

Virtus Global Multi-Sector Income Fund
Form N-Q
April 27, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-22608

Virtus Global Multi-Sector Income Fund

(Exact name of registrant as specified in charter)

101 Munson Street

Greenfield, MA 01301-9683

(Address of principal executive offices) (Zip code)

William Renahan, Esq.

Vice President, Chief Legal Officer and Secretary for Registrant

100 Pearl Street

Hartford, CT 06103-4506

(Name and address of agent for service)

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

Date of fiscal year end: November 30

Date of reporting period: February 28, 2018

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

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

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

Item 1. Schedule of Investments.

The Schedules of Investments are attached herewith.

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Unaudited)****FEBRUARY 28, 2018**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|-----------|--------------|
| U.S. GOVERNMENT SECURITIES 0.4% | | |
| U.S. Treasury Note 2.250%, 8/15/27 | \$ 775 | \$ 734 |
| TOTAL U.S. GOVERNMENT SECURITIES | | |
| (Identified Cost \$734) | | 734 |
| MUNICIPAL BONDS 0.9% | | |
| California 0.5% | | |
| State of California Build America Bond Taxable 7.500%, 4/1/34 | 570 | 814 |
| Illinois 0.4% | | |
| State of Illinois Build America Bond Taxable 6.900%, 3/1/35 | 700 | 733 |
| TOTAL MUNICIPAL BONDS | | |
| (Identified Cost \$1,484) | | 1,547 |
| FOREIGN GOVERNMENT SECURITIES 26.1% | | |
| Argentine Republic | | |
| 5.625%, 1/26/22 | 520 | 530 |
| 7.500%, 4/22/26 | 1,895 | 2,024 |
| 6.875%, 1/26/27 | 545 | 554 |
| 5.875%, 1/11/28 | 395 | 369 |
| Series NY, 8.280%, 12/31/33 | 1,269 | 1,388 |
| 7.125%, 7/6/36 | 780 | 757 |
| 7.625%, 4/22/46 | 590 | 585 |
| 6.875%, 1/11/48 | 390 | 357 |
| Bermuda RegS 4.854%, 2/6/24 ⁽⁴⁾ | 700 | 737 |

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| | | |
|--|---------------------------|--------------|
| Bolivarian Republic of Venezuela RegS 7.650%, 4/21/25 ⁽⁴⁾⁽¹¹⁾ | 1,380 | 376 |
| Dominican Republic | | |
| 144A, 6.875%, 1/29/26 ⁽³⁾ | 155 | 174 |
| 144A, 6.850%, 1/27/45 ⁽³⁾ | 800 | 870 |
| Federative Republic of Brazil | | |
| 12.500%, 1/5/22 | 2,185 ^{BRL} | 756 |
| Notas de Tesouro National F Series, 10.000%, 1/1/23 | 2,560 ^{BRL} | 829 |
| Notas de Tesouro National F Series, 10.000%, 1/1/25 | 1,960 ^{BRL} | 631 |
| Notas de Tesouro National F Series, 10.000%, 1/1/25 | 940 ^{BRL} | 303 |
| 10.250%, 1/10/28 | 2,325 ^{BRL} | 765 |
| 5.625%, 1/7/41 | 725 | 700 |
| | PAR VALUE | VALUE |
| FOREIGN GOVERNMENT SECURITIES (continued) | | |
| Islamic Republic of Pakistan | | |
| 144A, 8.250%, 4/15/24 ⁽³⁾ | \$ 600 | \$ 647 |
| 144A, 6.875%, 12/5/27 ⁽³⁾ | 950 | 936 |
| Kingdom of Bahrain 144A 7.000%, 10/12/28 ⁽³⁾ | 795 | 785 |
| Kingdom of Jordan 144A 5.750%, 1/31/27 ⁽³⁾ | 1,085 | 1,077 |
| Kingdom of Morocco 144A 5.500%, 12/11/42 ⁽³⁾ | 800 | 866 |
| Provincia de Buenos Aires | | |
| 144A, 9.125%, 3/16/24 ⁽³⁾ | 730 | 813 |
| 144A, 7.875%, 6/15/27 ⁽³⁾ | 1,165 | 1,214 |
| Republic of Armenia 144A 7.150%, 3/26/25 ⁽³⁾ | 700 | 773 |
| Republic of Chile 5.500%, 8/5/20 | 547,000 ^{CLP} | 960 |
| Republic of Colombia | | |
| Treasury Note, Series B, 11.250%, 10/24/18 | 998,500 ^{COP} | 365 |
| 4.375%, 3/21/23 | 1,588,000 ^{COP} | 519 |
| 3.875%, 4/25/27 | 805 | 784 |
| 9.850%, 6/28/27 | 1,741,000 ^{COP} | 756 |
| Republic of Costa Rica | | |
| RegS, 7.000%, 4/4/44 ⁽⁴⁾ | 1,000 | 1,038 |
| 144A, 7.000%, 4/4/44 ⁽³⁾ | 800 | 830 |
| Republic of Ecuador 144A 8.875%, 10/23/27 ⁽³⁾ | 870 | 918 |
| Republic of Ghana 144A 10.750%, 10/14/30 ⁽³⁾ | 655 | 878 |
| Republic of Indonesia | | |
| Series FR63, 5.625%, 5/15/23 | 7,482,000 ^{IDR} | 533 |
| Series FR70, 8.375%, 3/15/24 | 15,417,000 ^{IDR} | 1,233 |
| Series FR56, 8.375%, 9/15/26 | 5,996,000 ^{IDR} | 482 |
| Republic of Kazakhstan 144A 5.125%, 7/21/25 ⁽³⁾ | 260 | 284 |
| Republic of South Africa | | |
| 7.750%, 2/28/23 | 10,000 ^{ZAR} | 857 |
| 4.875%, 4/14/26 | 370 | 371 |
| 4.300%, 10/12/28 | 1,885 | 1,773 |
| Republic of Turkey | | |
| 6.250%, 9/26/22 | 340 | 363 |
| 7.375%, 2/5/25 | 420 | 471 |
| 4.875%, 10/9/26 | 2,185 | 2,087 |
| 4.875%, 4/16/43 | 935 | 766 |
| Republic of Uruguay 5.100%, 6/18/50 | 500 | 519 |

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Russian Federation

| | | |
|--------------------------------------|-----------------------|-------|
| 144A, 7.850%, 3/10/18 ⁽³⁾ | 55,000 ^{RUB} | 976 |
| Series 6216, 6.700%, 5/15/19 | 78,125 ^{RUB} | 1,392 |
| Series 6215, 7.000%, 8/16/23 | 38,770 ^{RUB} | 703 |

Sultanate of Oman

| | | |
|--------------------------------------|-------|-------|
| 144A, 5.375%, 3/8/27 ⁽³⁾ | 1,240 | 1,230 |
| 144A, 5.625%, 1/17/28 ⁽³⁾ | 760 | 756 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|----------------------|---------------|
| FOREIGN GOVERNMENT SECURITIES (continued) | | |
| Ukraine | | |
| 144A, 7.750%, 9/1/23 ⁽³⁾ | \$ 785 | \$ 822 |
| 144A, 7.750%, 9/1/26 ⁽³⁾ | 1,335 | 1,371 |
| United Mexican States | | |
| Series M, 6.500%, 6/9/22 | 9,038 ^{MXN} | 461 |
| 4.150%, 3/28/27 | 520 | 519 |
| 4.750%, 3/8/44 | 506 | 487 |
| TOTAL FOREIGN GOVERNMENT SECURITIES | | |
| (Identified Cost \$46,588) | | 45,320 |
| MORTGAGE-BACKED SECURITIES 9.5% | | |
| Agency 2.4% | | |
| FNMA | | |
| 3.500%, 12/1/45 | 1,043 | 1,043 |
| 3.500%, 12/1/45 | 467 | 468 |
| 3.500%, 4/1/47 ⁽¹⁵⁾ | 1,644 | 1,643 |
| 4.000%, 4/1/47 | 443 | 454 |
| 4.000%, 9/1/47 | 489 | 502 |
| | | 4,110 |
| Non-Agency 7.1% | | |
| American Homes 4 Rent Trust 2014-SFR2, C 144A 4.705%, 10/17/36 ⁽³⁾ | 770 | 808 |
| Amerquest Mortgage Securities, Inc. Pass-Through Certificates, 2003-AR3, M4, (1 month LIBOR minus 5.850%) 4.162%, 6/25/33 ⁽²⁾ | 794 | 790 |
| AMSR Trust 2016-SFR1, D 144A, (1 month LIBOR + 2.400%) 3.990%, 11/17/33 ⁽²⁾⁽³⁾ | 665 | 672 |
| Bayview Opportunity Master Fund IVa Trust 2016-SPL1, B1 144A, 4.250%, 4/28/55 ⁽³⁾ | 540 | 557 |

