	5
Netherlands	3
Argentina	2
Canada	2
Chile	2
Colombia	2
Other	27
Total	100%

% of total investments net of options as of August 31, 2018

See Notes to Schedules of Investments

## VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

## SCHEDULE OF INVESTMENTS (Unaudited)

AUGUST 31, 2018

Open Purchased Options contracts as of August 31,

2018, were as follows:

Description of Options	Number of Contracts	Contract Notional Amount	Strike Price <sup>(1)</sup>	Expiration Date	Value
<b>Call Options</b>					
S&P 500 <sup>®</sup> Index	280	\$ 84,000	\$ 3,000	9/4/18	\$ 1
S&P 500 <sup>®</sup> Index	381	113,919	2,990	9/5/18	4
S&P 500 <sup>®</sup> Index	91	27,255	2,995	9/7/18	2
S&P 500 <sup>®</sup> Index	305	92,415	3,030	9/10/18	1
S&P 500 <sup>®</sup> Index	415	125,745	3,030	9/12/18	2
S&P 500 <sup>®</sup> Index	91	27,664	3,040	9/14/18	4
					14
<b>Put Options</b>					
S&P 500 <sup>®</sup> Index	280	75,600	2,700	9/4/18	6
S&P 500 <sup>®</sup> Index	381	103,632	2,720	9/5/18	23
S&P 500 <sup>®</sup> Index	91	24,934	2,740	9/7/18	8
S&P 500 <sup>®</sup> Index	305	84,028	2,755	9/10/18	38
S&P 500 <sup>®</sup> Index	415	114,540	2,760	9/12/18	65
S&P 500 <sup>®</sup> Index	91	25,116	2,760	9/14/18	23
					163
<b>Total Purchased Options</b>					<b>\$ 177</b>

**Open Written Options contracts as of August 31, 2018, were as follows:**

<b>Description of Options</b>	<b>Number of Contracts</b>	<b>Contract Notional Amount</b>	<b>Strike Price <sup>(1)</sup></b>	<b>Expiration Date</b>	<b>Value</b>
<b>Call Options</b>					
S&P 500 <sup>®</sup> Index	280	\$ 82,180	\$ 2,935	9/4/18	\$ (5)
S&P 500 <sup>®</sup> Index	381	111,633	2,930	9/5/18	(39)
S&P 500 <sup>®</sup> Index	91	26,800	2,945	9/7/18	(9)
S&P 500 <sup>®</sup> Index	305	90,585	2,970	9/10/18	(16)
S&P 500 <sup>®</sup> Index	415	123,463	2,975	9/12/18	(29)
S&P 500 <sup>®</sup> Index	91	27,209	2,990	9/14/18	(7)
					(105)
<b>Put Options</b>					
S&P 500 <sup>®</sup> Index	280	77,420	2,765	9/4/18	(8)
S&P 500 <sup>®</sup> Index	381	105,918	2,780	9/5/18	(17)
S&P 500 <sup>®</sup> Index	91	25,389	2,790	9/7/18	(11)
S&P 500 <sup>®</sup> Index	305	85,858	2,815	9/10/18	(93)
S&P 500 <sup>®</sup> Index	415	116,823	2,815	9/12/18	(174)
S&P 500 <sup>®</sup> Index	91	25,571	2,810	9/14/18	(37)
<b>Total Written Options</b>					(340)
					\$(445)

**Footnote Legend:**

<sup>(1)</sup> Strike price not reported in thousands.

The following table provides a summary of inputs used to value the Fund's investments as of August 31, 2018 (See Security Valuation Note 2A in the Notes to Financial Statements):

	<b>Total Value at August 31, 2018</b>	<b>Level 1 Quoted Prices</b>	<b>Level 2 Significant Observable Inputs</b>	<b>Level 3 Significant Unobservable Inputs</b>
<b>Debt Securities:</b>				
Asset-Backed Securities	\$ 13,070	\$	\$ 13,070	\$
Corporate Bonds and Notes	111,100		111,099	1
Foreign Government Securities	33,303		33,303	
Leveraged Loans	28,182		28,182	
Mortgage-Backed Securities	23,902		23,902	
Municipal Bonds	1,553		1,553	
U.S. Government Securities	5,413		5,413	
<b>Equity Securities:</b>				
Common Stocks	147	107		40
Preferred Stocks	4,849	1,389	3,460	
Warrants	10			10
Money Market Mutual Fund	3,000	3,000		
Purchased Options	177	109	68	
<b>Total Investments before Written Options</b>	<b>\$ 224,706</b>	<b>\$ 4,605</b>	<b>\$ 220,050</b>	<b>\$ 51</b>
<b>Liabilities:</b>				
Written Options	\$ (445)	\$ (445)		\$
<b>Total Investments Net of Written Options</b>	<b>\$ 224,261</b>	<b>\$ 4,160</b>	<b>\$ 220,050</b>	<b>\$ 51</b>

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at August 31, 2018.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information

without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended August 31, 2018.

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)**

**AUGUST 31, 2018**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to Investment Companies.

The significant accounting policies consistently followed by the Fund in the preparation of its Schedule of Investments are summarized below and, for derivatives, included in Note 2 below. The preparation of the Schedule of Investments in conformity with U.S. generally accepted accounting principles 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 Schedule of Investments. Actual results could differ from those estimates and those differences could be significant.

