

Virtus Global Multi-Sector Income Fund  
Form N-Q  
April 28, 2016

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: February 29, 2016

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 unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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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****FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	<b>PAR VALUE</b>	<b>VALUE</b>
<b>U.S. GOVERNMENT SECURITIES 3.1%</b>		
U.S. Treasury Bond 2.500%, 2/15/46	\$ 1,000	\$ 976
U.S. Treasury Note 2.250%, 11/15/24	4,180	4,369
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>		
<b>(Identified Cost \$5,276)</b>		<b>5,345</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	818
<b>Illinois 0.5%</b>		
Chicago Wastewater Transmission Taxable Revenue 5.180%, 1/1/27	195	208
State of Illinois Build America Bond Taxable 6.900%, 3/1/35	700	724
		932
<b>TOTAL MUNICIPAL BONDS</b>		
<b>(Identified Cost \$1,695)</b>		<b>1,750</b>
<b>FOREIGN GOVERNMENT SECURITIES 12.5%</b>		
Argentine Republic Series NY, 8.280%, 12/31/33 <sup>(13)</sup>	1,269	1,497
Bermuda RegS 4.854%, 2/6/24 <sup>(4)</sup>	700	717
Bolivarian Republic of Venezuela RegS 8.250%, 10/13/24 <sup>(4)</sup>	570	211

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RegS 7.650%, 4/21/25 <sup>(4)</sup>	1,845	673
Brazilian Government International Bond 4.875%, 1/22/21	600	585
Dominican Republic 144A 6.850%, 1/27/45 <sup>(3)</sup>	800	746
Dominican Republic International Bond 144A 6.875%, 1/29/26 <sup>(3)</sup>	235	243
Hungary Government International Bond 5.375%, 3/25/24	530	590
Islamic Republic of Pakistan 144A 8.250%, 9/30/25 <sup>(3)</sup>	600	609
Mexico Government International Bond 4.125%, 1/21/26	255	262
Mongolia 144A 4.125%, 1/5/18 <sup>(3)</sup>	570	486
Republic of Angola 144A 9.500%, 11/12/25 <sup>(3)</sup>	305	263
Republic of Armenia 144A 7.150%, 3/26/25 <sup>(3)</sup>	700	674
Republic of Azerbaijan 144A 4.750%, 3/18/24 <sup>(3)</sup>	800	734
Republic of Chile 5.500%, 8/5/20	547,000 <sup>CLP</sup>	806
	<b>PAR VALUE</b>	<b>VALUE</b>
Republic of Colombia Treasury Note, Series B, 11.250%, 10/24/18	\$ 998,500 <sup>COP</sup>	\$ 329
Republic of Costa Rica 144A 7.000%, 4/4/44 <sup>(3)</sup>	800	677
RegS 7.000%, 4/4/44 <sup>(4)</sup>	1,000	842
Republic of Cote d Ivoire 144A 6.375%, 3/3/28 <sup>(8)</sup>	840	754
Republic of El Salvador 144A 6.375%, 1/18/27 <sup>(3)</sup>	1,320	1,125
Republic of Ghana RegS 10.750%, 10/14/30 <sup>(4)</sup>	750	690
Republic of Indonesia Series FR63, 5.625%, 5/15/23	7,482,000 <sup>IDR</sup>	478
Republic of Iraq RegS 5.800%, 1/15/28 <sup>(4)</sup>	890	564
Republic of Panama 3.750%, 3/16/25	1,020	1,033
Republic of Peru 4.125%, 8/25/27	670	685
Republic of Romania RegS 4.875%, 1/22/24 <sup>(4)</sup>	650	714
144A 4.875%, 1/22/24 <sup>(3)</sup>	390	429
Republic of South Africa Series R203, 8.250%, 9/15/17	8,060 <sup>ZAR</sup>	507
Republic of Sri Lanka 144A 6.850%, 11/3/25 <sup>(3)</sup>	900	839
Republic of Uruguay 4.500%, 8/14/24	650	681
5.100%, 6/18/50	500	449
Russian Federation 144A 7.850%, 3/10/18 <sup>(3)</sup>	55,000 <sup>RUB</sup>	708
United Mexican States Series M, 6.500%, 6/9/22	16,625 <sup>MXN</sup>	953
<b>TOTAL FOREIGN GOVERNMENT SECURITIES</b>		<b>21,553</b>

(Identified Cost \$25,897)

**MORTGAGE-BACKED SECURITIES 16.1%**

**Agency 6.8%**

**FNMA**

3.500%, 11/1/42	716	752
3.000%, 5/1/43	716	736
3.500%, 1/1/45	1,452	1,523
3.500%, 8/1/45	962	1,009
3.500%, 9/1/45	2,420	2,537
3.000%, 12/1/45	2,345	2,407
3.500%, 12/1/45	1,436	1,506
3.000%, 2/1/46	1,168	1,199

11,669

**Non-Agency 9.3%**

American Homes 4 Rent 14-SFR2, C 144A 4.705%, 10/17/36 <sup>(3)</sup>	770	768
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## VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

