

Virtus Global Multi-Sector Income Fund  
Form N-CSR  
February 08, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANIES**

**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: November 30, 2017**

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

The Report to Shareholders is attached herewith.

ANNUAL REPORT

**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Value**

November 30, 2017

## FUND DISTRIBUTIONS AND MANAGED DISTRIBUTION PLAN

The Board of Trustees of the Virtus Global Multi-Sector Income Fund ( the Fund ) adopted a Managed Distribution Plan (the Plan ) which provides for the Fund to make a monthly distribution rate of \$0.156 per share. Under the terms of the Plan, the Fund seeks to maintain a consistent distribution level that may be paid in part or in full from net investment income, realized capital gains, and a return of capital, or a combination thereof.

If the Fund estimates that it has distributed more than its income and capital gains in a particular period, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income.

To the extent that the Fund uses capital gains and/or return of capital to supplement its investment income, you should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the Fund's Managed Distribution Plan.

The amounts and sources of distributions reported in Section 19(a) notices of the 1940 Act are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send shareholders a Form 1099-DIV for the calendar year that will tell you how to report distributions for federal income tax purposes.

The Board may amend, suspend or terminate the Managed Distribution Plan at any time, without prior notice to shareholders, if it deems such action to be in the best interest of the Fund and its shareholders.

Information on the Virtus Global Multi-Sector Income Fund is available through the closed end fund section on the web at [www.Virtus.com](http://www.Virtus.com). Section 19(a) notices are posted on the website at <https://www.virtus.com/our-products/closed-end-fund-details/VGI>.

**MESSAGE TO SHAREHOLDERS**

Dear Virtus Global Multi-Sector Income Fund Shareholder:

Dear Virtus Global Multi-Sector Income Fund Shareholder: I am pleased to share with you the annual report for the Virtus Global Multi-Sector Income Fund (VGI), which discusses performance for the 12 months ended November 30, 2017. This report contains commentary from the portfolio management team at Newfleet Asset Management on how the fixed income markets and the fund performed during the period, including the contribution of the options overlay strategy to fund performance.

For the fiscal year ended November 30, 2017, the fund's net asset value (NAV) gained 14.87%, including \$1.872 in reinvested distributions, and its market price increased 35.99%. For the same period, the fund's benchmark, the Bloomberg Barclays Global Aggregate Bond Index, gained 6.53%, including reinvested dividends.

On behalf of Newfleet Asset Management and Virtus Investment Partners, I welcome our new Investors and thank all shareholders for entrusting your assets to us. Should you have any questions or require support, the Virtus customer service team is ready to assist at 1-866-270- 7788 or through the closed-end fund section of our website, [www.virtus.com](http://www.virtus.com).  
Sincerely,

George R. Aylward

President, Chief Executive Officer, and Trustee

Virtus Global Multi-Sector Income Fund

*January 2018*

*This information does not represent an offer, or the solicitation of an offer, to buy or sell securities of the Fund.*

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

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**MANAGER'S DISCUSSION OF FUND PERFORMANCE (Unaudited)**

**NOVEMBER 30, 2017**

**About the Fund**

Virtus Global Multi-Sector Income Fund's (NYSE: VGI) (the Fund) investment objective is to maximize current income while preserving capital. The Fund seeks to achieve its investment objective by applying an approach, and extensive credit research, to capitalize on opportunities across undervalued areas of the global bond market. *There is no guarantee that the Fund will achieve its investment objective.*

The use of leverage currently enables the Fund to borrow at short-term rates and invest at higher yields on its investments. As of November 30, 2017, the Fund's leverage consisted of \$69 million of borrowings pursuant to a line of credit, which represented approximately 26% of the Fund's total assets.

**Portfolio Review – Newfleet Asset Management LLC (Newfleet)**

Newfleet's multi-sector fixed income strategies team manages the Fund, leveraging the knowledge and skills of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management for portfolio construction, avoiding interest rate bets and remaining duration neutral. Newfleet also manages the Fund's options overlay strategy. The options overlay strategy seeks to generate additional income through the purchase and sale of paired out-of-the-money puts and calls. The following commentary is provided by the portfolio team at Newfleet and covers the Fund's fixed income portfolio and options overlay strategy for the fiscal year ended November 30, 2017.

