

Virtus Global Multi-Sector Income Fund
Form N-Q
November 26, 2014

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: December 31

Date of reporting period: September 30, 2014

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, 100 F Street, NE, Washington, DC 20549. 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****SEPTEMBER 30, 2014 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
MUNICIPAL BONDS 1.0%		
California 0.7%		
San Diego Tobacco Settlement Revenue Funding Corp. Bond Taxable 7.125%, 6/1/32	\$ 659	\$ 647
State of California Build America Bond Taxable 7.500%, 4/1/34	570	813
		1,460
Illinois 0.3%		
State of Illinois Build America Bond Taxable 6.900%, 3/1/35	700	774
TOTAL MUNICIPAL BONDS		
(Identified Cost \$2,011)		2,234
FOREIGN GOVERNMENT SECURITIES 16.7%		
Argentine Republic		
Series X, 7.000%, 4/17/17	500	449
8.750%, 5/7/24	530	481
Series NY, 8.280%, 12/31/33 ⁽¹⁴⁾	2,320	2,007
Bolivarian Republic of Venezuela		
RegS 8.250%, 10/13/24 ⁽⁴⁾	570	366
7.650%, 4/21/25	1,845	1,144
Commonwealth of Australia Series 130, 4.750%, 6/15/16	1,645 ^{AUD}	1,492
Commonwealth of New Zealand		
Series 415, 6.000%, 4/15/15	1,400 ^{NZD}	1,107
Series 1217, 6.000%, 12/15/17	705 ^{NZD}	585

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Dominican Republic 144A 5.875%, 4/18/24 ⁽³⁾	1,000	1,035
Federative Republic of Brazil 8.500%, 1/5/24	3,460 ^{BRL}	1,279
Mongolia 144A 4.125%, 1/5/18 ⁽³⁾	800	760
New South Wales, Australia Treasury Corp., Series 17 5.500%, 3/1/17	435 ^{AUD}	405
Provincia de Neuquen, Argentina 144A 7.875%, 4/26/21 ⁽³⁾	656	651
Republic of Azerbaijan 144A 4.750%, 3/18/24 ⁽³⁾	800	816
Republic of Chile 5.500%, 8/5/20	547,000 ^{CLP}	965
Republic of Colombia Treasury Note, Series B, 11.250%, 10/24/18	998,500 ^{COP}	589
Republic of Costa Rica		
144A 7.000%, 4/4/44 ⁽³⁾	800	804
7.000%, 4/4/44	1,000	1,005
Republic of Croatia 144A 6.375%, 3/24/21 ⁽³⁾	1,420	1,548
Republic of Ecuador 144A 7.950%, 6/20/24 ⁽³⁾	800	843
	PAR VALUE	VALUE

Republic of El Salvador 144A 6.375%, 1/18/27 ⁽³⁾	\$ 910	\$ 915
Republic of Ghana 144A 8.125%, 1/18/26 ⁽³⁾	400	402
Republic of Iceland 144A 5.875%, 5/11/22 ⁽³⁾	1,180	1,329
Republic of Indonesia		
Series FR30, 10.750%, 5/15/16	17,941,000 ^{IDR}	1,543
Series FR55, 7.375%, 9/15/16	9,877,000 ^{IDR}	807
Series FR63, 5.625%, 5/15/23	7,482,000 ^{IDR}	510
Republic of Iraq RegS 5.800%, 1/15/28 ⁽⁴⁾	890	803
Republic of Peru		
GDN 144A 7.840%, 8/12/20 ⁽³⁾	875 ^{PEN}	345
RegS 6.900%, 8/12/37 ⁽⁴⁾	1,700 ^{PEN}	594
Republic of Slovak 144A 4.375%, 5/21/22 ⁽³⁾	1,235	1,316
Republic of South Africa Series R203, 8.250%, 9/15/17	8,060 ^{ZAR}	734
Republic of Uruguay 4.375%, 12/15/28	26,551 ^{UYU} ⁽⁹⁾	1,200
Russian Federation		
144A 7.850%, 3/10/18 ⁽³⁾	55,000 ^{RUB}	1,327
144A 4.875%, 9/16/23 ⁽³⁾	2,000	1,972
United Mexican States		
Series M, 6.000%, 6/18/15	35,100 ^{MXN}	2,666
Series M, 6.500%, 6/9/22	19,000 ^{MXN}	1,465

TOTAL FOREIGN GOVERNMENT SECURITIES

(Identified Cost \$39,108)

36,259

MORTGAGE-BACKED SECURITIES 3.9%

Non-Agency 3.9%

Aventura Mall Trust 13-AVM, C 144A 3.867%, 12/5/32 ⁽²⁾⁽³⁾	448	456
Banc of America Alternative Loan Trust 03-2, CB3 5.750%, 4/25/33	661	686
Credit Suisse Commercial Mortgage Trust 07 - C5, A1AM 5.870%, 9/15/40 ⁽²⁾	490	502

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Goldman Sachs Mortgage Securities Trust 13-GC16, A2 3.033%, 11/10/46	3,000	3,097
Hilton USA Trust 13-HLT, EFX 144A 5.609%, 11/5/30 ⁽²⁾⁽³⁾	320	325
JPMorgan Chase (Bear Stearns) Commercial Mortgage Securities, Inc.		
05-PW10, AM 5.449%, 12/11/40 ⁽²⁾	1,000	1,042
07-PW18, AM 6.084%, 6/11/50 ⁽²⁾	1,400	1,558
JPMorgan Chase (Washington Mutual) Commercial Mortgage Securities Trust 06-SL1, A 144A 4.465%, 11/23/43 ⁽²⁾⁽³⁾	12	12