## SCHEDULE OF INVESTMENTS (Continued)

FEBRUARY 29, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Non-Agency (continued)</b>		
Ameritrust Mortgage Securities, Inc. 03-AR3, M4 4.564%, 6/25/33 <sup>(2)</sup>	\$ 855	\$ 807
Aventura Mall Trust 13-AVM, C 144A 3.743%, 12/5/32 <sup>(2)(3)</sup>	448	445
Banc of America Alternative Loan Trust 03-2, CB3 5.750%, 4/25/33	493	503
CIT Group Home Equity Loan Trust 03-1, A5 4.150%, 7/20/34 <sup>(2)</sup>	1,450	1,461
Credit Suisse Commercial Mortgage Trust 07 - C5, A1AM 5.870%, 9/15/40 <sup>(2)</sup>	490	447
CSMC Mortgage-Backed Trust 06-8 6.000%, 10/25/21	504	483
Deutsche Bank-UBS Mortgage Trust 11-LC3A, D 144A 5.468%, 8/10/44 <sup>(2)(3)</sup>	660	652
Freddie Mac Structured Agency Credit Risk Debt Notes 3.236%, 5/25/28 <sup>(2)</sup>	500	495
GAHR Commercial Mortgage Trust 15-NRF, CFX 144A 3.382%, 12/15/19 <sup>(2)(3)</sup>	525	511
GSAA Home Equity Trust 05-12, AF3W 4.999%, 9/25/35 <sup>(2)</sup>	439	444
Hilton USA Trust 13-HLT, EFX 144A 5.222%, 11/5/30 <sup>(2)(3)</sup>	320	318
Home Equity Loan Trust 07-HSA3, AI4 6.110%, 6/25/37 <sup>(2)</sup>	1,131	1,152
JPMorgan Chase (Bear Stearns) Commercial Mortgage Securities, Inc.		
07-PW15, AM 5.363%, 2/11/44	510	516
07-PW18, AM 6.084%, 6/11/50 <sup>(2)</sup>	1,400	1,479
JPMorgan Chase Commercial Mortgage Securities Trust 07-LDP10, AM 5.464%, 1/15/49 <sup>(2)</sup>	1,084	1,088
MASTR Alternative Loan Trust 04-6, 7A1 6.000%, 7/25/34	962	963
Morgan Stanley - Bank of America (Merrill Lynch) Trust 15-C22, AS 3.561%, 4/15/48	1,153	1,165
Residential Asset Mortgage Trust 04-RZ1, M1 4.820%, 3/25/34 <sup>(2)</sup>	772	791
Residential Mortgage Loan Trust 15-2A, A1 3.750%, 8/16/55 <sup>(2)</sup>	355	367
Wells Fargo (Wachovia Bank) Commercial Mortgage Trust 15-LC20, B 3.719%, 4/15/50	690	650

	PAR VALUE	VALUE
<b>Non-Agency (continued)</b>		
Winwater Mortgage Loan Trust 2016-1 144A 3.500%, 1/20/46 <sup>(2)(3)</sup>	\$ 488	\$ 495
		16,000
<b>TOTAL MORTGAGE-BACKED SECURITIES</b>		
<b>(Identified Cost \$27,712)</b>		<b>27,669</b>

**ASSET-BACKED SECURITIES 4.8%**

Arbys Funding LLC 15-1A, A2 144A 4.969%, 10/30/45 <sup>(3)</sup>	778	813
CarFinance Capital Auto Trust 14-1A, D 144A 4.900%, 4/15/20 <sup>(3)</sup>	1,750	1,741
Cheesecake Restaurant Holdings, Inc. 13-1A, A2 144A 4.474%, 3/20/43 <sup>(3)</sup>	791	803
Citi Held For Asset Issuance 15-PM3 144A 4.310%, 5/16/22 <sup>(3)</sup>	1,000	974
DB Master Finance LLC 15-A1, A2II 144A 3.980%, 2/20/45 <sup>(3)</sup>	287	283
Domino's Pizza Master Issuer LLC 12-1A, A2 144A 5.216%, 1/25/4 <sup>(2)</sup>	280	286
DT Auto Owner Trust 15-3A, C 144A 3.250%, 7/15/21 <sup>(3)</sup>	645	642
Exeter Automobile Receivables Trust 14-3A, D 144A 5.690%, 4/15/21 <sup>(3)</sup>	730	725
Fairway Outdoor Funding LLC 12-1A, A2 144A 4.212%, 10/15/42 <sup>(3)</sup>	435	441
Greater Capital Association of Realtors 15-1A, C 9.790%, 10/15/25	420	415
LEAF Receivables Funding 10 LLC 15-1, E2 144A 6.000%, 6/15/23 <sup>(3)</sup>	425	411
Wendy's Funding LLC 15-1A, A2II 144A 4.080%, 6/15/4 <sup>(5)</sup>	848	828

**TOTAL ASSET-BACKED SECURITIES**

**(Identified Cost \$8,415)** **8,362**

**CORPORATE BONDS AND NOTES 84.0%****Consumer Discretionary 8.5%**

Argos Merger Sub, Inc. 144A 7.125%, 3/15/23 <sup>(3)</sup>	595	610
Boyd Gaming Corp.		
9.000%, 7/1/20	325	344
6.875%, 5/15/23	320	330
Brookfield Residential Properties, Inc.		
144A 6.500%, 12/15/20 <sup>(3)</sup>	645	590





**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS (Continued)**
**FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Consumer Discretionary (continued)</b>		
144A 6.125%, 7/1/22 <sup>(3)</sup>	\$ 215	\$ 181
Caesars Entertainment Operating Co., Inc. 9.000%, 2/15/20 <sup>(14)</sup>	750	574
Caesars Entertainment Resort Properties LLC 8.000%, 10/1/20	500	491
Caesars Growth Properties Holdings LLC 9.375%, 5/1/22	540	427
CCO Holding Safari LLC 144A 5.750%, 2/15/26 <sup>(3)</sup>	470	472
CCO Holdings LLC 5.250%, 9/30/22	452	458
CCO Safari II LLC 144A 4.908%, 7/23/25 <sup>(3)</sup>	205	210
Fiat Chrysler Automobiles NV 5.250%, 4/15/23	600	570
Grupo Televisa SAB		
4.625%, 1/30/26	525	533
7.250%, 5/14/43	8,000 <sup>MXN</sup>	367
International Game Technology plc 144A 6.250%, 2/15/22 <sup>(3)</sup>	400	380
Landry's, Inc. 144A 9.375%, 5/1/20 <sup>(3)</sup>	285	300
M/I Homes Inc. 6.750%, 1/15/21	395	384
MDC Holdings, Inc. 5.500%, 1/15/24	655	637
MGM Resorts International 6.000%, 3/15/23	730	750
Mohegan Tribal Gaming Authority 144A 9.750%, 9/1/21 <sup>(3)</sup>	235	235
MPG Holdco I, Inc. 7.375%, 10/15/22	100	95
Myriad International Holdings BV 144A 5.500%, 7/21/25 <sup>(3)</sup>	1,035	1,005
New York University 4.142%, 7/1/48	420	417
Numericable Group SA 144A 6.000%, 5/15/22 <sup>(3)</sup>	340	338
Omega US Sub LLC 144A 8.750%, 7/15/23 <sup>(3)</sup>	415	378
Penn National Gaming, Inc. 5.875%, 11/1/21	395	387
QVC, Inc. 5.125%, 7/2/22	690	701
Scientific Games International, Inc. 144A 7.000%, 1/1/22 <sup>(3)</sup>	465	456