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| | | |
|---|------------------|--------------|
| 2017-SPL5, B1 144A, 4.000%, 6/28/57 ⁽²⁾⁽³⁾ | 130 | 137 |
| Bayview Opportunity Master Fund IVb Trust 2016-SPL2, B1 144A 4.250%, 6/28/53 ⁽²⁾⁽³⁾ | 385 | 397 |
| Caesars Palace Las Vegas Trust 2017-VICI, C 144A 4.138%, 10/15/34 ⁽³⁾ | 425 | 432 |
| CIT Home Equity Loan Trust 2003-1, A5 5.480%, 7/20/34 ⁽²⁾ | 926 | 941 |
| COLT Mortgage Loan Trust Funding LLC 2018-1, A1 144A 2.930%, 2/25/48 ⁽²⁾⁽³⁾ | 514 | 514 |
| Credit Suisse Commercial Mortgage-Backed Trust 2006-8, 3A1 6.000%, 10/25/21 | 163 | 153 |
| GAHR Commercial Mortgage Trust 2015-NRF, CFX 144A 3.382%, 12/15/34 ⁽²⁾⁽³⁾ | 525 | 525 |
| | PAR VALUE | VALUE |

Non-Agency (continued)

| | | |
|---|--------|--------|
| GSAA Home Equity Trust 2005-12, AF3W 4.999%, 9/25/35 ⁽²⁾ | \$ 316 | \$ 319 |
| Home Equity Loan Trust 2007-HSA3, AI4 6.110%, 6/25/37 ⁽²⁾ | 663 | 665 |
| JPMorgan Chase Mortgage Trust 2014-5, B2 144A, 3.000%, 10/25/29 ⁽²⁾⁽³⁾ | 245 | 232 |
| 2017-5, A1 144A, 3.190%, 10/26/48 ⁽²⁾⁽³⁾ | 620 | 617 |
| New Residential Mortgage Loan Trust 2016-4A, B1A 144A 4.500%, 11/25/56 ⁽²⁾⁽³⁾ | 544 | 560 |
| One Market Plaza Trust 2017-1MKT, A 144A 3.614%, 2/10/32 ⁽³⁾ | 520 | 523 |
| Pretium Mortgage Credit Partners I LLC 2017-NPL5, A1 144A 3.327%, 12/30/32 ⁽²⁾⁽³⁾ | 249 | 249 |
| Towd Point Mortgage Trust 2015-6, M1 144A, 3.750%, 4/25/55 ⁽²⁾⁽³⁾ | 275 | 278 |
| 2017-1, M1 144A, 3.750%, 10/25/56 ⁽²⁾⁽³⁾ | 265 | 267 |
| 2017-6, A2 144A, 3.000%, 10/25/57 ⁽²⁾⁽³⁾ | 260 | 249 |
| 2015-2, 1M1 144A, 3.250%, 11/25/60 ⁽²⁾⁽³⁾ | 1,665 | 1,632 |
| VSD 2017-PLT1, A 3.600%, 12/25/43 | 178 | 178 |
| Wells Fargo Commercial Mortgage Trust 2015-LC20, B 3.719%, 4/15/50 | 690 | 678 |

12,373

TOTAL MORTGAGE-BACKED SECURITIES

(Identified Cost \$16,573)

16,483

ASSET-BACKED SECURITIES 7.8%

Automobiles 3.6%

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| | | |
|---|-----|-------|
| Carnow Auto Receivables Trust 2016-1A, D 144A 7.340%, 11/15/21 ⁽³⁾ | 640 | 650 |
| Drive Auto Receivables Trust 2017-2, C 2.750%, 9/15/23 | 790 | 786 |
| Exeter Automobile Receivables Trust 2014-3A, D 144A 5.690%, 4/15/21 ⁽³⁾ | 790 | 812 |
| Flagship Credit Auto Trust 2016-3, D 144A 3.890%, 11/15/22 ⁽³⁾ | 785 | 783 |
| GLS Auto Receivables Trust | | |
| 2017-1A, C 144A, 3.500%, 7/15/22 ⁽³⁾ | 790 | 788 |
| 2018-1A, B 144A, 3.520%, 8/15/23 ⁽³⁾ | 760 | 755 |
| Hertz Vehicle Financing II LP 2016-4A, A 144A 2.650%, 7/25/22 ⁽³⁾ | 790 | 772 |
| Santander Drive Auto Receivables Trust 2017-2, D 3.490%, 7/17/23 | 790 | 795 |
| | | 6,141 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****FEBRUARY 28, 2018**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|-----------|---------------|
| Other 4.2% | | |
| Aqua Finance Trust 2017-A, A 144A 3.720%, 11/15/35 ⁽³⁾ | \$ 744 | \$ 733 |
| CKE Restaurant Holdings, Inc. 2013-1A, A2 144A 4.474%, 3/20/43 ⁽³⁾ | 908 | 913 |
| Conn s Receivables Funding LLC 2017-B, B 144A 4.520%, 11/15/20 ⁽³⁾ | 655 | 661 |
| DB Master Finance LLC 2017-1A, A2I 144A 3.629%, 11/20/47 ⁽³⁾ | 658 | 654 |
| Diamond Resorts Owner Trust 2017-1A, A 144A 3.270%, 10/22/29 ⁽³⁾ | 548 | 537 |
| Drug Royalty III LP 1 2016-1A, A 144A 3.979%, 4/15/27 ⁽³⁾ | 564 | 561 |
| HOA Funding LLC 2014-1A, A2 144A 4.846%, 8/20/44 ⁽³⁾ | 739 | 720 |
| Oportun Funding VIII LLC 2018-A, A 144A 3.610%, 3/8/24 ⁽³⁾ | 605 | 605 |
| TGIF Funding LLC 2017-1A, A2 144A 6.202%, 4/30/47 ⁽³⁾ | 645 | 646 |
| Wendy s Funding LLC 2015-1A, A2II 144A, 4.080%, 6/15/45 ⁽³⁾ | 767 | 776 |
| 2018-1A, A2I 144A, 3.573%, 3/15/48 ⁽³⁾ | 525 | 515 |
| | | 7,321 |
| TOTAL ASSET-BACKED SECURITIES | | |
| (Identified Cost \$13,478) | | 13,462 |
| CORPORATE BONDS AND NOTES 76.7% | | |
| Consumer Discretionary 6.9% | | |
| Beazer Homes USA, Inc. 6.750%, 3/15/25 | 240 | 242 |
| 5.875%, 10/15/27 | 450 | 428 |
| Cablevision Systems Corp. 5.875%, 9/15/22 | 75 | 75 |
| Charter Communications Operating LLC 4.908%, 7/23/25 | 655 | 675 |
| Clear Channel Worldwide Holdings, Inc. Series B 7.625%, 3/15/20 | 405 | 404 |