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Non-Agency (continued)		
JPMorgan Chase Commercial Mortgage Securities Trust 07-LDPX, AM 5.464%, 1/15/49 ⁽²⁾	\$ 820	\$ 858
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$8,502)		8,536
ASSET-BACKED SECURITIES 3.5%		
American Homes 4 Rent 14-SFR2, C 144A 4.705%, 10/17/36 ⁽³⁾	770	771
Cheesecake Restaurant Holdings, Inc. 13-1A, A2 144A 4.474%, 3/20/43 ⁽³⁾	806	814
CIT Group Home Equity Loan Trust 03-1, A5 4.980%, 7/20/34 ⁽²⁾	1,450	1,461
Domino's Pizza Master Issuer LLC 12-1A, A2 144A 5.216%, 1/25/42 ⁽³⁾	1,449	1,531
Drug Royalty LP I 12-1, A2 144A 5.800%, 7/15/24 ⁽³⁾	639	659
Fairway Outdoor Funding LLC 12-1A, A2 144A 4.212%, 10/15/42 ⁽³⁾	455	453
GSAA Home Equity Trust 05-12, AF3W 4.999%, 9/25/35 ⁽²⁾	1,049	1,068
Residential Asset Mortgage Trust 04-RZ1, M1 4.820%, 3/25/34 ⁽²⁾	772	775
TOTAL ASSET-BACKED SECURITIES (Identified Cost \$7,273)		7,532
CORPORATE BONDS AND NOTES 92.3%		
Consumer Discretionary 5.1%		
Arcos Dorados Holdings, Inc. 144A 10.250%, 7/13/16 ⁽³⁾	1,115 ^{BRL}	433
144A 6.625%, 9/27/23 ⁽³⁾	600	596
Boyd Gaming Corp. 9.000%, 7/1/20	325	342
Brookfield Residential Properties, Inc. 144A 6.500%, 12/15/20 ⁽³⁾	960	1,001
144A 6.125%, 7/1/22 ⁽³⁾	215	217

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Caesars Entertainment Operating Co., Inc. 9.000%, 2/15/20	750	583
Caesars Entertainment Resort Properties LLC 144A 11.000%, 10/1/21 ⁽³⁾	525	495
Caesars Growth Properties Holdings LLC 144A 9.375%, 5/1/22 ⁽³⁾	540	475
CCO Holdings LLC 5.250%, 9/30/22	952	935
	PAR VALUE	VALUE

Consumer Discretionary (continued)

Columbus International, Inc. 144A 7.375%, 3/30/21 ⁽³⁾	\$ 225	\$ 235
Grupo Televisa SAB 7.250%, 5/14/43	8,000 ^{MXN}	501
Guitar Center, Inc. 144A 9.625%, 4/15/20 ⁽³⁾	175	135
iHeartCommunications, Inc. 10.000%, 1/15/18	845	711
JC Penney Corp., Inc. 8.125%, 10/1/19	205	201
MHGE Parent LLC 144A 8.500%, 8/1/19 ⁽³⁾	620	588
Numericable Group SA 144A 6.000%, 5/15/22 ⁽³⁾	670	676
Penn National Gaming, Inc. 5.875%, 11/1/21	395	365
QVC, Inc. 5.125%, 7/2/22	690	725
Toll Brothers Finance Corp. 6.750%, 11/1/19	615	690
VTR Finance B.V. 144A 6.875%, 1/15/24 ⁽³⁾	555	576
Wynn Macau Ltd. 144A 5.250%, 10/15/21 ⁽³⁾	565	548

11,028

Consumer Staples 0.3%

Cosan Luxembourg SA 144A 5.000%, 3/14/23 ⁽³⁾	300	288
Elizabeth Arden, Inc. 7.375%, 3/15/21	405	362

650

Energy 20.6%

Afren plc		
144A 10.250%, 4/8/19 ⁽³⁾	651	697
144A 6.625%, 12/9/20 ⁽³⁾	750	714
California Resources Corp. 144A 6.000%, 11/15/24 ⁽³⁾	630	649
Calumet Specialty Products Partners LP 144A 6.500%, 4/15/21 ⁽³⁾	1,415	1,351
CITGO Petroleum Corp. 144A 6.250%, 8/15/22 ⁽³⁾	470	490
Denbury Resources, Inc. 5.500%, 5/1/22	770	765
Dolphin Energy Ltd. 144A 5.500%, 12/15/21 ⁽³⁾	2,000	2,235
Ecopetrol SA 4.125%, 1/16/25	865	837
Energy XXI Gulf Coast, Inc. 7.500%, 12/15/21	805	793

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EnQuest plc 144A 7.000%, 4/15/22 ⁽³⁾	930	879
Fermaca Enterprises S de RL de CV 144A 6.375%, 3/30/38 ⁽³⁾	1,400	1,466
FTS International, Inc. 144A 6.250%, 5/1/22 ⁽³⁾	620	612
Gazprom Neft OAO (GPN Capital SA) 144A 6.000%, 11/27/23 ⁽³⁾⁽⁷⁾	335	317
Gazprom OAO (Gaz Capital SA) 144A 4.950%, 2/6/28 ⁽³⁾⁽⁷⁾	1,300	1,157
Gulfmark Offshore, Inc. 6.375%, 3/15/22	1,700	1,649
Hercules Offshore, Inc. 144A 10.250%, 4/1/19 ⁽³⁾	625	595