**A. SECURITY VALUATION**

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

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

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

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

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



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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

Other information regarding the Fund is available in the Fund's most recent  
Report to Shareholders

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)**

**AUGUST 31, 2018**

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 American Depositary Receipts, financial futures, exchange-traded funds, and certain indexes, as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

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

Claims are valued by brokers based on pricing models that take into account, among other factors, both cash and non-cash assets. The valuation is derived from expected cash flow of the claims and the non-cash assets, which include all real estate, private equity or other securities within the estate. To the extent that these inputs are observable, the values of the claims are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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

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

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

**B. When-issued Purchases and Forward Commitments (Delayed Delivery)**

The Fund may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a

commitment by the Fund to purchase or sell a security at a future date (ordinarily up to 90 days later). Delayed delivery enables the Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates.

Other information regarding the Fund is available in the Fund's most recent  
Report to Shareholders

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)**

**AUGUST 31, 2018**

The Fund records delayed delivery securities on the trade date. The Fund maintains collateral for the securities purchased. Securities purchased on a when-issued or forward commitment basis begin earning interest on the settlement date.

**C. Leveraged Loans**

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

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

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

**D. Credit Risk and Asset Concentrations**

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

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

for the Adviser and/ or subadviser to accurately predict risk.

The Fund may invest a high percentage of its assets in specific sectors of the market in the pursuit of its investment objective. Fluctuations in these sectors of concentration

Other information regarding the Fund is available in the Fund's most recent  
Report to Shareholders

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)**

**AUGUST 31, 2018**

may have a greater impact on the Fund, positive or negative, than if the Fund did not concentrate its investments in such sectors.

The Fund borrows through its line of credit for the purpose of leveraging its portfolio. While leverage presents opportunities for increasing the Fund's total return, it also has the effect of potentially increasing losses. Accordingly, any event which adversely affects the value of an investment held by the Fund would be magnified to the extent the Fund is leveraged.

**NOTE 2 DERIVATIVE FINANCIAL INSTRUMENTS**

Disclosures about derivative instruments and hedging activities are intended to enable investors to understand how and why the Fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect the Fund's results of operations and financial position. Summarized below is a specific type of derivative instrument used by the Fund.

**Options contracts**

An options contract provides the purchaser with the right, but not the obligation, to buy (call option) or sell (put option) a financial instrument at an agreed-upon price. The Fund pursues an option income strategy whereby it purchases and sells out-of-the-money

puts and calls, creating an options spread designed to generate a consistent level of option cash flow which should result in additional yield. The Fund is subject to equity price risk in the normal course of pursuing its investment objectives.

When the Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When the Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option.

Holdings of the Fund designated as collateral for outstanding written options are noted in the Schedule of Investments.

If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain or loss.

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

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which may, upon exercise of the option, be significantly different from the then-market value. However, the Fund may limit its risk of loss when writing an option by purchasing an option similar to the one that is sold except for the fact it is further out of the money.

For the period ended August 31, 2018, the average daily premiums paid by the Fund for purchased options were \$328, and the average daily premiums received by the Fund for written options were \$672.

Other information regarding the Fund is available in the Fund's most recent

Report to Shareholders

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)**

**AUGUST 31, 2018**

**NOTE 3 ILLIQUID AND RESTRICTED SECURITIES**

(\$ reported in thousands)

Investments are generally considered illiquid if they cannot be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Fund. Additionally, the following information is also considered in determining liquidity: the frequency of trades and quotes for the investment, whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price, the extent of market making activity in the investment and the nature of the market for investment.

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

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

The Fund held securities considered to be illiquid at August 31, 2018, with an aggregate value of \$ 51 representing 0.03% of the Fund's net assets.

At August 31, 2018, the Fund did not hold any securities that were restricted.

**NOTE 4 REGULATORY MATTERS AND LITIGATION**

From time to time, the Adviser, Newfleet and/or their respective affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the Securities and Exchange Commission, 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.

**NOTE 5 SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that the following subsequent event requires recognition or disclosure in these financial statements.

Effective October 15, 2018, Rampart Investment Management, an investment management affiliate of Virtus Investment Partners that specializes in options strategies, has been appointed as an additional investment subadviser to manage the existing options overlay strategy on the Fund. Warun Kumar, chief investment officer, Rampart, who previously managed the strategy through Newfleet Asset Management, has been added as a portfolio manager to the Fund.



Other information regarding the Fund is available in the Fund's most recent

Report to Shareholders

**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act ) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Virtus Global Multi-Sector Income Fund

By (Signature and Title)\* /s/ George R. Aylward  
George R. Aylward, President  
(principal executive officer)

Date 10/30/2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ George R. Aylward  
George R. Aylward, President  
(principal executive officer)

Date 10/30/2018

By (Signature and Title)\* /s/ W. Patrick Bradley  
W. Patrick Bradley, Executive Vice President,  
Chief Financial Officer, and Treasurer  
(principal financial officer)

Date 10/30/2018

\* Print the name and title of each signing officer under his or her signature.