**How did global fixed income markets perform during the Fund's fiscal year ended November 30, 2017?**

Most spread sectors outperformed U.S. Treasuries during the fiscal year ended November 30, 2017. The global growth outlook remained favorable and the search for yield persisted through the end of the fiscal year. Within most fixed income sectors, longer duration and lower quality assets were key drivers of performance.

The positive tone of the market that continued after the surprise outcome of the U.S. presidential election faced numerous challenges over the fiscal year. Geopolitical tensions with North Korea, continued gridlock in Washington, moderate volatility in oil prices, and major weather events such as Hurricane Harvey caused periods of weakness within spread sectors. However, these periods were short-lived as investors bought into any meaningful dip in prices, quickly pushing prices higher.

As anticipated, the Fed raised its target rate 0.25% on three separate occasions during the last 12 months to a range of 1.00% to 1.25%. During its September 2017 meeting, the Fed announced the start of its balance sheet reduction plan.

Over the last 12 months, yields increased across the curve, but more so among shorter maturities, which caused the curve to flatten.

**What factors affected the Fund's performance during the period?**



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The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the Fund's underperformance for the fiscal year ended November 30, 2017. Among

For information regarding the indexes and certain key investment terms see the Key Investment Terms starting on page 7.

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**MANAGER'S DISCUSSION OF FUND PERFORMANCE (Unaudited) (Continued)**

**NOVEMBER 30, 2017**

fixed income sectors, the Fund's allocations to corporate high yield, emerging markets high yield, and yankee high quality securities were the largest positive contributors to performance for the fiscal year.

During the fiscal year, the Fund's allocation to agency mortgage-backed securities detracted from performance, although the Fund's underweight versus the benchmark was beneficial. Though exposure to the high yield sector contributed to the overall performance of the Fund, our bias toward higher quality securities detracted from returns during a period in which lower quality outperformed.

**How did the options overlay strategy perform for the Fund during the fiscal year?**

Fund performance was significantly enhanced by the options overlay strategy during the fiscal year ended November 30, 2017. This strategy seeks to exploit well-known pricing inefficiencies in the index options market by selling put and call spreads to generate premium income.

The option trading environment was highly unusual. Implied volatility levels, as measured by the CBOE Volatility Index (VIX), traded at or near historic lows for most of the 12-month period. This reflected the risk on positioning observed across most securities markets, as investors appeared willing to push aside fears of volatility in the relentless pursuit of a series of all-time market highs.

For the options overlay strategy, the result was a relatively tight spread between short options for most trades, which provided little room for the S&P 500® Index to move during the two-week duration of a typical trade.

Despite this rather tight positioning, the options overlay strategy was able to contribute in excess of 3% (gross of fees) to Fund returns for the fiscal year. This success reflected the relatively low number of gap moves during the year. Large, sudden moves in the S&P 500® Index can lead to losses for the strategy, as we saw early in the prior fiscal year. A market that steadily grinds higher, as we have seen for much of 2017, provides a relatively accommodative environment for the options overlay strategy.

*The preceding information is the opinion of portfolio management only through the end of the period of the report as stated on the cover. Any such opinions are subject to change at any time based upon market conditions and should not be relied upon as investment advice.*

*There can be no assurance that the Fund will achieve its investment objective.*

*The Fund's portfolio holdings are subject to change and may not be representative of the portfolio managers current or future investments. The mention of individual securities held by the Fund is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional.*

For information regarding the indexes and certain key investment terms see the Key Investment Terms starting on page 7.

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**MANAGER'S DISCUSSION OF FUND PERFORMANCE (Unaudited) (Continued)**

**NOVEMBER 30, 2017**

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

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

**High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

**ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

**Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times.

**Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

**Call/Put Spreads:** Buying and selling call and put option spreads on the SPX Index risks the loss of the premium when buying and may increase downside losses.

**Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss.

For information regarding the indexes and certain key investment terms see the Key Investment Terms starting on page 7.