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Toll Brothers Finance Corp. 6.750%, 11/1/19	615	683
TRI Pointe Holdings, Inc. 5.875%, 6/15/24	830	793
VTR Finance BV 144A 6.875%, 1/15/24 <sup>(3)</sup>	555	523

14,619

**Consumer Staples 1.3%**

Pilgrim s Pride Corp. 144A 5.750%, 3/15/2 <del>9</del>	270	264
Rite Aid Corp. 144A 6.125%, 4/1/23 <sup>(3)</sup>	195	209
Safeway, Inc. 7.250%, 2/1/31	655	520
Tops Holding LLC (Tops Markets II Corp.) 144A 8.000%, 6/15/22 <sup>(3)</sup>	795	761
	<b>PAR VALUE</b>	<b>VALUE</b>

**Consumer Staples (continued)**

Whole Foods Market, Inc. 144A 5.200%, 12/3/25 <sup>(3)</sup>	\$ 427	\$ 430
		2,184

**Energy 15.0%**

Afren plc		
144A 10.250%, 4/8/19 <sup>(3)(13)</sup>	635	1
144A 6.625%, 12/9/20 <sup>(3)(13)</sup>	732	1
Blue Racer Midstream LLC 144A 6.125%, 11/15/22 <sup>(3)</sup>	235	177
Dolphin Energy Ltd. 144A 5.500%, 12/15/21 <sup>(3)(10)</sup>	2,000	2,214
Ecopetrol SA		
4.125%, 1/16/25	865	663
5.375%, 6/26/26	280	227
Enbridge Energy Partners LP 4.375%, 10/15/20	155	144
EnQuest plc 144A 7.000%, 4/15/22 <sup>(3)</sup>	930	223
Exxon Mobil Corp		
2.726%, 3/1/23	75	75

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3.043%, 3/1/26	160	160
Fermaca Enterprises S de RL de CV 144A 6.375%, 3/30/38 <sup>(3)</sup>	1,371	1,213
FTS International, Inc. 6.250%, 5/1/22	620	68
Gazprom OAO (Gaz Capital SA)		
144A 6.000%, 11/27/23 <sup>(3)(7)</sup>	335	319
144A 4.950%, 2/6/28 <sup>(3)(7)</sup>	1,300	1,110
Gulfmark Offshore, Inc. 6.375%, 3/15/22	1,275	344
Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	405	392
Kinder Morgan, Inc. 7.750%, 1/15/32	795	761
Kunlun Energy Co., Ltd. 144A 3.750%, 5/13/25 <sup>(3)</sup>	700	686
Lukoil OAO International Finance BV		
144A 6.125%, 11/9/20 <sup>(3)(7)</sup>	1,100	1,134
144A 4.563%, 4/24/23 <sup>(3)</sup>	800	729
Midcontinent Express Pipeline LLC 144A 6.700%, 9/15/19 <sup>(3)(10)</sup>	2,000	1,420
MPLX LP 144A 4.875%, 12/1/24 <sup>(3)</sup>	1,025	838
Newfield Exploration Co. 5.625%, 7/1/24	745	678
NGL Energy Partners LP (NGL Energy Finance Corp.) 5.125%, 7/15/19	520	308
Odebrecht Offshore Drilling Finance Ltd. 144A 6.750%, 10/1/22 <sup>(3)</sup>	1,366	273
Pacific Exploration and Production Corp. 144A 5.375%, 1/26/19 <sup>(3)(13)</sup>	690	83
Parker Drilling Co. 6.750%, 7/15/22	350	206

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS (Continued)**
**FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Energy (continued)</b>		
Pertamina Persero PT		
144A 4.300%, 5/20/23 <sup>(3)</sup>	\$ 1,200	\$ 1,132
144A 6.000%, 5/3/42 <sup>(3)</sup>	1,200	1,003
Petrobras Global Finance BV 6.750%, 1/27/41	1,800	1,125
Petroleos de Venezuela SA		
RegS 8.500%, 11/2/17 <sup>(4)</sup>	1,307	647
144A 6.000%, 5/16/24 <sup>(3)</sup>	2,120	664
RegS 6.000%, 11/15/26 <sup>(4)</sup>	1,270	401
Petroleos Mexicanos		
144A 4.250%, 1/15/25 <sup>(3)</sup>	700	618
144A 6.875%, 8/4/26 <sup>(3)</sup>	280	290
6.375%, 1/23/45	800	694
QEP Resources, Inc. 6.875%, 3/1/21	340	247
QGOG Constellation SA 144A 6.250%, 11/9/19 <sup>(3)</sup>	955	449
Regency Energy Partners LP 5.000%, 10/1/22	650	540
Sabine Pass Liquefaction LLC 5.625%, 2/1/21	675	648
SM Energy Co. 6.125%, 11/15/22	1,050	462
Sunoco LP (Sunoco Finance Corp.) 144A 6.375%, 4/1/23 <sup>(3)</sup>	1,015	969
Transocean, Inc. 5.800%, 12/15/16	255	253
Transportadora de Gas del Peru SA 144A 4.250%, 4/30/28 <sup>(3)</sup>	1,350	1,256
		25,845