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| | | |
|---|----------------------|--------------|
| Discovery Communications LLC 3.950%, 3/20/28 | 775 | 744 |
| DISH DBS Corp. 7.750%, 7/1/26 | 410 | 404 |
| Downstream Development Authority of The Quapaw Tribe of Oklahoma 144A 10.500%, 2/15/23 ⁽³⁾ | 185 | 190 |
| Gateway Casinos & Entertainment Ltd. 144A 8.250%, 3/1/24 ⁽³⁾ | 555 | 592 |
| Grupo Televisa SAB 4.625%, 1/30/26 | 525 | 536 |
| | PAR VALUE | VALUE |
| Consumer Discretionary (continued) | | |
| 7.250%, 5/14/43 | 8,000 ^{MXN} | \$ 313 |
| iHeartCommunications, Inc. 9.000%, 12/15/19 | 315 | 251 |
| L Brands, Inc. 6.875%, 11/1/35 | 448 | 447 |
| Lennar Corp. | | |
| 144A, 5.000%, 6/15/27 ⁽³⁾ | 420 | 419 |
| 144A, 4.750%, 11/29/27 ⁽³⁾ | 785 | 759 |
| M/I Homes, Inc. 5.625%, 8/1/25 | 545 | 548 |
| McGraw-Hill Global Education Holdings LLC 144A 7.875%, 5/15/24 ⁽³⁾ | 525 | 508 |
| MDC Holdings, Inc. 5.500%, 1/15/24 | 680 | 708 |
| Meredith Corp. 144A 6.875%, 2/1/26 ⁽³⁾ | 385 | 397 |
| Neiman Marcus Group Ltd. 144A 8.000%, 10/15/21 ⁽³⁾ | 430 | 260 |
| PetSmart, Inc. 144A 8.875%, 6/1/25 ⁽³⁾ | 350 | 223 |
| QVC, Inc. 5.125%, 7/2/22 | 690 | 714 |
| Scientific Games International, Inc. 144A 5.000%, 10/15/25 ⁽³⁾ | 395 | 391 |
| SFR Group S.A. 144A 7.375%, 5/1/26 ⁽³⁾ | 490 | 473 |
| TRI Pointe Group, Inc. 5.875%, 6/15/24 | 640 | 661 |
| Vista Outdoor, Inc. 5.875%, 10/1/23 | 655 | 648 |
| | | 12,010 |

Consumer Staples 2.0%

| | | |
|---|-----|-------|
| BAT Capital Corp. 144A 3.557%, 8/15/27 ⁽³⁾ | 535 | 511 |
| Cumberland Farms, Inc. 144A 6.750%, 5/1/25 ⁽³⁾ | 310 | 326 |
| JBS Investments GmbH 144A 7.250%, 4/3/24 ⁽³⁾ | 725 | 720 |
| MARB BondCo plc 144A 7.000%, 3/15/24 ⁽³⁾ | 795 | 782 |
| Rite Aid Corp. 144A 6.125%, 4/1/23 ⁽³⁾ | 220 | 222 |
| Safeway, Inc. 7.250%, 2/1/31 | 655 | 547 |
| Tops Holding LLC 144A 8.000%, 6/15/22 ⁽³⁾ | 575 | 302 |
| | | 3,410 |

Energy 21.8%

| | | |
|--|-----|------|
| Afren plc | | |
| 144A, 10.250%, 4/8/19 ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾ | 635 | (17) |
| 144A, 6.625%, 12/9/20 ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾ | 732 | (17) |
| Alliance Resource Operating Partners LP 144A 7.500%, 5/1/25 ⁽³⁾ | 641 | 684 |
| Alta Mesa Holdings LP 7.875%, 12/15/24 | 380 | 405 |
| American Midstream Partners LP 144A 8.500%, 12/15/21 ⁽³⁾ | 315 | 320 |
| Anadarko Petroleum Corp. 6.600%, 3/15/46 | 390 | 486 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|-----------|--------|
| Energy (continued) | | |
| Blue Racer Midstream LLC 144A 6.125%, 11/15/22 ⁽³⁾ | \$ 295 | \$ 302 |
| Bristow Group, Inc. 144A 8.750%, 3/1/23 ⁽³⁾ | 140 | 142 |
| Callon Petroleum Co. 6.125%, 10/1/24 | 610 | 622 |
| Cheniere Corpus Christi Holdings LLC 7.000%, 6/30/24 | 605 | 677 |
| Chesapeake Energy Corp. 144A 8.000%, 6/15/27 ⁽³⁾ | 670 | 642 |
| Continental Resources, Inc. 4.500%, 4/15/23 | 260 | 263 |
| Denbury Resources, Inc. 144A 9.250%, 3/31/22 ⁽³⁾ | 129 | 132 |
| Ecopetrol S.A. 5.875%, 9/18/23 | 535 | 580 |
| 5.375%, 6/26/26 | 695 | 732 |
| Encana Corp. 8.125%, 9/15/30 | 280 | 365 |
| EP Energy LLC 144A, 9.375%, 5/1/24 ⁽³⁾ | 255 | 188 |
| 144A, 8.000%, 11/29/24 ⁽³⁾ | 440 | 453 |
| Fermaca Enterprises S de RL de CV 144A 6.375%, 3/30/38 ⁽³⁾⁽¹⁵⁾ | 1,299 | 1,401 |
| FTS International, Inc. 6.250%, 5/1/22 | 620 | 620 |
| Gazprom OAO 144A 4.950%, 2/6/28 ⁽³⁾⁽⁷⁾ | 1,300 | 1,330 |
| Geopark Ltd. 144A 6.500%, 9/21/24 ⁽³⁾ | 795 | 799 |
| Helmerich & Payne International Drilling Co. 4.650%, 3/15/25 | 405 | 418 |
| KazMunayGas National Co. JSC 144A 4.750%, 4/19/27 ⁽³⁾ | 1,015 | 1,023 |
| Kinder Morgan, Inc. 7.750%, 1/15/32 ⁽¹⁵⁾ | 980 | 1,249 |
| Lukoil International Finance BV 144A, 6.125%, 11/9/20 ⁽³⁾⁽⁷⁾ | 1,100 | 1,172 |
| 144A, 4.563%, 4/24/23 ⁽³⁾ | 400 | 409 |
| Nabors Industries, Inc. 5.500%, 1/15/23 | 395 | 392 |
| Oasis Petroleum, Inc. 6.875%, 1/15/23 | 635 | 649 |
| Odebrecht Offshore Drilling Finance Ltd. 144A, 6.720%, 12/1/22 ⁽³⁾ | 340 | 327 |
| PIK Interest Capitalization , 144A , 7.720%, 12/1/26 ⁽³⁾⁽¹²⁾ | 961 | 317 |
| Odebrecht Oil & Gas Finance Ltd. 144A 0.000% ⁽³⁾⁽⁵⁾ | 154 | 4 |
| Parker Drilling Co. 6.750%, 7/15/22 | 350 | 290 |
| Pertamina Persero PT | | |