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Continued)

SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Energy (continued)		
KazMunayGas National Co. JSC		
144A 4.400%, 4/30/23 ⁽³⁾	\$ 1,275	\$ 1,226
144A 5.750%, 4/30/43 ⁽³⁾	300	281
Lukoil OAO International Finance BV		
144A 6.125%, 11/9/20 ⁽³⁾⁽⁷⁾	1,100	1,105
144A 4.563%, 4/24/23 ⁽³⁾	800	718
MEG Energy Corp. 144A 7.000%, 3/31/24 ⁽³⁾	500	519
Midcontinent Express Pipeline LLC 144A 6.700%, 9/15/19 ⁽³⁾	2,000	2,270
New Field Exploration Co.(The) 5.625%, 7/1/24	1,200	1,287
NGL Energy Partners LP (NGL Energy Finance Corp.) 144A 5.125%, 7/15/19 ⁽³⁾	520	512
Odebrecht Offshore Drilling Finance Ltd. 144A 6.750%, 10/1/22 ⁽³⁾	1,459	1,514
Pacific Rubiales Energy Corp. 144A 5.375%, 1/26/19 ⁽³⁾	1,040	1,057
Parker Drilling Co.(The) 144A 6.750%, 7/15/22 ⁽³⁾	350	353
Pertamina Persero PT		
144A 4.300%, 5/20/23 ⁽³⁾	1,200	1,143
144A 6.000%, 5/3/42 ⁽³⁾	1,200	1,152
Petrobras Global Finance BV 6.250%, 3/17/24	770	805
Petrobras International Finance Co. 6.750%, 1/27/41 ⁽¹³⁾	3,275	3,293
Petroleos de Venezuela SA		
Series 2015, 5.000%, 10/28/15	325	279
RegS 8.500%, 11/2/17 ⁽⁴⁾	4,260	3,365
144A 6.000%, 5/16/24 ⁽³⁾	2,120	1,100
Petroleos Mexicanos 144A 6.375%, 1/23/45 ⁽³⁾	1,500	1,696
QGOG Constellation SA 144A 6.250%, 11/9/19 ⁽³⁾	955	957
Rosetta Resources, Inc. 5.875%, 6/1/24	945	930
Sabine Pass Liquefaction LLC 5.625%, 2/1/21	675	697
Transocean, Inc. 3.800%, 10/15/22	1,005	923
Transportadora de Gas del Peru SA 144A 4.250%, 4/30/28 ⁽³⁾	1,350	1,279
Tullow Oil plc 144A 6.000%, 11/1/20 ⁽³⁾	930	935
		44,602

Financials 40.2%

Aircastle Ltd. 5.125%, 3/15/21	1,470	1,455
Akbank TAS 144A 7.500%, 2/5/18 ⁽³⁾	1,145 ^{TRY}	447
Alfa Bank OJSC (Alfa Bond Issuance plc) 144A 7.750%, 4/28/21 ⁽³⁾⁽⁷⁾	925	927
Allstate Corp. (The) 5.750%, 8/15/53 ⁽²⁾⁽⁶⁾	2,460	2,620
	PAR VALUE	VALUE

Financials (continued)

ALROSA Finance S.A. 144A 7.750%, 11/3/20 ⁽³⁾	\$ 750	\$ 775
Apollo Management Holdings LP 144A 4.000%, 5/30/24 ⁽³⁾	785	790
Banco ABC Brasil S.A. 144A 7.875%, 4/8/20 ⁽³⁾	800	859
Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A 6.500%, 3/10/21 ⁽³⁾	1,750	1,908
Banco Bradesco S.A. 144A 5.750%, 3/1/22 ⁽³⁾⁽⁶⁾	2,000	2,065
Banco Continental S.A. RegS 5.500%, 11/18/20 ⁽⁴⁾⁽⁷⁾	2,000	2,160
Banco de Credito del Peru 144A 6.125%, 4/24/27 ⁽²⁾⁽³⁾	1,225	1,308
Banco de Credito e Inversiones 144A 4.000%, 2/11/23 ⁽³⁾	1,860	1,836
Banco do Brasil SA RegS 5.375%, 1/15/21 ⁽⁴⁾	525	536
144A 9.250%, 10/31/49 ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	1,425	1,468
Banco Internacional del Peru SAA 144A 6.625%, 3/19/29 ⁽²⁾⁽³⁾	1,260	1,367
Banco Santander Brasil SA 144A 8.000%, 3/18/16 ⁽³⁾	600 ^{BRL}	234
Banco Santander Chile 144A 3.875%, 9/20/22 ⁽³⁾	1,750	1,724
Banco Santander Mexico SA 144A 5.950%, 1/30/24 ⁽²⁾⁽³⁾⁽⁶⁾	1,000	1,058
Banco Votorantim S.A. 144A 7.375%, 1/21/20 ⁽³⁾	1,900	2,103
Bancolombia S.A. 5.125%, 9/11/22	1,220	1,224
Bank of China Hong Kong Ltd. 144A 5.550%, 2/11/20 ⁽³⁾	1,500	1,613
Bank of Georgia JSC 144A 7.750%, 7/5/17 ⁽³⁾	745	798
Braskem Finance Ltd. 144A 5.750%, 4/15/21 ⁽³⁾	2,200	2,251
Brazil Loan Trust 1 144A 5.477%, 7/24/23 ⁽³⁾	1,100	1,144
Caixa Economica Federal 144A 7.250%, 7/23/24 ⁽²⁾⁽³⁾	920	925
Carlyle Holdings Finance LLC 144A 3.875%, 2/1/23 ⁽³⁾	810	832
China Cinda Finance Ltd. 144A 4.000%, 5/14/19 ⁽³⁾	1,250	1,255
Chubb Corp. (The) 6.375%, 3/29/67 ⁽²⁾⁽¹³⁾	2,175	2,384
Corp Andina de Fomento 8.125%, 6/4/19	1,000	1,232
CorpGroup Banking S.A. 144A 6.750%, 3/15/23 ⁽³⁾	1,000	1,004
Country Garden Holdings Co., Ltd. 144A 7.250%, 4/4/21 ⁽³⁾	1,000	983
Credit Bank of Moscow 144A 7.700%, 2/1/18 ⁽³⁾⁽⁷⁾	220	216
Development Bank of Kazakhstan OJSC 144A 4.125%, 12/10/22 ⁽³⁾	845	799