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**Financials 32.7%**

Africa Finance Corp. 144A 4.375%, 4/29/20 <sup>(3)</sup>	800	798
Akbank TAS 144A 7.500%, 2/5/18 <sup>(3)</sup>	1,145 <sup>TRY</sup>	351
Allstate Corp. (The) 5.750%, 8/15/53 <sup>(2)(6)</sup>	2,460	2,451
ALROSA Finance S.A. 144A 7.750%, 11/3/20 <sup>(3)</sup>	750	803
American Tower Corp 4.400%, 2/15/26	265	270
Apollo Management Holdings LP 144A 4.000%, 5/30/24 <sup>(3)</sup>	785	804
Ares Finance Co., LLC Finance Co., LLC 144A 4.000%, 10/8/24 <sup>(3)</sup>	830	801
Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A 6.500%, 3/10/21 <sup>(3)(10)</sup>	1,750	1,861
Banco Continental S.A. RegS 5.500%, 11/18/20 <sup>(4)(7)</sup>	2,000	2,130
Banco de Credito del Peru 144A 6.125%, 4/24/27 <sup>(2)(3)</sup>	1,225	1,278
Banco de Credito e Inversiones 144A 4.000%, 2/11/23 <sup>(3)</sup>	1,860	1,862
	<b>PAR VALUE</b>	<b>VALUE</b>

**Financials (continued)**

Banco Internacional del Peru SAA 144A 6.625%, 3/19/29 <sup>(2)(3)</sup>	\$ 1,260	\$ 1,236
Banco Nacional de Comercio 144A 4.375%, 10/14/25 <sup>(3)</sup>	510	505
Banco Santander Brasil SA 144A 8.000%, 3/18/16 <sup>(3)</sup>	600 <sup>BRL</sup>	146
Banco Santander Chile 144A 3.875%, 9/20/22 <sup>(3)</sup>	1,750	1,767
Banco Santander Mexico SA 144A 5.950%, 1/30/24 <sup>(2)(3)(6)</sup>	1,000	1,020
Banco Votorantim S.A. 144A 7.375%, 1/21/20 <sup>(3)</sup>	381	365
Bancolombia S.A. 5.125%, 9/11/22	1,220	1,139
Bank of China Hong Kong Ltd. 144A 5.550%, 2/11/20 <sup>(3)</sup>	1,500	1,628
Bank of China Ltd. 144A 5.000%, 11/13/24 <sup>(3)</sup>	675	699
Bank of Georgia JSC 144A 7.750%, 7/5/17 <sup>(3)</sup>	745	771
Brixmor Operating Partnership LP 3.875%, 8/15/22	190	177
Citizens Financial Group, Inc. 144A 5.500% <sup>(2)(3)(5)</sup>	845	790
Compass Bank 3.875%, 4/10/25	945	869
Corp Andina de Fomento 8.125%, 6/4/19	1,000	1,188
Corrections Corp. of America 5.000%, 10/15/22	555	574
Development Bank of Kazakhstan OJSC 144A 4.125%, 12/10/22 <sup>(3)</sup>	845	742
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 <sup>(3)</sup>	925	881
Eurasian Development Bank 144A 4.767%, 9/20/22 <sup>(3)</sup>	1,600	1,505
First Niagara Financial Group, Inc. 7.250%, 12/15/21	1,400	1,609
FS Investment Corp. 4.250%, 1/15/20	650	648

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4.750%, 5/15/22	225	219
General Motors Financial Co. Inc. 4.200%, 3/1/21	600	602
Genworth Holdings, Inc. 4.900%, 8/15/23	1,060	625
Guanay Finance Ltd. 144A 6.000%, 12/15/20 <sup>(3)</sup>	1,615	1,518
Healthcare Realty Trust, Inc. 3.875%, 5/1/25	360	349
Hospitality Properties Trust 4.500%, 3/15/25	745	703
HSBC Finance Corp. 6.676%, 1/15/21 <sup>(10)</sup>	1,400	1,558
Hutchison Whampoa International Ltd. Series 12, 144A 6.000% <sup>(2)(3)(5)(6)</sup>	1,560	1,615
ING Groep NV 6.000% <sup>(2)(5)(6)</sup>	815	750
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42 <sup>(3)</sup>	800	675

## VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

## SCHEDULE OF INVESTMENTS (Continued)

FEBRUARY 29, 2016 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Financials (continued)</b>		
Macquarie Group Ltd.		
144A 6.000%, 1/14/20 <sup>(3)</sup>	\$ 1,100	\$ 1,197
144A 6.250%, 1/14/21 <sup>(3)</sup>	325	360
McGraw Hill Financial Inc. 4.000%, 6/15/25	645	654
Morgan Stanley 144A 10.090%, 5/3/17 <sup>(3)</sup>	3,050 <sup>BRL</sup>	736
MPT Operating Partnership LP		
6.375%, 3/1/24	140	144
5.500%, 5/1/24	145	141
Nordea Bank AB 144A 4.250%, 9/21/22 <sup>(3)(10)</sup>	2,035	2,113
Oversea-Chinese Banking Corp Ltd. 144A 4.250%, 6/19/24 <sup>(3)</sup>	1,500	1,548
PKO Finance AB 144A 4.630%, 9/26/22 <sup>(3)(7)(10)</sup>	1,805	1,849
Prudential Financial, Inc. 5.875%, 9/15/42 <sup>(2)</sup>	1,385	1,406
Sberbank of Russia Via Sb Capital SA 144A 5.500%, 2/26/24 <sup>(3)(7)</sup>	1,300	1,145
Select Income REIT 4.500%, 2/1/25	690	639
Teachers Insurance & Annuity Association Asset Management Finance Co. LLC 144A 4.125%, 11/1/24 <sup>(3)</sup>	985	1,012
Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 <sup>(2)(3)</sup>	640	645
Turkiye Garanti Bankasi AS 144A 5.250%, 9/13/22 <sup>(3)</sup>	1,095	1,088
Ukreximbank Via Biz Finance plc 144A 9.625%, 4/27/22 <sup>(3)</sup>	870	735
Welltower, Inc. 4.250%, 4/1/26	600	598