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| | PAR VALUE | VALUE |
|---|------------------|--------------|
| 144A, 6.000%, 5/3/42 ⁽³⁾⁽¹⁵⁾ | 1,200 | 1,293 |
| 144A, 5.625%, 5/20/43 ⁽³⁾ | 410 | 422 |
| | PAR VALUE | VALUE |
| Energy (continued) | | |
| Petrobras Global Finance BV | | |
| 144A, 5.299%, 1/27/25 ⁽³⁾ | \$ 395 | \$ 387 |
| 7.375%, 1/17/27 | 1,590 | 1,720 |
| 144A, 5.999%, 1/27/28 ⁽³⁾ | 414 | 408 |
| 6.750%, 1/27/41 | 1,800 | 1,739 |
| Petroleos de Venezuela S.A. 144A 6.000%, 5/16/24 ⁽³⁾⁽¹¹⁾ | 1,820 | 461 |
| Petroleos Mexicanos | | |
| 4.875%, 1/24/22 | 250 | 257 |
| 144A, 6.500%, 3/13/27 ⁽³⁾ | 1,390 | 1,484 |
| 144A, 6.500%, 3/13/27 ⁽³⁾ | 360 | 384 |
| 6.500%, 6/2/41 | 1,360 | 1,360 |
| 6.375%, 1/23/45 | 1,515 | 1,471 |
| PTTEP Treasury Center Co., Ltd. 144A 4.875% ⁽³⁾⁽⁵⁾ | 383 | 386 |
| Range Resources Corp. 4.875%, 5/15/25 | 800 | 766 |
| RSP Permian, Inc. 5.250%, 1/15/25 | 750 | 756 |
| Sanchez Energy Corp. 144A 7.250%, 2/15/23 ⁽³⁾ | 140 | 142 |
| SESI LLC 144A 7.750%, 9/15/24 ⁽³⁾ | 520 | 541 |
| SM Energy Co. 5.625%, 6/1/25 | 270 | 256 |
| Southern Gas Corridor CJSC 144A 6.875%, 3/24/26 ⁽³⁾ | 655 | 726 |
| State Oil Co. of The Azerbaijan Republic 6.950%, 3/18/30 | 780 | 859 |
| Sunoco LP | | |
| 144A, 5.500%, 2/15/26 ⁽³⁾ | 180 | 180 |
| 144A, 5.875%, 3/15/28 ⁽³⁾ | 155 | 156 |
| Transocean, Inc. | | |
| 144A, 9.000%, 7/15/23 ⁽³⁾ | 355 | 383 |
| 6.800%, 3/15/38 | 215 | 173 |
| Transportadora de Gas del Peru SA 144A 4.250%, 4/30/28 ⁽³⁾ | 1,350 | 1,350 |
| Ultra Resources, Inc. | | |
| 144A, 6.875%, 4/15/22 ⁽³⁾ | 30 | 27 |
| 144A, 7.125%, 4/15/25 ⁽³⁾ | 151 | 135 |
| Vine Oil & Gas LP 144A 8.750%, 4/15/23 ⁽³⁾ | 530 | 511 |
| Weatherford International Ltd. 9.875%, 2/15/24 | 215 | 213 |
| YPF S.A. | | |
| 144A, 8.500%, 3/23/21 ⁽³⁾ | 391 | 428 |
| 144A, 8.750%, 4/4/24 ⁽³⁾ | 125 | 140 |
| 144A, 6.950%, 7/21/27 ⁽³⁾ | 835 | 841 |
| | | 37,748 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------------|--------|
| Financials 18.9% | | |
| Acrisure LLC 144A 7.000%, 11/15/25 ⁽³⁾ | \$ 770 | \$ 753 |
| Africa Finance Corp. 144A 4.375%, 4/29/20 ⁽³⁾ | 800 | 808 |
| Allstate Corp. (The) 5.750%, 8/15/53 ⁽⁶⁾⁽¹⁵⁾ | 1,446 | 1,544 |
| Apollo Management Holdings LP 144A 4.000%, 5/30/24 ⁽³⁾ | 785 | 788 |
| Ares Finance Co., LLC 144A 4.000%, 10/8/24 ⁽³⁾⁽¹⁵⁾ | 830 | 797 |
| Australia & New Zealand Banking Group Ltd. 144A 4.400%, 5/19/26 ⁽³⁾ | 755 | 761 |
| Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A, 6.500%, 3/10/21 ⁽³⁾⁽¹⁵⁾ | 900 | 958 |
| 144A, 5.125%, 1/18/33 ⁽³⁾ | 900 | 876 |
| Banco de Bogota S.A. 144A 6.250%, 5/12/26 ⁽³⁾ | 760 | 807 |
| Banco de Credito del Peru 144A 6.125%, 4/24/27 ⁽³⁾ | 1,225 | 1,309 |
| Banco de Credito e Inversiones 144A 3.500%, 10/12/27 ⁽³⁾ | 1,335 | 1,256 |
| Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29 ⁽³⁾ | 1,260 | 1,389 |
| Banco Nacional de Comercio Exterior SNC 144A 4.375%, 10/14/25 ⁽³⁾ | 510 | 516 |
| Banco Santander Chile 144A 3.875%, 9/20/22 ⁽³⁾⁽¹⁵⁾ | 900 | 911 |
| Bancolombia S.A. 5.125%, 9/11/22 | 1,220 | 1,268 |
| Bank of China Hong Kong Ltd. 144A 5.550%, 2/11/20 ⁽³⁾ | 780 | 811 |
| Bank of Montreal 3.803%, 12/15/32 | 139 | 133 |
| Bonos del Banco Central de Chile En Pesos 4.500%, 6/1/20 | 310,000 ^{CLP} | 540 |
| Brighthouse Financial, Inc. 144A 3.700%, 6/22/27 ⁽³⁾ | 660 | 617 |
| Compass Bank 3.875%, 4/10/25 | 945 | 923 |
| Development Bank of Kazakhstan JSC 144A 4.125%, 12/10/22 ⁽³⁾ | 845 | 836 |
| Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 ⁽³⁾⁽¹⁵⁾ | 925 | 943 |
| FS Investment Corp. 4.750%, 5/15/22 | 225 | 227 |
| GrupoSura Finance S.A. 144A 5.500%, 4/29/26 ⁽³⁾ | 755 | 805 |
| Guanay Finance Ltd. 144A 6.000%, 12/15/20 ⁽³⁾ | 1,207 | 1,232 |
| Huntington Bancshares, Inc. 5.700% ⁽⁵⁾ | 735 | 740 |
| ICAHN Enterprises LP 6.375%, 12/15/25 | 790 | 793 |
| ING Groep N.V. 6.000% ⁽⁵⁾⁽⁶⁾ | 815 | 839 |
| Jefferies Group LLC 4.850%, 1/15/27 | 180 | 186 |

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| | PAR VALUE | VALUE |
|--|-----------|----------|
| Financials (continued) | | |
| Kazakhstan Temir Zholy National Co. JSC 144A 4.850%, 11/17/27 ⁽³⁾ | \$ 2,005 | \$ 2,004 |
| Nuveen Finance LLC 144A 4.125%, 11/1/24 ⁽³⁾ | 985 | 1,014 |
| OM Asset Management plc 4.800%, 7/27/26 ⁽¹⁵⁾ | 675 | 678 |
| Santander Holdings USA, Inc. 144A 4.400%, 7/13/27 ⁽³⁾ | 660 | 659 |
| Sberbank of Russia 144A 5.500%, 2/26/24 ⁽³⁾⁽⁷⁾ | 650 | 659 |
| TC Ziraat Bankasi AS 144A 5.125%, 5/3/22 ⁽³⁾ | 600 | 596 |
| Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 ⁽³⁾⁽¹⁵⁾ | 640 | 628 |
| Turkiye Garanti Bankasi AS 144A 5.250%, 9/13/22 ⁽³⁾ | 435 | 437 |
| Turkiye Vakiflar Bankasi TAO 144A 5.625%, 5/30/22 ⁽³⁾ | 855 | 847 |
| Ukreximbank Via Biz Finance plc 144A 9.625%, 4/27/22 ⁽³⁾ | 870 | 927 |
| | | 32,815 |
| Health Care 2.6% | | |
| Avantor, Inc. 144A 6.000%, 10/1/24 ⁽³⁾ | 305 | 305 |
| Community Health Systems, Inc. 6.250%, 3/31/23 | 100 | 91 |
| Concordia International Corp. 144A 9.000%, 4/1/22 ⁽³⁾ | 160 | 147 |
| DJO Finco, Inc. 144A 8.125%, 6/15/21 ⁽³⁾ | 265 | 257 |
| Eagle Holding Co. II, LLC PIK Interest Capitalization, 144A 7.625%, 5/15/22 ⁽³⁾⁽¹²⁾ | 370 | 370 |
| Polaris Intermediate Corp. PIK Interest Capitalization, 144A 8.500%, 12/1/22 ⁽³⁾⁽¹²⁾ | 75 | 76 |
| Surgery Center Holdings, Inc. 144A, 8.875%, 4/15/21 ⁽³⁾ | 495 | 514 |
| 144A, 6.750%, 7/1/25 ⁽³⁾ | 95 | 89 |
| Tenet Healthcare Corp. 8.125%, 4/1/22 | 145 | 153 |
| 144A, 5.125%, 5/1/25 ⁽³⁾ | 210 | 204 |
| 144A, 7.000%, 8/1/25 ⁽³⁾ | 710 | 708 |
| Teva Pharmaceutical Finance III BV 3.150%, 10/1/26 | 405 | 330 |
| Valeant Pharmaceuticals International, Inc. 144A, 6.500%, 3/15/22 ⁽³⁾ | 55 | 57 |
| 144A, 5.875%, 5/15/23 ⁽³⁾ | 440 | 391 |
| 144A, 7.000%, 3/15/24 ⁽³⁾ | 65 | 69 |
| 144A, 5.500%, 11/1/25 ⁽³⁾ | 640 | 633 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|-----------|--------|
| Health Care (continued) | | |
| 144A, 9.000%, 12/15/25 ⁽³⁾ | \$ 100 | \$ 100 |
| | | 4,494 |
| Industrials 4.9% | | |
| Alfa SAB de CV 144A 5.250%, 3/25/24 ⁽³⁾ | 1,810 | 1,887 |
| Bombardier, Inc. 144A 6.125%, 1/15/23 ⁽³⁾ | 685 | 687 |
| DP World Ltd. 144A 6.850%, 7/2/37 ⁽³⁾⁽¹⁵⁾ | 1,000 | 1,221 |
| JSL Europe S.A. 144A 7.750%, 7/26/24 ⁽³⁾ | 1,075 | 1,102 |
| Latam Finance Ltd. 144A 6.875%, 4/11/24 ⁽³⁾ | 785 | 824 |
| New Enterprise Stone & Lime Co., Inc. 144A 10.125%, 4/1/22 ⁽³⁾ | 45 | 49 |
| Pitney Bowes, Inc. 4.125%, 5/15/22 | 757 | 711 |
| SCF Capital Designated Activity Co. 144A 5.375%, 6/16/23 ⁽³⁾ | 430 | 437 |
| Standard Industries, Inc. 144A, 5.500%, 2/15/23 ⁽³⁾ | 190 | 195 |
| 144A, 6.000%, 10/15/25 ⁽³⁾ | 410 | 433 |
| Transnet SOC Ltd. 144A 4.000%, 7/26/22 ⁽³⁾ | 1,000 | 982 |
| | | 8,528 |
| Information Technology 2.9% | | |
| Blackboard, Inc. 144A 9.750%, 10/15/21 ⁽³⁾ | 436 | 395 |
| Citrix Systems, Inc. 4.500%, 12/1/27 ⁽¹⁵⁾ | 630 | 625 |
| Dell International LLC 144A, 5.450%, 6/15/23 ⁽³⁾ | 135 | 143 |
| 144A, 8.100%, 7/15/36 ⁽³⁾ | 255 | 311 |
| Jabil, Inc. 3.950%, 1/12/28 | 655 | 629 |
| Rackspace Hosting, Inc. 144A 8.625%, 11/15/24 ⁽³⁾ | 350 | 365 |
| Radiate Holdco LLC 144A, 6.875%, 2/15/23 ⁽³⁾ | 90 | 90 |
| 144A, 6.625%, 2/15/25 ⁽³⁾ | 765 | 732 |