**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND****(Unaudited)****NOVEMBER 30, 2017**

The following tables present the portfolio holdings within certain sectors or countries as a percentage of total investments net of written options at November 30, 2017.

Asset Allocation

|  |     |      |
|--|-----|------|
| Corporate Bonds and Notes              |     | 58%  |
| Energy                                 | 16% |      |
| Financials                             | 14  |      |
| Materials                              | 7   |      |
| Total of all others                    | 21  |      |
| Foreign Government Securities          |     | 18   |
| Loan Agreements                        |     | 9    |
| Mortgage-Backed Securities             |     | 9    |
| Asset-Backed Securities                |     | 5    |
| Preferred Stocks                       |     | 1    |
| Other (includes short-term investment) |     | *    |
| Total                                  |     | 100% |

\* Amount is less than 0.5%.

Country Weightings

|               |  |      |
|---------------|--|------|
| United States |  | 49%  |
| Mexico        |  | 6    |
| Argentina     |  | 4    |
| Brazil        |  | 3    |
| Colombia      |  | 3    |
| Netherlands   |  | 3    |
| Russia        |  | 2    |
| Other         |  | 30   |
| Total         |  | 100% |



**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**

**KEY INVESTMENT TERMS (Unaudited)**

**NOVEMBER 30, 2017**

***Bloomberg Barclays Global Aggregate Bond Index***

The Bloomberg Barclays Global Aggregate Bond Index is a market-weighted index of global government, government-related agencies, corporate and securitized fixed income investments.

The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

***Chicago Board Options Exchange Volatility Index<sup>®</sup> ( CBOE VIX<sup>®</sup> )***

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

***Exchange-Traded Funds ( ETF )***

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

***Federal Reserve (the Fed )***

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

***S&P 500<sup>®</sup> Index***

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

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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS****NOVEMBER 30, 2017**

(\$ reported in thousands)

|  | PAR VALUE            | VALUE        |
|--|----------------------|--------------|
| <b>U.S. GOVERNMENT SECURITIES 0.6%</b>                           |                      |              |
| U.S. Treasury Note   |                      |              |
| 2.250%, 8/15/27  | \$ 1,200             | \$ 1,181     |
| <b>TOTAL U.S. GOVERNMENT SECURITIES</b>                          |                      | <b>1,181</b> |
| <b>(Identified Cost \$1,210)</b>                                 |                      | <b>1,181</b> |
| <b>MUNICIPAL BONDS 0.8%</b>                                      |                      |              |
| <b>California 0.4%</b>   |                      |              |
| State of California Build America Bond Taxable 7.500%,<br>4/1/34 | 570                  | 836          |
| <b>Illinois 0.4%</b>   |                      |              |
| State of Illinois Build America Bond Taxable 6.900%,<br>3/1/35   | 700                  | 778          |
| <b>TOTAL MUNICIPAL BONDS</b>                                     |                      | <b>1,614</b> |
| <b>(Identified Cost \$1,486)</b>                                 |                      | <b>1,614</b> |
| <b>FOREIGN GOVERNMENT SECURITIES 24.0%</b>                       |                      |              |
| <b>Argentine Republic</b>  |                      |              |
| 5.625%, 1/26/22  | 520                  | 546          |
| 7.500%, 4/22/26  | 1,895                | 2,142        |
| 6.875%, 1/26/27  | 545                  | 596          |
| Series NY, 8.280%, 12/31/33                                      | 1,269                | 1,480        |
| 7.125%, 7/6/36   | 780                  | 844          |
| 7.625%, 4/22/46  | 590                  | 661          |
| <b>Bermuda</b>   |                      |              |
| <b>RegS</b>  |                      |              |
| 4.854%, 2/6/24 <sup>(4)</sup>                                    | 700                  | 764          |
| <b>Bolivarian Republic of Venezuela</b>                          |                      |              |
| <b>RegS</b>  |                      |              |
| 7.650%, 4/21/25 <sup>(4)(12)</sup>                               | 1,380                | 314          |
| <b>Brazil Notas do Tesouro Nacional</b>                          |                      |              |
| <b>Series F</b>  |                      |              |
| 10.000%, 1/1/25  | 940 <sup>BRL</sup>   | 295          |
| <b>Dominican Republic</b>  |                      |              |
| 144A, 6.875%, 1/29/26 <sup>(3)</sup>                             | 155                  | 177          |
| 144A, 6.850%, 1/27/45 <sup>(3)</sup>                             | 800                  | 898          |
| <b>Federative Republic of Brazil</b>                             |                      |              |
| 12.500%, 1/5/22  | 2,185 <sup>BRL</sup> | 759          |
| Treasury Note  | 2,560 <sup>BRL</sup> | 816          |
| Series F,  |                      |              |