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Continued)

SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Financials (continued)		
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 ⁽³⁾	\$ 925	\$ 916
Eurasian Development Bank 144A 4.767%, 9/20/22 ⁽³⁾	1,600	1,550
Evergrande Real Estate Group Ltd. 144A 8.750%, 10/30/18 ⁽³⁾	635	595
First Cash Financial Services, Inc. 6.750%, 4/1/21	465	486
First Niagara Financial Group, Inc. 7.250%, 12/15/21	1,400	1,615
Genworth Holdings, Inc. 4.900%, 8/15/23	1,060	1,093
GLP Capital LP (GLP Financing II, Inc.) 4.375%, 11/1/18	25	25
4.875%, 11/1/20	710	724
5.375%, 11/1/23	20	20
Guanay Finance Ltd. 144A 6.000%, 12/15/20 ⁽³⁾	950	1,008
Hospitality Properties Trust 4.500%, 3/15/25	745	734
HSBC Finance Corp. 6.676%, 1/15/21	1,900	2,228
Hutchison Whampoa International Ltd. Series 12, 144A 6.000% ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	1,560	1,675
International Lease Finance Corp. 3.875%, 4/15/18	195	194
5.875%, 8/15/22	2,310	2,414
Itau Unibanco Holding SA RegS 5.650%, 3/19/22 ⁽⁴⁾	900	905
Kaisa Group Holdings Ltd. 144A 8.875%, 3/19/18 ⁽³⁾	1,200	1,221
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42 ⁽³⁾	800	866
Macquarie Group Ltd. 144A 6.000%, 1/14/20 ⁽³⁾	1,100	1,235
144A 6.250%, 1/14/21 ⁽³⁾	325	368
Magyar Fejlesztési Bank Zrt. 144A 6.250%, 10/21/20 ⁽³⁾	400	444
Morgan Stanley 144A 10.090%, 5/3/17 ⁽³⁾	6,050 ^{BRL}	2,412
Series H, 5.450%, 12/29/49 ⁽²⁾	120	119
Navient LLC 5.500%, 1/25/23	1,515	1,456
Nordea Bank AB 144A 4.250%, 9/21/22 ⁽³⁾	2,035	2,093
Oversea-Chinese Banking Corp Ltd. 144A 4.250%, 6/19/24 ⁽³⁾	1,500	1,498
PennantPark Investment Corp. 4.500%, 10/1/19	650	654

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PKO Finance AB 144A 4.630%, 9/26/22 ⁽³⁾⁽⁷⁾	1,805	1,875
Progressive Corp. (The) 6.700%, 6/15/37 ⁽²⁾	2,160	2,367
	PAR VALUE	VALUE

Financials (continued)

Prudential Financial, Inc. 5.875%, 9/15/42 ⁽²⁾	\$ 2,500	\$ 2,650
5.625%, 6/15/43 ⁽²⁾⁽⁶⁾	400	417
Russian Agricultural Bank OJSC (RSHB Capital SA) 144A 5.298%, 12/27/17 ⁽³⁾	650	635
144A 5.100%, 7/25/18 ⁽³⁾⁽⁷⁾	750	725
Severstal OAO Via Steel Capital SA 144A 5.900%, 10/17/22 ⁽³⁾⁽⁷⁾	2,200	2,107
Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 ⁽²⁾⁽³⁾	640	645
Telecom Italia Capital SA 7.175%, 6/18/19	725	819
Turkiye Garanti Bankasi AS 144A 5.250%, 9/13/22 ⁽³⁾	1,095	1,082
Ukreximbank Via Biz Finance plc RegS 8.375%, 4/27/15 ⁽⁴⁾⁽⁷⁾	470	397
Vnesheconombank (VEB Finance plc) 144A 6.800%, 11/22/25 ⁽³⁾⁽⁷⁾	1,400	1,365
VTB Bank OJSC (VTB Capital SA) 144A 6.000%, 4/12/17 ⁽³⁾⁽⁷⁾	525	524
Walter Investment Management Corp. 144A 7.875%, 12/15/21 ⁽³⁾	780	772
		87,228