56,292



**Health Care 1.7%**

Acadia Healthcare Co., Inc. 144A 6.500%, 3/1/24 <sup>(3)</sup>	20	21
Centene Escrow Corp 144A 5.625%, 2/15/21 <sup>(3)</sup>	265	278
Jaguar Holding Co. II (Pharmaceutical Product Development LLC) 144A 6.375%, 8/1/23 <sup>(3)</sup>	415	424
Kinetic Concepts, Inc. (Kci USA Inc.) 144A 7.875%, 2/15/21 <sup>(3)</sup>	45	46
Mallinckrodt International Finance S.A. 144A 5.750%, 8/1/22 <sup>(3)</sup>	365	362
144A 5.625%, 10/15/23 <sup>(3)</sup>	675	667
144A 5.500%, 4/15/25 <sup>(3)</sup>	45	43
Mednax Inc. 144A 5.250%, 12/1/23 <sup>(3)</sup>	310	321
Tenet Healthcare Corp. 5.500%, 3/1/19	435	421
	<b>PAR VALUE</b>	<b>VALUE</b>

**Health Care (continued)**

8.125%, 4/1/22	\$	375	\$	370
Valeant Pharmaceuticals International, Inc. 144A 5.875%, 5/15/23 <sup>(3)</sup>		80		66
				3,019

**Industrials 7.4%**

ADT Corp. (The) 6.250%, 10/15/21	920	902
Ahern Rentals, Inc. 144A 7.375%, 5/15/23 <sup>(3)</sup>	710	430
Air Canada Pass-Through-Trust, 13-1, B 144A 5.375%, 5/15/21 <sup>(3)</sup>	1,163	1,138
Alfa SAB de CV 144A 5.250%, 3/25/24 <sup>(3)</sup>	1,200	1,218
America West Airlines Pass-Through-Trust 99-1, G 7.930%, 1/2/19	531	564
01-1, G 7.100%, 4/2/21	1,263	1,331
American Airlines Pass-Through-Trust 14-1, B 4.375%, 10/1/22	454	440
Bombardier, Inc. 144A 4.750%, 4/15/19 <sup>(3)</sup>	295	238
144A 6.125%, 1/15/23 <sup>(3)</sup>	555	391
Builders FirstSource, Inc. 144A 10.750%, 8/15/23 <sup>(3)</sup>	375	351

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DP World Ltd. 144A 6.850%, 7/2/37 <sup>(3)</sup>	1,000	969
Harland Clarke Holdings Corp. 144A 6.875%, 3/1/20 <sup>(3)</sup>	670	549
JBS Investments GmbH 144A 7.250%, 4/3/24 <sup>(3)</sup>	515	456
Northwest Airlines Pass-Through-Trust 02-1, G2 6.264%, 11/20/21	498	526
Pelabuhan Indonesia II PT 144A 4.250%, 5/5/25 <sup>(3)</sup>	870	801
Standard Industries Inc. NJ		
144A 5.125%, 2/15/21 <sup>(3)</sup>	25	26
144A 5.500%, 2/15/23 <sup>(3)</sup>	190	192
Transnet SOC Ltd. 144A 4.000%, 7/26/22 <sup>(3)</sup>	1,000	871
UAL Pass-Through-Trust 07-01, A 6.636%, 7/2/22	755	793
United Airlines Pass-Through Trust 15-1, B 4.750%, 4/11/22	524	517

12,703

**Information Technology 1.4%**

Electronic Arts Inc. 3.700%, 3/1/21	95	96
Flextronics International Ltd. 4.750%, 6/15/25	850	820
Hewlett Packard Enterprise Co.		
144A 4.400%, 10/15/22 <sup>(3)</sup>	325	318

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS (Continued)**
**FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Information Technology (continued)</b>		
144A 4.900%, 10/15/25 <sup>(3)</sup>	\$ 325	\$ 308
Tencent Holdings Ltd. 144A 3.800%, 2/11/25 <sup>(3)</sup>	800	812
		2,354
<b>Materials 7.8%</b>		
Alpek SA de C.V. 144A 5.375%, 8/8/23 <sup>(3)</sup>	1,230	1,239
ArcelorMittal 6.125%, 6/1/25	865	705
BHP Billiton Finance USA Ltd. 144A 6.750%, 10/19/75 <sup>(2)(3)(6)</sup>	405	393
Braskem America Finance Co. RegS 7.125%, 7/22/41 <sup>(4)</sup>	2,275	1,772
Cascades, Inc. 144A 5.500%, 7/15/22 <sup>(3)</sup>	710	673
Corp Nacional del Cobre de Chile 144A 3.750%, 11/4/20 <sup>(3)</sup>	940	957
Eldorado Gold Corp. 144A 6.125%, 12/15/20 <sup>(3)</sup>	415	349
EuroChem Mineral & Chemical Co. OJSC 144A 5.125%, 12/12/17 <sup>(3)(7)</sup>	425	429
Evraz Group S.A. 144A 6.500%, 4/22/20 <sup>(3)</sup>	775	723
Fibria Overseas Finance Ltd. 5.250%, 5/12/24	835	794
Fortescue Metals Group (FMG) Resources August 2006 Pty Ltd. 144A 9.750%, 3/1/22 <sup>(3)</sup>	270	255
Gerdau Trade, Inc. 144A 5.750%, 1/30/21 <sup>(3)</sup>	500	381
Gerdau Holdings, Inc. 144A 7.000%, 1/20/20 <sup>(3)</sup>	685	606
Inversiones CMPC S.A. 144A 4.375%, 5/15/23 <sup>(3)</sup>	1,000	982
Office Cherifien des Phosphates S.A. (OCP) 144A 5.625%, 4/25/24 <sup>(3)</sup>	1,500	1,526
Severstal OAO Via Steel Capital SA 144A 5.900%, 10/17/22 <sup>(3)(7)</sup>	1,100	1,086