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| | | |
|--|-----|-------|
| VeriSign, Inc. 4.750%, 7/15/27 | 625 | 609 |
| ViaSat, Inc. 144A 5.625%, 9/15/25 ⁽³⁾ | 660 | 645 |
| VMware, Inc. 3.900%, 8/21/27 | 627 | 596 |
| | | 5,140 |

Materials 9.7%

| | | |
|--|------------------|--------------|
| AK Steel Corp. 7.500%, 7/15/23 | 340 | 363 |
| Alpek SAB de C.V. 144A 5.375%, 8/8/23 ⁽³⁾ | 1,000 | 1,040 |
| Anglo American Capital plc 144A 4.000%, 9/11/27 ⁽³⁾⁽¹⁵⁾ | 970 | 940 |
| ARD Securities Finance S.a.r.l. PIK Interest Capitalization, 144A 8.750%, 1/31/23 ⁽³⁾⁽¹²⁾ | 650 | 676 |
| | PAR VALUE | VALUE |

Materials (continued)

| | | |
|--|--------|--------|
| BHP Billiton Finance USA Ltd. 144A 6.750%, 10/19/75 ⁽³⁾⁽⁶⁾ | \$ 635 | \$ 721 |
| Equate Petrochemical BV 144A 4.250%, 11/3/26 ⁽³⁾ | 790 | 785 |
| Fibria Overseas Finance Ltd. 4.000%, 1/14/25 | 1,085 | 1,066 |
| FMG Resources August 2006 Pty Ltd. 144A 9.750%, 3/1/22 ⁽³⁾ | 510 | 563 |
| GTL Trade Finance, Inc. 144A 5.893%, 4/29/24 ⁽³⁾ | 840 | 897 |
| Hexion Inc. 6.625%, 4/15/20 | 400 | 372 |
| Inversiones CMPC S.A. 144A 4.375%, 5/15/23 ⁽³⁾ | 1,000 | 1,023 |
| James Hardie International Finance DAC 144A 5.000%, 1/15/28 ⁽³⁾ | 715 | 708 |
| Kraton Polymers LLC 144A 7.000%, 4/15/25 ⁽³⁾ | 895 | 924 |
| NOVA Chemicals Corp. | | |
| 144A, 4.875%, 6/1/24 ⁽³⁾ | 295 | 291 |
| 144A, 5.000%, 5/1/25 ⁽³⁾ | 610 | 605 |
| OCP SA 144A 5.625%, 4/25/24 ⁽³⁾ | 1,500 | 1,579 |
| Rusal Capital DAC 144A 5.125%, 2/2/22 ⁽³⁾ | 910 | 899 |
| Severstal OAO Via Steel Capital S.A. 144A 5.900%, 10/17/22 ⁽³⁾⁽⁷⁾ | 1,100 | 1,191 |
| Teck Resources Ltd. 144A 8.500%, 6/1/24 ⁽³⁾ | 165 | 184 |
| Vale Overseas Ltd. 6.250%, 8/10/26 | 400 | 451 |
| Vedanta Resources plc 144A 6.125%, 8/9/24 ⁽³⁾ | 815 | 820 |
| Yamana Gold, Inc. 144A 4.625%, 12/15/27 ⁽³⁾ | 680 | 667 |
| | | 16,765 |

Real Estate 2.2%

| | | |
|--|-----|-----|
| EPR Properties | | |
| 4.750%, 12/15/26 | 260 | 261 |
| 4.500%, 6/1/27 | 395 | 389 |
| Hospitality Properties Trust 4.500%, 3/15/25 | 745 | 755 |
| MPT Operating Partnership LP | | |
| 5.500%, 5/1/24 | 145 | 148 |
| 5.000%, 10/15/27 | 295 | 288 |
| Physicians Realty LP 4.300%, 3/15/27 | 655 | 651 |
| Select Income REIT 4.500%, 2/1/25 | 690 | 678 |
| Uniti Group, Inc. 144A 7.125%, 12/15/24 ⁽³⁾ | 770 | 690 |

3,860

Telecommunication Services 3.4%

| | | |
|--|----------------------|-----|
| Altice Luxembourg S.A. 144A 7.625%, 2/15/25 ⁽³⁾ | 590 | 519 |
| America Movil SAB de C.V. Series 12 6.450%, 12/5/22 | 8,000 ^{MXN} | 390 |
| Axtel SAB de C.V. 144A 6.375%, 11/14/24 ⁽³⁾ | 800 | 815 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****FEBRUARY 28, 2018**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|----------------|
| Telecommunication Services (continued) | | |
| Digicel Group Ltd. 144A 8.250%, 9/30/20 ⁽³⁾ | \$ 720 | \$ 673 |
| Frontier Communications Corp. | | |
| 6.250%, 9/15/21 | 330 | 282 |
| 10.500%, 9/15/22 | 545 | 465 |
| GTH Finance BV 144A 7.250%, 4/26/23 ⁽³⁾ | 600 | 656 |
| Qwest Corp. 7.250%, 9/15/25 | 345 | 371 |
| Sprint Corp. 7.625%, 3/1/26 | 215 | 214 |
| Telenet Finance Luxembourg Notes S.a.r.l. 144A 5.500%, 3/1/28 ⁽³⁾ | 1,000 | 963 |
| West Corp. 144A 8.500%, 10/15/25 ⁽³⁾ | 170 | 165 |
| Windstream Services LLC 144A 8.625%, 10/31/25 ⁽³⁾ | 350 | 327 |
| | | 5,840 |
| Utilities 1.4% | | |
| AmeriGas Partners LP 5.500%, 5/20/25 | 295 | 293 |
| Eskom Holdings SOC Ltd. 144A 7.125%, 2/11/25 ⁽³⁾ | 200 | 210 |
| Ferrellgas Partners LP | | |
| 8.625%, 6/15/20 | 125 | 114 |
| 6.750%, 6/15/23 | 645 | 587 |
| State Grid Overseas Investment 2014 Ltd. 144A 4.125%, 5/7/24 ⁽³⁾ | 620 | 635 |
| TerraForm Power Operating LLC 144A 5.000%, 1/31/28 ⁽³⁾ | 550 | 532 |
| | | 2,371 |
| TOTAL CORPORATE BONDS AND NOTES | | |
| (Identified Cost \$134,930) | | 132,981 |
| LOAN AGREEMENTS⁽²⁾ 13.5% | | |
| Consumer Discretionary 2.4% | | |
| Advantage Sales & Marketing, Inc. | | |
| Tranche B-2, First Lien, (3 month LIBOR + 3.250%) 5.022%, 7/23/21 | 344 | 338 |
| Second Lien, (3 month LIBOR + 6.500%) 8.267%, 7/25/22 | 405 | 390 |