Health Care 0.6%

Catamaran Corp. 4.750%, 3/15/21	520	502
Mallinckrodt International Finance S.A. 144A 5.750%, 8/1/22 ⁽³⁾	365	369
Tenet Healthcare Corp. 144A 5.500%, 3/1/19 ⁽³⁾	435	438
		1,309

Industrials 7.0%

AAR Corp. 7.250%, 1/15/22	710	767
ADT Corp. (The) 6.250%, 10/15/21	920	955
Air Canada Pass-Through-Trust, 13-1, B 144A 5.375%, 5/15/21 ⁽³⁾	360	369
Alfa SAB de CV 144A 5.250%, 3/25/24 ⁽³⁾	1,200	1,278
America West Airlines Pass-Through-Trust 99-1, G 7.930%, 1/2/19	747	831
01-1, G 7.100%, 4/2/21	1,507	1,680
American Airlines Pass-Through-Trust 14-1, B 4.375%, 10/1/22	1,050	1,066

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Continued)

SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Industrials (continued)		
Avianca Holdings SA (Avianca Leasing LLC) 144A 8.375%, 5/10/20 ⁽³⁾	\$ 900	\$ 965
Bombardier, Inc.		
144A 4.750%, 4/15/19 ⁽³⁾	455	454
144A 6.125%, 1/15/23 ⁽³⁾	900	906
DP World Ltd. 144A 6.850%, 7/2/37 ⁽³⁾	1,000	1,121
ESAL GmbH 144A 6.250%, 2/5/23 ⁽³⁾	980	955
Northwest Airlines Pass-Through-Trust 02-1, G2 6.264%, 11/20/21	638	690
Odebrecht Finance Ltd. 144A 8.250%, 4/25/18 ⁽³⁾	350 ^{BRL}	129
Spirit AeroSystems, Inc. 144A 5.250%, 3/15/22 ⁽³⁾	220	221
Transnet SOC Ltd. 144A 4.000%, 7/26/22 ⁽³⁾	1,000	941
U.S. Airways Pass-Through-Trust 11-1, A 7.125%, 10/22/23	846	982
UAL Pass-Through-Trust 07-01, A 6.636%, 7/2/22	837	904
		15,214
Information Technology 2.1%		
Avaya, Inc. 144A 7.000%, 4/1/19 ⁽³⁾	1,285	1,257
First Data Corp. 11.750%, 8/15/21	850	988
Sensata Technologies BV 144A 4.875%, 10/15/23 ⁽³⁾	970	941
Sungard Availability Services Capital, Inc. 144A 8.750%, 4/1/22 ⁽³⁾	570	428
VeriSign, Inc. 4.625%, 5/1/23	950	921
		4,535
Materials 8.7%		
Alpek SA de C.V. 144A 5.375%, 8/8/23 ⁽³⁾	1,230	1,273
Cascades, Inc. 144A 5.500%, 7/15/22 ⁽³⁾	710	691
Cemex SAB de CV 144A 9.500%, 6/15/18 ⁽³⁾	695	777

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Corp Nacional del Cobre de Chile 144A 3.750%, 11/4/20 ⁽³⁾	940	966
Eldorado Gold Corp. 144A 6.125%, 12/15/20 ⁽³⁾	415	414
EuroChem Mineral & Chemical Co. OJSC 144A 5.125%, 12/12/17 ⁽³⁾⁽⁷⁾	425	416
Evraz Group S.A. 144A 6.500%, 4/22/20 ⁽³⁾	775	712
FMG Resources Property Ltd. 144A 8.250%, 11/1/19 ⁽³⁾	1,050	1,089
Gerdau Holdings, Inc. 144A 7.000%, 1/20/20 ⁽³⁾	1,040	1,170
Gerdau Trade, Inc. 144A 5.750%, 1/30/21 ⁽³⁾	600	619
Hexion U.S. Finance Corp. 6.625%, 4/15/20	720	727
Inversiones CMPC S.A. 144A 4.375%, 5/15/23 ⁽³⁾	1,000	971
	PAR VALUE	VALUE

Materials (continued)

Office Cherifien des Phosphates S.A. (OCP) 144A 5.625%, 4/25/24 ⁽³⁾	\$ 1,500	\$ 1,560
Samarco Mineracao SA 144A 5.375%, 9/26/24 ⁽³⁾	925	914
Sappi Papier Holding GmbH 144A 6.625%, 4/15/21 ⁽³⁾	1,500	1,560
Tronox Finance LLC 6.375%, 8/15/20	805	813
United States Steel Corp. 6.875%, 4/1/21	965	1,033
Vale Overseas Ltd. 4.375%, 1/11/22	1,315	1,325
Vedanta Resources plc 144A 9.500%, 7/18/18 ⁽³⁾	1,650	1,897
		18,927