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Vedanta Resources plc 144A 6.000%, 1/31/19 <sup>(3)</sup>	825	488
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13,358

**Telecommunication Services 4.5%**

Altice Financing SA 144A 6.625%, 2/15/23 <sup>(3)</sup>	700	693
America Movil SAB de C.V. Series 12 6.450%, 12/5/22	8,000 <sup>MXN</sup>	410
Bharti Airtel International Netherlands BV 144A 5.125%, 3/11/23 <sup>(3)(10)</sup>	1,430	1,498
Comcel Trust via Comunicaciones Celulares SA 144A 6.875%, 2/6/24 <sup>(3)(7)</sup>	570	512
Crown Castle International Corp 4.450%, 2/15/26	75	76
Digicel Group Ltd. 144A 8.250%, 9/30/20 <sup>(3)</sup>	720	565
Empresa Nacional de Telecomunicaciones S.A. 144A 4.875%, 10/30/24 <sup>(3)</sup>	415	383
	<b>PAR VALUE</b>	<b>VALUE</b>

**Telecommunication Services (continued)**

Frontier Communications Corp.		
6.250%, 9/15/21	\$ 515	\$ 459
144A 10.500%, 9/15/22 <sup>(3)</sup>	165	168
Neptune Finance Corp. 144A 10.125%, 1/15/23 <sup>(3)</sup>	200	215
Sprint Corp. 7.250%, 9/15/21	710	538
T-Mobile USA, Inc.		
6.836%, 4/28/23	290	303
6.500%, 1/15/26	315	321
Verizon Communications, Inc. 4.400%, 11/1/34	685	644
Windstream Corp. 7.750%, 10/15/20	1,150	977

7,762

**Utilities 3.7%**

Calpine Corp. 5.375%, 1/15/23	743	697
Electricite de France SA 144A 5.250% <sup>(2)(3)(5)(6)</sup>	1,325	1,151
Enel SpA 144A 8.750%, 9/24/73 <sup>(2)(3)(6)</sup>	380	414
Israel Electric Corp Ltd. 144A 6.875%, 6/21/23 <sup>(3)</sup>	725	837
Lamar Funding Ltd. 144A 3.958%, 5/7/25 <sup>(3)</sup>	715	622

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Majapahit Holding BV 144A 7.750%, 1/20/20 <sup>(3)</sup>	540	616
State Grid Overseas Investment Ltd. 144A 4.125%, 5/7/24 <sup>(3)</sup>	990	1,081
Talen Energy Supply LLC 144A 4.625%, 7/15/19 <sup>(3)</sup>	525	425
TerraForm Power Operating LLC 144A 5.875%, 2/1/23 <sup>(3)</sup>	750	566
		6,409

**TOTAL CORPORATE BONDS AND NOTES**

**(Identified Cost \$162,443)**

**144,545**

**LOAN AGREEMENTS<sup>(2)</sup> 11.2%**

**Consumer Discretionary 2.5%**

<b>Caesars Entertainment Operating Co., Inc.</b>		
Tranche B-4, 11.500%, 10/31/16 <sup>(14)</sup>	571	511
Tranche B-7, 11.750%, 1/28/18 <sup>(14)</sup>	230	190
Caesars Growth Properties Holdings LLC Tranche B, First Lien, 6.250%, 5/8/21	310	248
El Dorado Resorts, Inc. 4.250%, 7/25/22	157	156
Graton Resort & Casino Tranche B, 4.750%, 9/1/22	204	202
Landry's, Inc. (Landry's Restaurants, Inc.) Tranche B, 4.000%, 4/24/18	953	949
Laureate Education, Inc. 5.000%, 6/15/18	585	448
PetSmart, Inc. Tranche B-1 4.250%, 3/11/22	115	112

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Continued)****FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Consumer Discretionary (continued)</b>		
Scientific Games International, Inc. Tranche B-2, 6.000%, 10/1/21	\$ 530	\$ 486
Staples, Inc. First Lien 4.750%, 2/2/22	955	950
		4,252
<b>Consumer Staples 0.5%</b>		
Albertson's Holdings LLC 5.500%, 12/21/22	517	504
Kronos Acquisition Intermediate, Inc. (KIK Custom Products, Inc.) Second Lien, 9.750%, 4/30/20	362	352
		856
<b>Energy 0.4%</b>		
Chelsea Petroleum I LLC 5.250%, 10/28/22	596	554
Jonah Energy LLC Second Lien, 7.500%, 5/12/21	456	200
Sabine Oil & Gas LLC Second Lien, 12.000%, 12/31/18 <sup>(13)</sup>	825	23
		777

**Financials 0.9%**

Capital Automotive LP Second Lien, 6.000%, 4/30/20	454	446
iStar Financial, Inc. Tranche A-2, 7.000%, 3/19/17	1,066	1,058
		1,504

**Health Care 2.1%**

21st Century Oncology, Inc. Tranche B 6.500%, 4/30/22	229	212
Amneal Pharmaceuticals LLC Tranche B, 6.000%, 11/1/19	298	293
Ardent Legacy Acquisitions, Inc. 6.500%, 8/4/21	391	389
InVentiv Health, Inc. Tranche B-4, 7.750%, 5/15/18	755	748
Med Impact Healthcare Systems, Inc. 5.750%, 10/27/22	366	361
MMM Holdings, Inc. 9.750%, 12/12/17 <sup>(11)(14)</sup>	204	128
MSO of Puerto Rico, Inc. 9.750%, 12/12/17 <sup>(11)(14)</sup>	149	93
RCHP Tranche B-2, 6.000%, 4/23/19	532	524
Surgery Center Holdings, Inc.		
First Lien, 5.250%, 11/3/20	485	472
Second Lien, 8.500%, 11/3/21	121	110
U.S. Renal Care, Inc. 5.250%, 12/30/22	262	260
		3,590