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| | | |
|---|------------------|--------------|
| Bass Pro Group LLC , (1 month LIBOR + 5.000%) 6.648%, 9/25/24 | 394 | 392 |
| Gateway Casinos & Entertainment Ltd. Tranche B-1 , (3 month LIBOR + 3.750%) 5.443%, 2/22/23 | 114 | 115 |
| Global Appliance, Inc. Tranche B , (1 month LIBOR + 4.000%) 5.650%, 9/29/24 | 449 | 454 |
| | PAR VALUE | VALUE |

Consumer Discretionary (continued)

| | | |
|--|--------|--------|
| Hoya Midco LLC First Lien , (1 month LIBOR + 4.000%) 5.648%, 6/30/24 | \$ 184 | \$ 184 |
| Laureate Education, Inc. 2024 , (1 month LIBOR + 3.500%) 5.148%, 4/26/24 | 404 | 407 |
| Meredith Corp. , (2 month LIBOR + 3.000%) 0.000%, 1/31/25 ⁽⁸⁾ | 340 | 342 |
| Neiman Marcus Group Ltd. , (1 month LIBOR + 3.250%) 4.830%, 10/25/20 | 469 | 397 |
| Playa Resorts Holding B.V. , (3 month LIBOR + 3.250%) 4.945%, 4/29/24 | 419 | 421 |
| Scientific Games International, Inc. Tranche B-5 , (3 month LIBOR + 2.750%) 4.449%, 8/14/24 | 20 | 20 |
| Seminole Tribe of Florida Tranche B , (1 month LIBOR + 2.000%) 3.648%, 7/8/24 | 414 | 415 |
| UFC Holdings LLC First Lien , (1 month LIBOR + 3.250%) 4.900%, 8/18/23 | 343 | 345 |
| | | 4,220 |

Consumer Staples 1.3%

| | | |
|---|-----|-------|
| Albertson's LLC 2017-1, Tranche B-5 , (3 month LIBOR + 3.000%) 4.675%, 12/21/22 | 511 | 504 |
| BJ's Wholesale Club, Inc. Second Lien , (1 month LIBOR + 7.500%) 9.080%, 2/3/25 | 340 | 341 |
| Chobani LLC First Lien , (1 month LIBOR + 3.500%) 5.148%, 10/10/23 | 259 | 261 |
| JBS USA Lux S.A. , (3 month LIBOR + 2.500%) 4.100%, 10/30/22 | 174 | 173 |
| Milk Specialties Co. , (3 month LIBOR + 4.000%) 5.693%, 8/16/23 | 324 | 324 |
| Parfums Holdings Co., Inc. First Lien , (3 month LIBOR + 4.750%) 6.443%, 6/30/24 | 274 | 277 |
| TKC Holdings, Inc. First Lien , (3 month LIBOR + 4.250%) 5.970%, 2/1/23 | 382 | 386 |
| | | 2,266 |

Energy 0.9%

| | | |
|---|-----|-----|
| California Resources Corp. , (1 month LIBOR + 10.375%) 11.971%, 12/31/21 | 360 | 406 |
| Chesapeake Energy Corp. Tranche A , (3 month LIBOR + 7.500%) 9.444%, 8/23/21 | 106 | 113 |
| Contura Energy, Inc. , (1 month LIBOR + 5.000%) 6.650%, 3/18/24 | 252 | 250 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|-----------|--------|
| Energy (continued) | | |
| Traverse Midstream Partners LLC , (3 month LIBOR + 4.000%) 5.850%, 9/27/24 | \$ 375 | \$ 377 |
| Ultra Resources, Inc. , (1 month LIBOR + 3.000%) 4.588%, 4/12/24 | 350 | 348 |
| | | 1,494 |
| Financials 1.3% | | |
| Asurion LLC Tranche B-2, Second Lien , (1 month LIBOR + 6.000%) 7.648%, 8/4/25 | 819 | 839 |
| Ditech Holding Corp. Tranche B , (1 month LIBOR + 6.000%) 7.648%, 6/30/22 | 458 | 452 |
| FinCo I LLC , (1 month LIBOR + 2.750%) 4.398%, 12/27/22 | 150 | 151 |
| Genworth Financial, Inc. , (3 month LIBOR + 4.500%) 0.000%, 2/28/23 ⁽⁸⁾ | 40 | 41 |
| iStar, Inc. , (1 month LIBOR + 3.000%) 4.587%, 10/1/21 | 731 | 736 |
| | | 2,219 |
| Health Care 1.1% | | |
| 21st Century Oncology, Inc. Tranche B , (3 month LIBOR + 6.125%) 7.855%, 1/16/23 ⁽¹¹⁾ | 161 | 155 |
| CHG Healthcare Services, Inc. 2017, First Lien , (3 month LIBOR + 3.000%) 4.713%, 6/7/23 | 372 | 376 |
| Envision Healthcare Corp. , (1 month LIBOR + 3.000%) 4.650%, 12/1/23 | 87 | 87 |
| HLF Financing S.a.r.l. Senior Lien , (1 month LIBOR + 5.500%) 7.148%, 2/15/23 | 175 | 176 |
| MMM Holdings, Inc. , (3 month LIBOR + 8.750%) 10.324%, 6/30/19 | 160 | 154 |
| MPH Acquisition Holdings LLC , (3 month LIBOR + 3.000%) 4.693%, 6/7/23 | 165 | 165 |
| MSO of Puerto Rico, Inc. , (3 month LIBOR + 8.750%) 10.324%, 6/30/19 | 116 | 112 |
| | 67 | 68 |

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| | | |
|---|-----|-----|
| NVA Holdings, Inc. Second Lien , (3 month LIBOR + 7.000%) 8.693%, 8/14/22 | | |
| PharMerica Corp. Second Lien , (1 month LIBOR + 7.750%) 9.329%, 12/5/25 | 55 | 55 |
| Quorum Health Corp. , (3 month LIBOR + 6.750%) 8.398%, 4/29/22 | 334 | 341 |
| U.S. Renal Care, Inc. First Lien , (3 month LIBOR + 4.250%) 5.943%, 12/30/22 | 269 | 270 |

1,959

PAR VALUE VALUE

Industrials 1.6%

| | | |
|---|--------|--------|
| 84 Lumber Co. Tranche B-1 , (1 month LIBOR + 5.250%) 6.871%, 10/25/23 | \$ 369 | \$ 373 |
| Accudyne Industries LLC , (1 month LIBOR + 3.250%) 4.898%, 8/18/24 | 75 | 75 |
| Navistar, Inc. Tranche B , (1 month LIBOR + 3.500%) 5.080%, 11/6/24 | 490 | 491 |
| PAE Holding Corp. First Lien , (1 month LIBOR + 5.500%) 7.148%, 10/20/22 | 231 | 232 |
| Pro Mach Group, Inc. Tranche B , (3 month LIBOR + 3.000%) 0.000%, 3/7/25 ⁽⁸⁾ | 25 | 25 |
| Red Ventures LLC First Lien , (1 month LIBOR + 4.000%) 5.648%, 11/8/24 | 534 | 537 |
| Sedgwick Claims Management Services, Inc. Second Lien , (3 month LIBOR + 5.750%) 7.734%, 2/28/22 | 570 | 573 |
| Transdigm, Inc. Tranche G , (3 month LIBOR + 2.500%) 4.096%, 8/22/24 | 274 | 275 |
| Zodiac Pool Solutions LLC Tranche B-1, First Lien , (3 month LIBOR + 4.000%) 5.693%, 12/20/23 | 178 | 178 |

2,759

Information Technology 1.4%

| | | |
|--|-----|-----|
| Applied Systems, Inc. Second Lien , (3 month LIBOR + 7.000%) 8.693%, 9/19/25 | 70 | 72 |
| Blackboard, Inc. Tranche B-4, First Lien , (3 month LIBOR + 5.000%) 6.734%, 6/30/21 | 146 | 141 |
| Everi Payments, Inc. Tranche B , (1 month LIBOR + 3.500%) 5.148%, 5/9/24 | 184 | 185 |
| Intralinks, Inc. First Lien , (3 month LIBOR + 4.000%) 5.700%, 11/14/24 | 235 | 235 |
| Kronos, Inc. Second Lien , (3 month LIBOR + 8.250%) 10.023%, 11/1/24 | 166 | 170 |
| NAB Holding LLC 2018 , (3 month LIBOR + 3.000%) 4.694%, 7/1/24 | 229 | 230 |
| Presidio Holdings, Inc. Tranche B , (3 month LIBOR + 2.750%) 4.430%, 2/2/24 | 505 | 507 |
| | 133 | 134 |

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Rackspace Hosting, Inc. Tranche B, First Lien , (3 month LIBOR +
3.000%) 4.727%, 11/3/23

SS&C Technologies Holdings, Inc.