Telecommunication Services 4.6%

America Movil SAB de C.V. Series 12 6.450%, 12/5/22	8,000 ^{MXN}	576
Axtel SAB de CV 144A 8.000%, 1/31/20 ⁽²⁾⁽³⁾	360	358
Bharti Airtel International Netherlands BV 144A 5.125%, 3/11/23 ⁽³⁾	1,430	1,511
Comcel Trust 144A 6.875%, 2/6/24 ⁽³⁾	570	603
Digicel Group Ltd. 144A 8.250%, 9/30/20 ⁽³⁾	1,075	1,113
Empresa Nacional de Telecomunicaciones S.A. 144A 4.875%, 10/30/24 ⁽³⁾	415	425
Koninklijke KPN NV 144A 7.000%, 3/28/73 ⁽²⁾⁽³⁾⁽⁶⁾	955	990
Millicom International Cellular SA 144A 6.625%, 10/15/21 ⁽³⁾	250	261
Sprint Corp. 144A 7.250%, 9/15/21 ⁽³⁾	710	741
T-Mobile USA, Inc. 6.125%, 1/15/22	450	454
6.836%, 4/28/23	290	299
6.500%, 1/15/24	325	330
Vimpel Communications OJSC 144A 7.748%, 2/2/21 ⁽³⁾⁽⁷⁾	1,000	1,035
Windstream Corp. 7.750%, 10/15/20	1,150	1,216
		9,912

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Utilities 3.1%

AmeriGas Partners LP 6.750%, 5/20/20	1,200	1,254
Calpine Corp. 144A 6.000%, 1/15/22 ⁽³⁾	50	53
144A 7.875%, 1/15/23 ⁽³⁾	678	741
Electricite de France SA 144A 5.250% ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	1,325	1,347
Enel SpA 144A 8.750%, 9/24/73 ⁽²⁾⁽³⁾⁽⁶⁾	380	442
Israel Electric Corp Ltd. 144A 6.875%, 6/21/23 ⁽³⁾	725	826
Majapahit Holding BV 144A 7.750%, 1/20/20 ⁽³⁾	540	628

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Utilities (continued)		
RJS Power Holdings LLC 144A 5.125%, 7/15/19 ⁽³⁾	\$ 525	\$ 522
State Grid Overseas Investment Ltd. 144A 4.125%, 5/7/24 ⁽³⁾	990	1,015
		6,828

TOTAL CORPORATE BONDS AND NOTES
(Identified Cost \$200,659)
200,233
LOAN AGREEMENTS⁽²⁾ 15.2%
Consumer Discretionary 3.6%

Caesars Entertainment Operating Co., Inc.		
Tranche B-4, 10.500%, 10/31/16	571	550
Tranche B-7, 9.750%, 1/28/18	230	219
Caesars Growth Properties Holdings LLC Tranche B, First Lien 6.250%, 5/8/21	314	299
CBAC Borrower LLC Tranche B, 8.250%, 7/2/20	675	690
Cumulus Media Holdings, Inc. 4.250%, 12/23/20	841	828
Granite Broadcasting Corp. Tranche B, First Lien 6.750%, 5/23/18	197	197
Landry's, Inc. Tranche B, 4.000%, 4/24/18	1,077	1,070
Marina District Finance Co., Inc. 6.750%, 8/15/18	430	431
Peppermill Casinos, Inc. Tranche B, 7.250%, 11/9/18	630	640
Radio One, Inc. Tranche 2011, 7.500%, 3/31/16	1,005	1,022
Scientific Games International, Inc. Tranche B-2, 0.000%, 9/17/21 ⁽⁸⁾	535	525
Shingle Springs Tribal Gaming Authority 6.250%, 8/29/19	472	484
TWCC Holding Corp. Second Lien, 7.000%, 6/26/20	881	866

7,821

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Energy 2.4%		
Arch Coal, Inc. 0.000%, 5/16/18 ⁽⁸⁾	934	857
Chief Exploration & Development LLC Second Lien 7.500%, 5/16/21	682	683
Drillships Ocean Ventures, Inc. 5.500%, 7/25/21	479	466
Fieldwood Energy LLC Closing Date Loan, Second Lien, 8.375%, 9/30/20	913	918
Jonah Energy LLC Second Lien, 7.500%, 5/12/21	456	453
Sabine Oil & Gas LLC Second Lien, 8.750%, 12/31/18	825	826
	PAR VALUE	VALUE

Energy (continued)		
Templar Energy LLC Second Lien, 8.500%, 11/25/20	\$ 915	\$ 889
		5,092

Financials 1.3%		
Altisource Solutions S.A.R.L. Tranche B, 4.500%, 12/9/20	363	345
Asurion LLC Second Lien, 0.000%, 3/3/21 ⁽⁸⁾	810	821
Capital Automotive LP Second Lien, 0.000%, 4/30/20 ⁽⁸⁾	454	461
iStar Financial, Inc. Tranche A-2, 7.000%, 3/19/17	1,220	1,254
		2,881

Health Care 1.6%		
Ardent Medical Services, Inc.		
First Lien, 6.750%, 7/2/18	249	250
Second Lien, 11.000%, 1/2/19	161	163
Gentiva Health Services, Inc. Tranche B, 6.500%, 10/18/19	757	759
InVentiv Health, Inc. Tranche B-4 7.750%, 5/15/18	755	750
MMM Holdings, Inc. 9.750%, 12/12/17	224	224
MSO of Puerto Rico, Inc. 9.750%, 12/12/17	163	163
Regional Care, Inc. (RCHP, Inc.) First Lien, 6.000%, 4/23/19	552	553
Surgery Center Holdings, Inc.		
Second Lien, 9.750%, 4/10/20	342	343
0.000%, 7/24/20 ⁽⁸⁾	64	64
Second Lien, 0.000%, 7/23/21 ⁽⁸⁾	241	238
		3,507