**Industrials 1.5%**

Brock Holdings III, Inc. First Lien, 6.000%, 3/16/17	416	393
	<b>PAR VALUE</b>	<b>VALUE</b>

**Industrials (continued)**

DynCorp International, Inc. 6.250%, 7/7/16	\$	607	\$	581
Filtration Group Corp. Second Lien, 8.250%, 11/22/21		206		198
Husky Injection Molding Systems Ltd. 4.250%, 6/30/21		1,024		975
Sedgwick Claims Management Services, Inc. Second Lien, 6.750%, 2/28/22		570		503

2,650

**Information Technology 2.2%**

Applied Systems, Inc. Second Lien, 7.500%, 1/24/22	238	218
First Data Corp.		
2018 Term Loan 3.934%, 3/23/18	1,680	1,661
2022 Term Loan 4.184%, 7/8/22	482	470
Mitchell International, Inc. Second Lien, 8.500%, 10/11/21	259	214
NXP BV 3.750%, 12/7/20	533	533
Presidio, Inc. Refinancing Term 5.250%, 2/2/22	645	620

3,716

**Materials 0.5%**

Anchor Glass Container Tranche B, 4.500%, 7/1/22	374	371
Fortescue Metals Group (FMG) Resources Property Ltd. 4.250%, 6/30/19	333	257
Polyone Corp. 3.750%, 11/11/22	199	199

827

**Telecommunication Services 0.2%**

T-Mobile USA, Inc. 3.500%, 11/9/22	356	357
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**Utilities 0.4%**

NRG Energy, Inc. 2.750%, 7/1/18	716	706
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**TOTAL LOAN AGREEMENTS****(Identified Cost \$21,280) 19,235****SHARES****VALUE**



**PREFERRED STOCKS 4.0%**

**Energy 0.6%**

PTT Exploration & Production PCL 144A,  
4.875%<sup>(2)(3)(10)</sup>

1,100<sup>(8)</sup>

984

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****SCHEDULE OF INVESTMENTS (Continued)****FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

	<b>SHARES</b>		<b>VALUE</b>
<b>Financials 2.7%</b>			
Bank of New York Mellon Corp. (The) Series E, 4.950% <sup>(2)</sup>	545 <sup>(8)</sup>	\$	533
Citigroup, Inc. Series J, 7.125% <sup>(2)</sup>	30,800		813
Goldman Sachs Group, Inc. (The) Series L, 5.700% <sup>(2)</sup>	150 <sup>(8)</sup>		144
JPMorgan Chase & Co. Series Z, 5.300% <sup>(2)</sup>	160 <sup>(8)</sup>		156
PNC Financial Services Group, Inc. (The) Series R, 4.850% <sup>(2)</sup>	890 <sup>(8)</sup>		814
SunTrust Bank, Inc. 5.625% <sup>(2)</sup>	60 <sup>(8)</sup>		59
Wells Fargo & Co. Series K, 7.980% <sup>(2)</sup>	840 <sup>(8)</sup>		864
Zions Bancorp 6.950% <sup>(2)</sup>	47,150		1,317
			4,700
<b>Industrials 0.7%</b>			
General Electric Co. 5.000%, 12/29/49 <sup>(2)</sup>	1,248 <sup>(8)</sup>		1,278
<b>TOTAL PREFERRED STOCKS</b>			
<b>(Identified Cost \$6,981)</b>			<b>6,962</b>
<b>COMMON STOCK 0.0%</b>			
<b>Energy 0.0%</b>			
Hercules Offshore, Inc. <sup>(12)</sup>	10,017		13

**TOTAL COMMON STOCK****(Identified Cost \$625)** **13****CONTRACTS** **VALUE****PURCHASED OPTIONS 0.1%****Call Options 0.0%**S&P 500<sup>®</sup> Index expiration 03/04/16 strike price \$2,085 793 0S&P 500<sup>®</sup> Index expiration 03/11/16 strike price \$2,125 797 4

4

**Put Options 0.1%**S&P 500<sup>®</sup> Index expiration 03/04/16 strike price \$1,735 793 1S&P 500<sup>®</sup> Index expiration 03/11/16 strike price \$1,780 797 103

104

**TOTAL PURCHASED OPTIONS 0.1%****(Premiums Paid \$231)** **108****TOTAL LONG TERM INVESTMENTS 136.8%****(Identified Cost \$260,555)** **235,542****CONTRACTS** **VALUE****TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS 136.8%****(Identified Cost \$260,555)** **235,542<sup>(1)</sup>****WRITTEN OPTIONS (0.3)%****Call Options (0.0)%**S&P 500<sup>®</sup> Index expiration 03/04/16 strike price \$2,025 793 \$ (8)S&P 500<sup>®</sup> Index expiration 03/11/16 strike price \$2,065 797 (8)

(16)

**Put Options (0.3)%**

S&P 500® Index expiration 03/04/16 strike price \$1,795	793	(16)
S&P 500® Index expiration 03/11/16 strike price \$1,840	797	(458)
		(474)

**TOTAL WRITTEN OPTIONS (0.3)%**

**(Premiums Received \$611) (490)<sup>(1)</sup>**

**TOTAL INVESTMENTS NET OF WRITTEN OPTIONS 136.5%**

**(Identified Cost \$259,944) 235,052**

**Other assets and liabilities, net (36.5)% (62,814)**

**172,238**

**NET ASSETS 100.0%**

**\$**

**Abbreviations:**

FNMA Federal National Mortgage Association ( Fannie Mae ).