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|  | 665 <sup>BRL</sup>       | 207    |
|--|--------------------------|--------|
|  | PAR VALUE                | VALUE  |
| 10.000%, 1/1/23  |                          |        |
| 8.500%, 1/5/24   |                          |        |
| <b>FOREIGN GOVERNMENT SECURITIES (continued)</b>               |                          |        |
| Treasury Note  |                          |        |
| Series F,  |                          |        |
| 10.000%, 1/1/25  | 1,960 <sup>BRL</sup>     | \$ 615 |
| 10.250%, 1/10/28   | 2,710 <sup>BRL</sup>     | 901    |
| 5.625%, 1/7/41   | \$ 725                   | 739    |
| Islamic Republic of Pakistan                                   |                          |        |
| 144A 8.250%, 4/15/24 <sup>(3)</sup>                            | 600                      | 657    |
| Kingdom of Bahrain   |                          |        |
| 144A 7.000%, 10/12/28 <sup>(3)</sup>                           | 795                      | 799    |
| Kingdom of Jordan  |                          |        |
| 144A 5.750%, 1/31/27 <sup>(3)</sup>                            | 1,085                    | 1,074  |
| Kingdom of Morocco 144A 5.500%, 12/11/42 <sup>(3)</sup>        | 800                      | 899    |
| Mongolia   |                          |        |
| RegS   |                          |        |
| 5.125%, 12/5/22 <sup>(4)</sup>                                 | 800                      | 788    |
| Pakistan Government International Bond                         |                          |        |
| 144A 6.875%, 12/5/27 <sup>(3)</sup>                            | 950                      | 952    |
| Provincia de Buenos Aires 144A, 9.125%, 3/16/24 <sup>(3)</sup> |                          |        |
| 144A, 7.875%, 6/15/27 <sup>(3)</sup>                           | 1,165                    | 1,304  |
| Republic of Armenia  |                          |        |
| 144A 7.150%, 3/26/25 <sup>(3)</sup>                            | 700                      | 789    |
| Republic of Chile  |                          |        |
| 5.500%, 8/5/20   | 547,000 <sup>CLP</sup>   | 887    |
| Republic of Colombia   |                          |        |
| Treasury Note,   |                          |        |
| Series B,  |                          |        |
| 11.250%, 10/24/18  | 998,500 <sup>COP</sup>   | 352    |
| 4.375%, 3/21/23  | 1,588,000 <sup>COP</sup> | 497    |
| 3.875%, 4/25/27  | 805                      | 817    |
| 9.850%, 6/28/27  | 1,741,000 <sup>COP</sup> | 724    |
| Republic of Costa Rica   |                          |        |
| 144A, 7.000%, 4/4/44 <sup>(3)</sup>                            | 800                      | 831    |
| RegS,  |                          |        |
| 7.000%, 4/4/44 <sup>(4)</sup>                                  | 1,000                    | 1,038  |
| Republic of Ecuador,   |                          |        |
| 144A 8.875%, 10/23/27 <sup>(3)</sup>                           | 255                      | 271    |
| Republic of El Salvador  |                          |        |
| 144A 6.375%, 1/18/27 <sup>(3)</sup>                            | 1,320                    | 1,310  |
| Republic of Ghana  |                          |        |
| 144A 10.750%, 10/14/30 <sup>(3)</sup>                          | 655                      | 885    |
| Republic of Indonesia  |                          |        |
| Series FR63,   |                          |        |
| 5.625%, 5/15/23  | 7,482,000 <sup>IDR</sup> | 536    |

