

Phoenix Insight Funds Trust

Phoenix Insight Government Money Market Fund

Phoenix Insight Money Market Fund

Phoenix Insight Tax-Exempt Money Market Fund

Supplement dated May 24, 2007 to the Class A and Class C Shares Prospectus
and Class I Shares Prospectus, each dated May 1, 2007

THIS SUPPLEMENT SUPERCEDES THE SUPPLEMENT DATED MAY 1, 2007 TO THE ABOVE-REFERENCED PROSPECTUSES, WHICH SUPPLEMENT CONTAINED DISCLOSURE DESCRIBING PRICING PROCEDURES IN EFFECT ONLY THROUGH MAY 11, 2007. THIS SUPPLEMENT CORRECTS AND CLARIFIES CERTAIN DISCLOSURE CONTAINED IN THE ABOVE-REFERENCED PROSPECTUS.

IMPORTANT NOTICE TO INVESTORS

In the section “How is the Share Price determined?,” the table showing the times at which the Money Market Funds’ net asset values are determined is hereby replaced with the following:

Government Money Market Fund	4:30 PM eastern time
Money Market Fund	4:30 PM eastern time
Tax-Exempt Money Market Fund	12:00 Noon eastern time

The disclosure appearing after the chart in the section “How to Buy Shares” applies only to Non-Money Market Funds. The following disclosure describing the procedures applicable to the Money Market Funds is hereby added:

For the Money Market Funds, orders in proper form placed prior to 12:00 Noon (Tax Exempt Money Market Fund) or 4:30 PM (Government Money Market Fund and Money Market Fund) and payments for which are received in or converted into Federal Funds by the funds’ custodian by 6:00 PM will become effective at the price determined on that day at 12:00 Noon or 4:30 PM, respectively. In either case, shares purchased will receive the dividend on that day. Orders for shares placed after 12:00 Noon (Tax Exempt Money Market Fund) or 4:30 PM (Government Money Market Fund and Money Market Fund) will not be accepted and executed. Notice of the purchase order being rejected will be given to the institution placing the order, and any funds received will be returned promptly to the sending institution. For all funds, specified times are eastern time.

In the section “How to Sell Shares,” the description of payment for redeemed shares is replaced with the following:

In most cases, redemption proceeds will be paid within seven days after receipt of the redemption order. If the shares being redeemed were purchased by a check which has not yet been cleared for payment by your bank, payment may take up to 15 days. For the Money Market Fund, in the case of telephone redemption requests received by 12:00 Noon, proceeds generally will be sent by 1:30 PM; in the case of telephone redemption requests received by 3:30 PM, proceeds will generally be sent by 4:45 PM; and, in the case of telephone redemption requests received by 4:30 p.m., proceeds will generally be sent by 5:45 PM, provided in each case that the funds’ custodian is open for business on

that day. In all instances, the shares will not receive the dividend declared on that day. In the case of redemption requests made after 4:30 PM or requests made prior to 4:30 PM on a day when the funds' custodian is closed, proceeds will be sent on the next business day on which the custodian is open for business. For all funds, specified times are eastern time.

Your written redemption request will be priced at the net asset value calculated on the day the written request is received in proper form. If your redemption proceeds are wired to you the same day your order is priced, the shares will not receive the dividend declared on that day. If a check for your redemption proceeds is mailed to you on the next business day after your request is priced, you will be entitled to dividends through the day on which the fund priced your request.

Investors should retain this supplement with the Prospectus for future reference.



Prospectus

PHOENIX INSIGHT FUNDS - CLASS A AND CLASS C SHARES

EQUITY FUNDS

Phoenix Insight Balanced Fund
Phoenix Insight Core Equity Fund
Phoenix Insight Emerging Markets Fund
Phoenix Insight Equity Fund
Phoenix Insight Index Fund
Phoenix Insight Small-Cap Growth Fund
Phoenix Insight Small-Cap Opportunity Fund
Phoenix Insight Small-Cap Value Fund

FIXED INCOME FUNDS

Phoenix Insight Bond Fund
Phoenix Insight High Yield Bond Fund
Phoenix Insight Intermediate Government Bond Fund
Phoenix Insight Intermediate Tax-Exempt Bond Fund
Phoenix Insight Short/Intermediate Bond Fund
Phoenix Insight Tax-Exempt Bond Fund

MONEY MARKET FUNDS

Phoenix Insight Government Money Market Fund
Phoenix Insight Money Market Fund
Phoenix Insight Tax-Exempt Money Market Fund

TRUST NAME: PHOENIX INSIGHT
FUNDS TRUST

May 1, 2007

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus contains important information that you should know before investing in the Phoenix Insight Funds. Please read it carefully and retain it for future reference.

Phoenix Insight Funds Trust

Class A Shares and Class C Shares

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Phoenix Insight Equity Funds

Introduction To Equity Funds

- ➔ Equity Funds invest in stocks, which represent partial ownership in a company. They generally pursue capital appreciation; that is, an increase in the fund's share value. In some cases, these funds also seek dividend income.
- ➔ If you invest in an Equity Fund, you risk losing your investment.
- ➔ Generally, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product).
- ➔ Each Equity Fund's investment objective is not fundamental and may be changed by the Board of Trustees without approval by the fund's shareholders. There is no guarantee that a fund will achieve its objective.
- ➔ Temporary Defensive Strategy: During periods of adverse market conditions, each of the Equity Funds may temporarily invest a substantial portion of its assets in investment-grade fixed income securities and money market instruments. When a fund takes such a defensive position, the fund may not be able to meet its investment objective.
- ➔ Each Equity Fund's principal risks are provided in an alphabetical listing within the fund description that follows. These risks are discussed in greater detail under "Risks Related to Principal Investment Strategies" beginning on page 20.