REIT Real Estate Investment Trust

**Footnote Legend:**

- (1) Federal Income Tax Information: For tax information at February 29, 2016, 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 February 29, 2016.
- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At February 29, 2016, these securities amounted to a value of \$112,529 or 65.3% 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) Value shown as par value.
- (9) All or a portion of the portfolio is segregated as collateral for the borrowings.
- (10) All or a portion of the security is segregated as collateral for written options.
- (11) Illiquid security, at February 29, 2016, these securities amounted to a value of \$221 or 0.1% of net assets.
- (12) Non-income producing.
- (13) Security in default, no interest payments are being received.

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

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**SCHEDULE OF INVESTMENTS (Continued)**

**FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

**Foreign Currencies:**

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

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**SCHEDULE OF INVESTMENTS**

**FEBRUARY 29, 2016 (Unaudited)**

(\$ reported in thousands)

**Country Weightings**

United States	52%
Mexico	5
Chile	4
Brazil	3
Indonesia	2
Luxembourg	2
Peru	2
Other	30
<b>Total</b>	<b>100%</b>

% of total investments net of written options as of February 29, 2016

The following table provides a summary of inputs used to value the Fund's investments as of February 29, 2016 (See Security Valuation Note 1A in the Notes to Schedules of Investments):

	Total Value at February 29, 2016	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Debt Securities:</b>				
Asset-Backed Securities	\$ 8,362	\$	\$ 7,947	\$ 415
Corporate Bonds And Notes	144,545		144,542	3
Foreign Government Securities	21,553		21,553	
Loan Agreements	19,235		18,177	1,058
Mortgage-Backed Securities	27,669		27,669	
Municipal Bonds	1,750		1,750	
U.S. Government Securities	5,345		5,345	
<b>Equity Securities:</b>				
Common Stock	13	13		
Preferred Stocks	6,962	2,130	4,832	
Purchased Options	108	108		
Total Investments Before Written Options	\$ 235,542	\$2,251	\$231,815	\$1,476
Written Options	(490)	(490)		
Total Investments Net of Written Options	\$ 235,052	\$1,761	\$231,815	\$1,476

Securities held by the Fund with an end of period value of \$1,317 were transferred from Level 2 to Level 1 since an exchange price was available.

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.

Investments in Securities	Total	Asset-Backed Securities	Corporate Bonds and Notes	Loan Agreements
<b>Balance as of November 30, 2015:</b>	\$ 1,851	\$ 416	\$ -	\$ 1,435
Accrued discount (premium)	- (c)	-	-	- (c)
Realized gain (loss)	- (c)	-	-	- (c)
Change in unrealized appreciation (depreciation)	(158)	(1)	-	(157)
Purchases	-	-	-	-



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Sales <sup>(b)</sup>	(19)	-	-	(19)
Transfers into Level 3 <sup>(a)(d)</sup>	3	-	3	-
Transfers from Level 3 <sup>(a)(d)</sup>	(201)	-	-	(201)
<b>Balance as of February 29, 2016</b>	<b>\$ 1,476</b>	<b>\$ 415</b>	<b>\$ 3</b>	<b>\$ 1,058</b>

(a) Transfers into and/or from represent the ending value as of February 29, 2016, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.

(b) Includes paydowns on securities.

(c) Amount is less than \$500.

(d) The transfer is due to an increase and/or decrease in trading activities at period end.

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

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**VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND**

**NOTES TO SCHEDULE OF INVESTMENTS**

**FEBRUARY 29, 2016 (Unaudited)**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies 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 in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the 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 to the Board and convenes independently from portfolio management. All internally fair valued securities are updated daily and reviewed in detail by the Valuation Committee monthly unless changes occur within the period. The Valuation Committee reviews the validity of the model inputs and any changes to the model. Quarterly fair valuations are reviewed by the Board.

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.

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

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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

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**VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND**

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

**FEBRUARY 29, 2016 (Unaudited)**

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

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

Investments in open-end mutual funds are valued at NAV. Investments in closed-end funds 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 each 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 DERIVATIVE FINANCIAL INSTRUMENTS**

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

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)****FEBRUARY 29, 2016 (Unaudited)**

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 to cover outstanding written options are noted in the Schedule of Investments. Purchased options are reported as an asset within Investment in securities at value in the Statement of Assets and Liabilities. Options written are reported as a liability within Written options outstanding at value. Changes in value of the purchased option is included in Net change in unrealized appreciation (depreciation) on investments in the Statement of Operations. Changes in value of written options is included in Net change in unrealized appreciation (depreciation) on written options.

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

The risk in writing 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 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.

**NOTE 3 FEDERAL INCOME TAX INFORMATION**

**(\$ reported in thousands)**

At February 29, 2016, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

<b>Federal</b>	<b>Unrealized</b>	<b>Unrealized</b>	<b>Net</b>
<b><u>Tax Cost</u></b>	<b><u>Appreciation</u></b>	<b><u>(Depreciation)</u></b>	<b>Unrealized</b>
			<b>Appreciation</b>

**(Depreciation)**

Investments (before written options)	\$260,675	\$2,900	\$(28,033)	\$(25,133)
Written Options	(611)	302	(181)	121

The differences between book basis cost and tax basis cost were attributable primarily to the tax deferral of losses on wash sales.

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

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**VIRTUS GLOBAL MULTI-SECTOR FIXED INCOME FUND**

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

**FEBRUARY 29, 2016 (Unaudited)**

**NOTE 4 ILLIQUID AND RESTRICTED SECURITIES**

Investments generally are 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. Illiquid securities are footnoted as such at the end of the Fund's Schedule of Investments where applicable. However, a portion of such footnoted securities could be liquid where it is determined that some, though not all, of the position could be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Fund.

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

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

At February 29, 2016, the Fund did not hold any securities that are both illiquid and restricted.

**NOTE 5 REGULATORY MATTERS AND LITIGATION**

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

**NOTE 6 SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the Fund through the date the Schedule of Investments was filed, 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.

**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 4/28/2016

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 4/28/2016

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

Date 4/28/2016

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