Tranche B-4, (3 month LIBOR + 2.500%) 0.000%, 2/28/25⁽⁸⁾

131

132

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|-----------|--------|
| Information Technology (continued) | | |
| Tranche B-3, (3 month LIBOR + 2.500%) 0.000%, 2/28/25 ⁽⁸⁾ | \$ 364 | \$ 366 |
| Veritas US, Inc. Tranche B , (3 month LIBOR + 4.500%) 6.193%, 1/27/23 | 263 | 261 |
| | | 2,433 |
| Materials 1.0% | | |
| Anchor Glass Container Corp. Second Lien , (1 month LIBOR + 7.750%) 9.331%, 12/7/24 | 173 | 174 |
| CPI Acquisition, Inc. First Lien , (3 month LIBOR + 4.500%) 6.358%, 8/17/22 | 845 | 652 |
| Graftech International Ltd. , (3 month LIBOR + 3.500%) 5.081%, 2/12/25 | 145 | 145 |
| IPS Acquisition LLC First Lien , (1 month LIBOR + 3.250%) 4.898%, 11/7/24 | 50 | 50 |
| KMG Chemicals, Inc. , (1 month LIBOR + 2.750%) 4.398%, 6/15/24 | 71 | 72 |
| New Arclin U.S. Holding Corp. First Lien , (3 month LIBOR + 3.500%) 5.200%, 2/14/24 | 149 | 151 |
| Omnova Solutions, Inc. Tranche B-2 , (1 month LIBOR + 4.250%) 5.898%, 8/25/23 | 452 | 455 |
| W. R. Grace & Co. Tranche B-1, (3 month LIBOR + 1.750%) 0.000%, 2/21/25 ⁽⁸⁾ | 18 | 18 |
| Tranche B-2, (3 month LIBOR + 1.750%) 0.000%, 2/21/25 ⁽⁸⁾ | 32 | 32 |
| | | 1,749 |
| Real Estate 0.1% | | |
| Capital Automotive LP Tranche B, Second Lien , (1 month LIBOR + 6.000%) 7.650%, 3/24/25 | 266 | 270 |
| Telecommunication Services 0.8% | | |
| | 275 | 270 |

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| | | | |
|--|----|----------------------|---------------|
| CenturyLink, Inc. Tranche B , (1 month LIBOR + 2.750%) 4.398%, 1/31/25 | | | |
| Digicel International Finance Ltd. Tranche B, First Lien , (3 month LIBOR + 3.250%) 5.520%, 5/27/24 | | 80 | 80 |
| Securus Technologies Holdings, Inc. First Lien, (1 month LIBOR + 4.500%) 6.148%, 11/1/24 | | 535 | 541 |
| Second Lien, (1 month LIBOR + 8.250%) 9.898%, 11/1/25 | | 295 | 299 |
| | | PAR VALUE | VALUE |
| Telecommunication Services (continued) | | | |
| West Corp. Tranche B , (1 month LIBOR + 4.000%) 5.648%, 10/10/24 | \$ | 125 | \$ 125 |
| | | | 1,315 |
| Utilities 1.6% | | | |
| APLP Holdings LP , (1 month LIBOR + 3.500%) 5.148%, 4/13/23 | | 490 | 494 |
| Dynegy, Inc. Tranche C-2 , (1 month LIBOR + 2.750%) 4.346%, 2/7/24 | | 624 | 627 |
| Energy Future Intermediate Holding Co., LLC , (weekly LIBOR + 3.000%) 4.473%, 6/30/18 | | 475 | 475 |
| NRG Energy, Inc. , (3 month LIBOR + 2.250%) 3.943%, 6/30/23 | | 441 | 443 |
| Talen Energy Supply LLC , (1 month LIBOR + 4.000%) 5.648%, 4/15/24 | | 327 | 327 |
| Vistra Operations Co., LLC (1 month LIBOR + 2.500%) 4.148%, 8/4/23 | | 283 | 285 |
| Tranche C, (1 month LIBOR + 2.500%) 4.148%, 8/4/23 | | 51 | 51 |
| | | | 2,702 |
| TOTAL LOAN AGREEMENTS | | | |
| (Identified Cost \$23,291) | | | 23,386 |
| SHARES | | | |
| PREFERRED STOCKS 2.1% | | | |
| Financials 1.4% | | | |
| KeyCorp Series D, 5.000% | | 650 ⁽⁹⁾ | 649 |
| M&T Bank Corp. Series F, 5.125% | | 315 ⁽⁹⁾ | 321 |
| Zions Bancorp 6.950% | | 47,150 | 1,367 |
| | | | 2,337 |
| Industrials 0.7% | | | |
| General Electric Co. Series D, 5.000% ⁽¹⁵⁾ | | 1,248 ⁽⁹⁾ | 1,234 |
| TOTAL PREFERRED STOCKS | | | 3,571 |

(Identified Cost \$3,317)

COMMON STOCKS 0.4%

Consumer Discretionary 0.3%

| | | |
|--------------------------------------|--------|-----|
| VICI Properties, Inc. ⁽¹⁾ | 23,210 | 454 |
|--------------------------------------|--------|-----|

Energy 0.1%

| | | |
|--------------------------------------|-------|-----|
| Frontera Energy Corp. ⁽¹⁾ | 3,851 | 128 |
|--------------------------------------|-------|-----|

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****FEBRUARY 28, 2018**

(\$ reported in thousands)

| | SHARES | VALUE |
|--|--------|-------------------------------|
| Energy (continued) | | |
| Hercules Offshore, Inc. ⁽¹⁾⁽¹⁰⁾⁽¹³⁾ | 10,017 | \$(17) |
| Sabine Oil & Gas LLC ⁽¹⁾⁽¹⁴⁾ | 457 | 21 |
| | | 149 |
| TOTAL COMMON STOCKS | | |
| (Identified Cost \$1,208) | | 603 |
| WARRANTS 0.0% | | |
| Sabine Oil & Gas LLC ⁽¹⁾⁽¹⁴⁾ | 258 | 1 |
| Sabine Oil & Gas LLC ⁽¹⁾⁽¹⁴⁾ | 1,450 | 9 |
| TOTAL WARRANTS | | |
| (Identified Cost \$12) | | 10 |
| TOTAL LONG TERM INVESTMENTS 137.4% | | |
| (Identified Cost \$241,615) | | 238,097⁽¹⁶⁾ |
| SHORT-TERM INVESTMENTS 1.4% | | |
| PURCHASED OPTIONS 0.2% | | |
| (see Open Purchased Options Schedule) | | |
| TOTAL PURCHASED OPTIONS 0.2% | | |
| (Premiums Paid \$496) | | 327 |
| Money Market Mutual Fund 1.2% | | |

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| | | |
|--|-----------|-------------------------------|
| Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.260%) ⁽¹⁸⁾ | 2,131,270 | 2,131 |
| TOTAL SHORT-TERM INVESTMENTS | | |
| (Identified Cost \$2,627) | | 2,458 |
| TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS 138.8% | | |
| (Identified Cost \$244,242) | | 240,555⁽¹⁶⁾ |
| WRITTEN OPTIONS (0.4)% | | |
| (see Open Written Options Schedule) | | |
| TOTAL WRITTEN OPTIONS (0.4)% | | |
| (Premiums Received \$883) | | (684) |
| TOTAL INVESTMENTS NET OF WRITTEN OPTIONS 138.4% | | |
| (Identified Cost \$243,359) | | 239,871 |

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**SCHEDULE OF INVESTMENTS (Unaudited)****FEBRUARY 28, 2018**

(\$ reported in thousands)

| | VALUE |
|---|-------------------|
| Other assets and liabilities, net (38.4)% | \$ (66,524) |
| NET ASSETS 100.0% | \$ 173,347 |

Abbreviations:

| | |
|-------|--|
| FNMA | Federal National Mortgage Association (Fannie Mae) |
| LIBOR | London Interbank Offered Rate |
| PIK | Payment-in-Kind Security |
| REIT | Real Estate Investment Trust |

Footnote Legend:

- (1) Non-income producing.
- (2) Variable rate security. Rate disclosed is as of February 28, 2018. For loan agreements, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (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 28, 2018, these securities amounted to a value of \$124,315 or 71.7% 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 February 28, 2018, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- (9) Value shown as par value.
- (10) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (11) Security in default, interest payments are being received during the bankruptcy proceedings.
- (12) 100% of the income received was in cash.