See Notes to Financial Statements



**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS (Continued)**
**NOVEMBER 30, 2017**

(\$ reported in thousands)

|   | PAR VALUE                | VALUE  |
|---|--------------------------|--------|
| <b>FOREIGN GOVERNMENT SECURITIES (continued)</b>              |                          |        |
| Series FR70,<br>8.375%, 3/15/24                               | 7,827,000 <sup>IDR</sup> | \$ 637 |
| Series FR56,<br>8.375%, 9/15/26                               | 5,996,000 <sup>IDR</sup> | 496    |
| 144A, 5.250%, 1/17/42 <sup>(3)</sup>                          | \$ 850                   | 947    |
| Republic of Iraq<br>RegS<br>5.800%, 1/15/28 <sup>(4)</sup>    | 890                      | 853    |
| Republic of Kazakhstan<br>144A 5.125%, 7/21/25 <sup>(3)</sup> | 260                      | 290    |
| Republic of South Africa<br>Series R208,<br>6.750%, 3/31/21   | 9,915 <sup>ZAR</sup>     | 690    |
| 4.875%, 4/14/26   | 370                      | 370    |
| 4.300%, 10/12/28  | 1,885                    | 1,771  |
| Republic of Turkey<br>6.250%, 9/26/22                         | 340                      | 367    |
| 7.375%, 2/5/25  | 420                      | 478    |
| 4.875%, 10/9/26   | 2,185                    | 2,127  |
| 4.875%, 4/16/43   | 935                      | 802    |
| Republic of Uruguay<br>5.100%, 6/18/50                        | 500                      | 550    |
| Russian Federation<br>144A, 7.850%, 3/10/18 <sup>(3)</sup>    | 55,000 <sup>RUB</sup>    | 942    |
| Series 6216,<br>6.700%, 5/15/19                               | 48,000 <sup>RUB</sup>    | 817    |
| 7.000%, 8/16/23   | 38,420 <sup>RUB</sup>    | 648    |
| Sultanate of Oman<br>144A 4.750%, 6/15/26 <sup>(3)</sup>      | 1,280                    | 1,251  |
| Ukraine<br>144A, 7.750%, 9/1/22 <sup>(3)</sup>                | 790                      | 840    |
| 144A, 7.750%, 9/1/26 <sup>(3)</sup>                           | 730                      | 756    |
| United Mexican States<br>Series M,<br>6.500%, 6/9/22          | 9,038 <sup>MXN</sup>     | 473    |
| 4.150%, 3/28/27   | 520                      | 544    |
| 4.750%, 3/8/44  | 506                      | 517    |
| <b>TOTAL FOREIGN GOVERNMENT SECURITIES</b>                    |                          |        |