Industrials 2.3%

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Brock Holdings III, Inc. First Lien, 6.000%, 3/16/17	613	601
Commercial Barge Line Co. First Lien, 7.500%, 9/22/19	793	798
DynCorp International, Inc. 0.000%, 7/7/16 ⁽⁸⁾	625	622
Filtration Group Corp. Second Lien, 8.250%, 11/22/21	785	788
Harland Clarke Holdings Corp.		
Tranche B-3, 7.000%, 5/22/18	517	523
Tranche B-4, 6.000%, 8/4/19	148	149
Husky Injection Molding Systems Ltd. (Yukon Acquisition, Inc.) 4.250%, 6/30/21	1,026	1,013
Navistar, Inc. Tranche B, 5.750%, 8/17/17	507	510
		5,004

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Continued)****SEPTEMBER 30, 2014 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
Information Technology 3.1%		
Applied Systems, Inc. Second Lien, 7.500%, 1/24/22	\$ 48	\$ 48
Attachmate Group, Inc. (The) First Lien, 7.250%, 11/22/17	480	481
Blue Coat Systems, Inc. 4.000%, 5/31/19	467	459
Second Lien, 9.500%, 6/26/20	585	585
Deltek, Inc. Second Lien, 0.000%, 10/10/19	1,087	1,104
Excelitas Technologies Corp. Tranche B, 6.000%, 11/2/20	572	573
First Data Corp. 3.655%, 3/23/18	1,125	1,105
Kronos, Inc. Second Lien, 9.750%, 4/30/20	959	991
Mitchell International, Inc. Second Lien, 8.500%, 10/11/21	300	301
RP Crown Parent LLC Second Lien, 11.250%, 12/21/19	872	833
Wall Street Systems, Inc. 4.500%, 4/30/21	251	249
		6,729
Materials 0.8%		
Essar Steel Algoma, Inc. (Algoma Steel, Inc.) 12.250%, 11/15/14	1,297	1,301
Fortescue Metals Group (FMG) Resources Property Ltd. 3.750%, 6/30/19	464	455
		1,756
Utilities 0.1%		
ExGen Renewables I LLC 5.250%, 2/6/21	188	190
TOTAL LOAN AGREEMENTS		
(Identified Cost \$33,147)		32,980

SHARES**PREFERRED STOCKS 3.3%****Energy 0.5%**

PTT Exploration & Production PCL, 144A, 4.875% ⁽²⁾⁽³⁾	1,100 ⁽¹⁰⁾	1,111
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Financials 2.8%

Citigroup, Inc. Series J, 7.125%	30,800	823
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General Electric Capital Corp. Series B, 6.250% ⁽²⁾	500 ⁽¹⁰⁾	539
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General Electric Capital Corp. Series C, 5.250% ⁽²⁾	600 ⁽¹⁰⁾	601
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SHARES**VALUE****Financials (continued)**

Goldman Sachs Group, Inc. (The) Series L, 5.700% ⁽²⁾	210 ⁽¹⁰⁾	\$ 213
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JPMorgan Chase & Co., Series Q, 5.150% ⁽²⁾	960 ⁽¹⁰⁾	914
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PNC Financial Services Group, Inc. (The) Series R, 4.850% ⁽²⁾	890 ⁽¹⁰⁾	843
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Wells Fargo & Co. Series K, 7.980% ⁽²⁾	840 ⁽¹⁰⁾	919
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Zions Bancorp, 6.950%	47,150	1,256
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6,108

TOTAL PREFERRED STOCKS**(Identified Cost \$7,238)****7,219****PURCHASED OPTIONS 0.1%****Call Options 0.0%**

S&P 500 [®] Index Fund expiration 10/3/14 strike price \$2,100 ⁽¹¹⁾	1,012	0
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S&P 500 [®] Index Fund expiration 10/3/14 strike price \$2,100 ⁽¹¹⁾	931	9
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9

Put Options 0.1%

S&P 500 [®] Index Fund expiration 10/3/14 strike price \$1,825 ⁽¹¹⁾	931	98
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S&P 500 [®] Index Fund expiration 10/3/14 strike price \$1,895 ⁽¹¹⁾	1,012	76
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174

TOTAL PURCHASED OPTIONS 0.1%**(Premiums Received \$326)****183****295,176⁽¹²⁾**

TOTAL LONG TERM INVESTMENTS 136.0%

(Identified Cost \$298,264)

TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS 136.0%

(Identified Cost \$298,264)

295,176⁽¹⁾

WRITTEN OPTIONS (0.4)%

Call Options 0.0%

S&P 500 [®] Index Fund expiration 10/10/14 strike price \$2,050 ⁽¹¹⁾	931	(23)
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S&P 500 [®] Index Fund expiration 10/3/14 strike price \$2,060 ⁽¹¹⁾	1,012	(5)
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(28)

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Continued)****SEPTEMBER 30, 2014 (Unaudited)**

(\$ reported in thousands)