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- (13) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (14) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located at the end of the Schedule of Investments.
- (15) All or a portion of the security is segregated as collateral for written options.
- (16) All or a portion of the portfolio is segregated as collateral for borrowings.
- (17) Amounts are less than \$500 (not reported in 000s).
- (18) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Foreign Currencies:

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

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited)

FEBRUARY 28, 2018

Country Weightings

| | |
|---------------|------|
| United States | 47% |
| Mexico | 6 |
| Argentina | 4 |
| Russia | 3 |
| Netherlands | 3 |
| Colombia | 3 |
| Brazil | 3 |
| Other | 31 |
| Total | 100% |

% of total investments net of written options as of February 28, 2018.

See Notes to Schedules of Investments

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

SCHEDULE OF INVESTMENTS (Unaudited)

FEBRUARY 28, 2018

(\$ reported in thousands)

Open Purchased Options contracts as of February 28, 2018, were as follows:

| Description of Options | Contract Notional | | Strike Price ⁽¹⁾ | Expiration Date | Value |
|--------------------------------|---------------------|-----------|-----------------------------|-----------------|---------------|
| | Number of Contracts | Amount | | | |
| Call Options | | | | | |
| S&P 500 [®] Index | 96 | \$ 28,128 | \$ 2,930 | 3/2/2018 | \$ 1 |
| S&P 500 [®] Index | 258 | 75,852 | 2,940 | 3/5/2018 | 0 |
| S&P 500 [®] Index | 302 | 88,788 | 2,940 | 3/7/2018 | 5 |
| S&P 500 [®] Index | 96 | 27,840 | 2,900 | 3/9/2018 | 2 |
| S&P 500 [®] Index | 276 | 81,696 | 2,960 | 3/12/2018 | (2) |
| S&P 500 [®] Index | 373 | 110,035 | 2,950 | 3/14/2018 | 10 |
| Put Options | | | | | |
| S&P 500 [®] Index | 96 | 24,336 | 2,535 | 3/2/2018 | 3 |
| S&P 500 [®] Index | 258 | 64,242 | 2,490 | 3/5/2018 | 12 |
| S&P 500 [®] Index | 302 | 75,349 | 2,495 | 3/7/2018 | 29 |
| S&P 500 [®] Index | 96 | 24,192 | 2,520 | 3/9/2018 | 18 |
| S&P 500 [®] Index | 276 | 71,070 | 2,575 | 3/12/2018 | 105 |
| S&P 500 [®] Index | 373 | 94,369 | 2,530 | 3/14/2018 | 142 |
| Total Purchased Options | | | | | \$ 327 |

Open Written Options contracts as of February 28, 2018, were as follows:

| Description of Options | Contract Notional | | Strike Price ⁽¹⁾ | Expiration Date | Value |
|----------------------------|---------------------|-----------|-----------------------------|-----------------|--------|
| | Number of Contracts | Amount | | | |
| Call Options | | | | | |
| S&P 500 [®] Index | 96 | \$ 27,648 | \$ 2,880 | 3/2/2018 | \$ (1) |
| S&P 500 [®] Index | 258 | 73,917 | 2,865 | 3/5/2018 | (3) |
| S&P 500 [®] Index | 302 | 86,372 | 2,860 | 3/7/2018 | (9) |
| S&P 500 [®] Index | 96 | 27,360 | 2,850 | 3/9/2018 | (4) |

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| | | | | | |
|------------------------------|-----|---------|-------|-----------|-----------------|
| S&P 500® Index | 276 | 79,764 | 2,890 | 3/12/2018 | (9) |
| S&P 500® Index | 373 | 107,611 | 2,885 | 3/14/2018 | (16) |
| Put Options | | | | | |
| S&P 500® Index | 96 | 24,816 | 2,585 | 3/2/2018 | (4) |
| S&P 500® Index | 258 | 66,177 | 2,565 | 3/5/2018 | (27) |
| S&P 500® Index | 302 | 77,765 | 2,575 | 3/7/2018 | (68) |
| S&P 500® Index | 96 | 24,672 | 2,570 | 3/9/2018 | (25) |
| S&P 500® Index | 276 | 73,002 | 2,645 | 3/12/2018 | (202) |
| S&P 500® Index | 373 | 96,794 | 2,595 | 3/14/2018 | (316) |
| Total Written Options | | | | | \$ (684) |

Footnote Legend:

(1) Strike price not reported in thousands.

(2) Amounts are less than \$500.

See Notes to Schedules of Investments

The following table provides a summary of inputs used to value the Fund's investments as of February 28, 2018 (See Security Valuation Note 1A in the Notes to Schedule of Investments):

| | Total Value | | | |
|---|---------------------|-----------------|--------------------|---------------------|
| | at | | Level 2 | Level 3 |
| | February 28, | Level 1 | Significant | Significant |
| | 2018 | Quoted | Observable | Unobservable |
| | | Prices | Inputs | Inputs |
| Debt Securities: | | | | |
| Asset-Backed Securities | \$ 13,462 | \$ | \$ 13,462 | \$ |
| Corporate Bonds and Notes | 132,981 | | 132,977 | 4 |
| Foreign Government Securities | 45,320 | | 45,320 | |
| Loan Agreements | 23,386 | | 23,386 | |
| Mortgage-Backed Securities | 16,483 | | 16,483 | |
| Municipal Bonds | 1,547 | | 1,547 | |
| U.S. Government Securities | 734 | | 734 | |
| Equity Securities: | | | | |
| Common Stocks | 603 | 128 | 453 | 22 |
| Preferred Stocks | 3,571 | 1,367 | 2,204 | |
| Warrants | 10 | | | 10 |
| Purchased Options | 327 | 285 | 42 | |
| Money Market Mutual Fund | 2,131 | 2,131 | | |
| Total Investments before Written | | | | |
| Options | \$ 240,555 | \$ 3,911 | \$ 236,608 | \$ 36 |
| Written Options | \$ (684) | \$ (659) | \$(25) | \$ |
| Total Investments Net of Written | | | | |
| Options | \$ 239,871 | \$ 3,252 | \$ 236,583 | \$ 36 |

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at February 28, 2018.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended February 28, 2018.

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

FEBRUARY 28, 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies consistently followed by the Fund in the preparation of its Schedule of Investments are summarized below and, for derivatives, included in Note 2 below. The preparation of the Schedule of Investments in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Schedule of Investments. Actual results could differ from those estimates and those differences could be significant.

A. SECURITY VALUATION

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

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

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

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

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

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

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

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

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

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

net asset value (NAV) (at the close of regular trading on the New York Stock Exchange (NYSE), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets.

In such cases the Fund fair values non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, exchange-traded funds, and certain indexes, as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

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

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

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

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

NOTE 2 DERIVATIVE FINANCIAL INSTRUMENTS

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

Options contracts

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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

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

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND**NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)****FEBRUARY 28, 2018**

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

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

Holdings of the Fund designated 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 by purchasing an option similar to the one that is sold except for the fact it is further out of the money.

NOTE 3 ILLIQUID AND RESTRICTED SECURITIES

(\$ reported in thousands)

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

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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.

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

VIRTUS GLOBAL MULTI-SECTOR INCOME FUND

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

FEBRUARY 28, 2018

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

The Fund held securities considered to be illiquid at February 28, 2018, with an aggregate value of \$297 representing 0.2% of the Fund's net assets.

At February 28, 2018, the Fund did not hold any securities that were both illiquid and restricted.

NOTE 4 REGULATORY MATTERS AND LITIGATION

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

NOTE 5 SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the Schedule of Investments was filed, and has determined that there are no subsequent events requiring recognition or disclosure in these 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 4/25/2018

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

By (Signature and Title)* /s/ George R. Aylward
George R. Aylward, President

(principal executive officer)

Date 4/25/2018

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

(principal financial officer)

Date 4/25/2018

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