|  |                  |               |
|--|------------------|---------------|
| <b>(Identified Cost \$46,534)</b>                          |                  | <b>46,180</b> |
| <b>MORTGAGE-BACKED SECURITIES 11.7%</b>                    |                  |               |
| <b>Agency 5.0%</b>   |                  |               |
| <b>FHLMC</b>   |                  |               |
| 3.500%, 4/1/46   | 360              | 369           |
| <b>FNMA</b>  |                  |               |
| 3.500%, 11/1/42 <sup>(11)</sup>                            | 533              | 548           |
| 3.500%, 9/1/45 <sup>(11)</sup>                             | 1,757            | 1,802         |
|  | <b>PAR VALUE</b> | <b>VALUE</b>  |
| <b>Agency (continued)</b>                                  |                  |               |
| 3.000%, 12/1/45 <sup>(11)</sup>                            | \$ 1,875         | \$ 1,870      |
| 3.500%, 12/1/45 <sup>(11)</sup>                            | 1,084            | 1,112         |
| 3.500%, 12/1/45 <sup>(11)</sup>                            | 483              | 495           |
| 3.500%, 1/1/46 <sup>(11)</sup>                             | 660              | 677           |
| 3.000%, 5/1/46 <sup>(11)</sup>                             | 565              | 563           |
| 3.500%, 4/1/47 <sup>(11)</sup>                             | 1,684            | 1,727         |
| 4.000%, 4/1/47   | 465              | 487           |
|  |                  | 9,650         |
| <b>Non-Agency 6.7%</b>                                     |                  |               |
| <b>American Homes 4 Rent Trust</b>                         |                  |               |
| Series 2014-SFR2, CI C                                     |                  |               |
| 144A 4.705%, 10/17/36 <sup>(3)</sup>                       | 770              | 819           |
| <b>Ameriquest Mortgage Securities, Inc. Pass-Through</b>   |                  |               |
| <b>Certificates</b>  |                  |               |
| Series 2003-AR3, CI M4, (5.850% minus 1 month LIBOR)       |                  |               |
| 4.030%, 6/25/33 <sup>(2)</sup>                             | 814              | 809           |
| <b>AMSR Trust</b>  |                  |               |
| Series 2016-SFR1, CI D 144A, (1 month LIBOR + 2.400%)      |                  |               |
| 3.650%, 11/17/33 <sup>(2)(3)</sup>                         | 665              | 671           |
| <b>Bank of America (Merrill Lynch) Commercial Mortgage</b> |                  |               |
| <b>Securities Trust</b>                                    |                  |               |
| Series 2015-200P, CI A                                     |                  |               |
| 144A 3.218%, 4/14/33 <sup>(3)</sup>                        | 580              | 586           |
| <b>Bayview Opportunity Master Fund IVa Trust Series</b>    |                  |               |
| 2016-SPL1, CI B1   |                  |               |
| 144A, 4.250%, 4/28/55 <sup>(3)</sup>                       | 540              | 558           |
| Series 2017-SLP5, CI B1                                    |                  |               |
| 144A, 4.000%, 6/28/57 <sup>(2)(3)</sup>                    | 130              | 137           |
| <b>Bayview Opportunity Master Fund IVb Trust Series</b>    |                  |               |
| 2016-SPL2, CI B1   |                  |               |
| 144A 4.250%, 6/28/53 <sup>(2)(3)</sup>                     | 385              | 398           |
| <b>Caesars Palace Las Vegas Trust 17-VICI, C</b>           |                  |               |
| 144A 4.138%, 10/15/34 <sup>(3)</sup>                       | 425              | 437           |

See Notes to Financial Statements



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**VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**
**SCHEDULE OF INVESTMENTS (Continued)****NOVEMBER 30, 2017**

(\$ reported in thousands)

|  | PAR VALUE | VALUE    |
|--|-----------|----------|
| <b>MORTGAGE-BACKED SECURITIES (continued)</b>  |           |          |
| <b>Non-Agency (continued)</b>  |           |          |
| CIT Home Equity Loan Trust<br>Series 2003-1, CI A5<br>5.480%, 7/20/34  | \$ 1,035  | \$ 1,054 |
| Credit Suisse Commercial Mortgage-Backed Trust<br>Series 2006-08, CI 3A1<br>6.000%, 10/25/21                     | 187       | 177      |
| GAHR Commercial Mortgage Trust<br>Series 2015-NRF, CI CFX<br>144A 3.495%, 12/15/34 <sup>(2)(3)</sup>             | 525       | 529      |
| GSAA Home Equity Trust<br>Series 2005-12, CI AF3W<br>4.999%, 9/25/35 <sup>(2)</sup>                              | 330       | 333      |
| Home Equity Loan Trust<br>Series 2007-HSA3, CI AI4<br>6.110%, 6/25/37 <sup>(2)</sup>                             | 763       | 765      |
| JPMorgan Chase Commercial Mortgage Securities Trust<br>Series 2007-LDPX, CI AM<br>5.464%, 1/15/49 <sup>(2)</sup> | 112       | 113      |
| JPMorgan Chase Mortgage Trust<br>Series 2014-5, CI B2<br>144A 3.005%, 10/25/29 <sup>(2)(3)</sup>                 | 252       |          |