	SHARES	VALUE
Put Options (0.4)%		
S&P 500 [®] Index Fund expiration 10/10/14 strike price \$1,890 ⁽¹¹⁾	931	\$ (391)
S&P 500 [®] Index Fund expiration 10/3/14 strike price \$1,955 ⁽¹¹⁾	1,012	(537)
		(928)
TOTAL WRITTEN OPTIONS (0.4)%		
(Premiums Received \$845)		
		(956)⁽¹⁾
TOTAL INVESTMENTS NET OF WRITTEN OPTIONS		
135.6%		
(Identified Cost \$297,419)		294,220⁽¹⁾
Other assets and liabilities, net (36.0)%		(78,137)
NET ASSETS 100.0%		\$ 217,039

Abbreviations:

GDN Global Depository Notes

PIK Payment-in-Kind Security

Footnote Legend:

- (1) Federal Income Tax Information: For tax information at September 30, 2014, see Note 3 Federal Income Tax Information in the Notes to Schedules of Investments.
- (2) Variable or step coupon security; interest rate shown reflects the rate in effect at September 30, 2014.
- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2014, these securities amounted to a value of \$150,149 or 69.2% of net assets.
- (4) Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under rules 903 and 904 of the Securities Act of 1933.
- (5) No contractual maturity date.

- (6) Interest payments may be deferred.
- (7) This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- (8) This loan will settle after September 30, 2014, at which time the interest rate, based on the London Interbank Offered Rate (LIBOR) and the agreed upon spread on trade date, will be reflected.
- (9) Principal amount is adjusted according to local inflation Index.
- (10) Value shown as par value.
- (11) Non-income producing.
- (12) All or a portion of the security is segregated as collateral for the borrowings.
- (13) All or a portion of the security is segregated as collateral for written options.
- (14) Security in default.

Foreign Currencies:

AUD	Australian Dollar
BRL	Brazilian Real
CLP	Chilean Peso
COP	Colombian Peso
IDR	Indonesian Rupiah
MXN	Mexican Peso
NZD	New Zealand Dollar
PEN	Peruvian Nuevo Sol
RUB	Russian Ruble
TRY	Turkish Lira
UYU	Uruguayan Peso
ZAR	South African Rand

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2014 (Unaudited)

(\$ reported in thousands)

Country Weightings

United States	42%
Brazil	6
Mexico	5
Cayman Islands	3
Chile	3
Luxembourg	3
Venezuela	3
Other	35
Total	100%

% of total investments net of written options as of September 30, 2014

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2014 (See Security Valuation Note 1A in the Notes to Schedules of Investments):

	Total Value		Level 1	Level 2
	at		Quoted	Significant
	September 30,		Prices	Observable
	2014			Inputs
Debt Securities:				
Asset-Backed Securities	\$ 7,532	\$	\$ 7,532	\$ 7,532
Corporate Bonds	200,233			200,233
Foreign Government Securities	36,259			36,259
Loan Agreements	32,980			32,980
Mortgage-Backed Securities	8,536			8,536
Municipal Bonds	2,234			2,234
Equity Securities:				
Preferred Stock	7,219		2,079	5,140
Purchased Options	183		183	
Total Investments before Written Options	\$ 295,176	\$	2,262	\$ 292,914
Written Options	\$ (956)	\$	(956)	\$
Total Investments Net of Written Options	\$ 294,220	\$	1,306	\$ 292,914

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

There were no transfers between Level 1 and Level 2 for the period.

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

	Asset- Backed Securities
Beginning Balance December 31, 2013:	\$ 474
Accrued Discount/(Premium)	- (c)
Realized Gain (Loss)	9
Change in Unrealized Appreciation (Depreciation)	2
Purchases	(485)
(Sales) ^(b)	-
Transfers Into Level 3 ^(a)	-
Transfers from Level 3 ^(a)	-
Ending Balance September 30, 2014	

\$ -

(a) Transfers into and/or from represent the ending value as of September 30, 2014, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.

(b) Includes paydowns on securities.

(c) Amount is less than \$500.

VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2014 (Unaudited)

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of its Schedule of Investments in conformity with accounting principals 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 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 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 by 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 ratified 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.

Level 1 quoted prices in active markets for identical securities (security types generally include listed equities).

Level 2 prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

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

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

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

Certain non-U.S. securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S.

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securities market, or other regional and local developments) may occur between the time that non-U.S. markets close (where the security is principally traded) and the time that the Fund calculates its 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

VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

SEPTEMBER 30, 2014 (Unaudited)

prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

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

Listed derivatives 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 (OTC) 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 mutual 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.

Short-term notes having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market and are generally categorized as Level 2 in the hierarchy.

A summary of the inputs used to value the Fund's major categories of assets and liabilities, which primarily include investments of the Fund, 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.

NOTE 2 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 the Series. 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 noted as such in each Series Schedule of Investments, where applicable.

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

At September 30, 2014 the Fund did not hold any illiquid and restricted securities.

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

VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND**NOTES TO SCHEDULE OF INVESTMENTS (Continued)****SEPTEMBER 30, 2014 (Unaudited)****NOTE 3 FEDERAL INCOME TAX INFORMATION****(\$ reported in thousands)**

At September 30, 2014, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Appreciation (Depreciation)
Investments	\$298,269	\$ 6,528	\$(9,621)	\$(3,093)
Written Options (845)		56	(167)	(111)

NOTE 4 SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Funds through the date the Schedule of Investments was available for issuance, and has determined that there are no subsequent events requiring recognition or disclosure in the Notes to Schedule of Investments.

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.