Phoenix Insight Balanced Fund

Investment Objective

Phoenix Insight Balanced Fund has an investment objective to seek to provide current income and capital appreciation.

Principal Investment Strategies

- ➔ The fund invests in a portfolio of equity and fixed income securities. Under normal market conditions, equity securities will comprise between 40% and 65% of the fund's assets, and fixed income securities will comprise at least 25% of the fund's assets.
- ➔ The fund may invest in the equity securities of companies of any size. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$187.4 million to \$446.9 billion.
- ➔ The fixed income portion of the fund will be invested primarily in bonds, which are debt instruments that normally pay a set amount of interest on a regular basis; repay the face amount, or principal, at a stated future date; and are issued by domestic and foreign corporations, federal and state governments, and their agencies. The fund normally invests in investment-grade securities and maintains a dollar-weighted average portfolio maturity (or average life with respect to mortgage-backed and asset-backed securities) of between five and ten years.
- ➔ The fund's subadviser reviews and adjusts the blend of securities in an effort to enhance returns based on current market conditions, interest rate projections and other economic factors. The fund seeks to provide an overall return comprising between 40% and 65% of the return of Russell 1000[®] Index and between 35% and 60% of the return of the Lehman Brothers Aggregate Bond Index.

Risks Related to Principal Investment Strategies

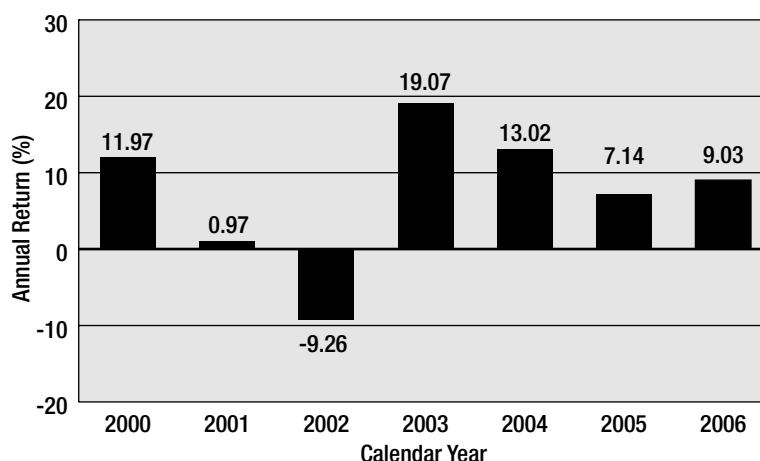
- Allocation Risk – The risk that the percentages of the fund's assets invested in equities and fixed income securities, respectively, will not be optimum for market conditions at a given time.
- Credit Risk – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- Foreign Securities Risk – The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts.
- Interest Rate Risk – The risk that bond prices overall will decline because of rising interest rates.

- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Market Risk** – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to re-invest in obligations with lower interest rates than the original obligations.
- **Small and Medium Company Risk** – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Balanced Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of two broad-based securities market indices. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 8.96% **Worst Quarter:** Q3 2002 -8.40%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 2.60%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (2/9/99)
Class A Shares			
Return Before Taxes	2.76%	6.10%	5.52%
Return After Taxes on Distributions ⁽³⁾	1.49%	5.06%	4.09%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	2.87%	4.83%	4.05%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	5.61%
Russell 1000 [®] Index ⁽⁶⁾	15.46%	6.82%	4.16%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and is not available for direct investment; therefore, its performance does not reflect the fees, expenses, or taxes associated with the active management of an actual portfolio.

(6) The Russell 1000[®] Index is a market capitalization-weighted index of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Core Equity Fund

Investment Objective

Phoenix Insight Core Equity Fund has an investment objective to seek to provide capital appreciation.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in common stocks. These stocks are generally of companies with market capitalization in excess of \$1 billion at the time of purchase. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$2.2 billion to \$446.9 billion. The fund's policy of investing at least 80% of its assets in common stocks may be changed only upon 60 days written notice to shareholders.
- ➔ The fund's subadviser selects securities that are considered to be undervalued and to represent growth opportunities. The subadviser considers many factors, but there is a focus on a company's sales, earnings and valuation.

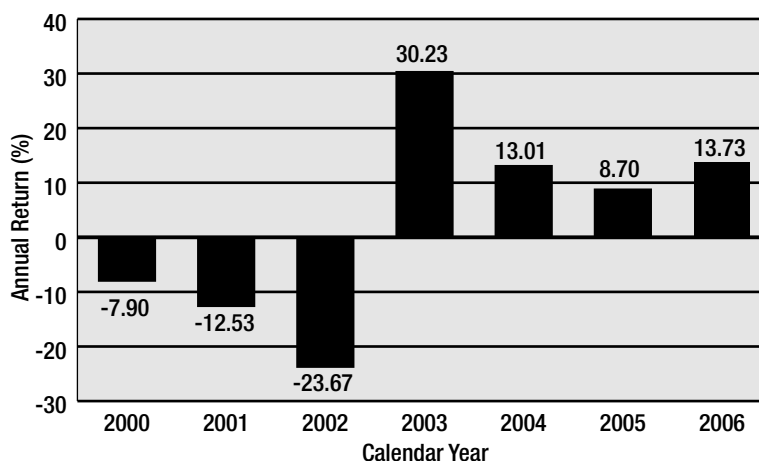
Risks Related to Principal Investment Strategies

- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Market Risk** – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- **Volatility Risk** – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Core Equity Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 13.73% **Worst Quarter:** Q3 2002 -15.78%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 2.14%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (2/04/99)
Class A Shares			
Return Before Taxes	7.19%	5.53%	2.20%
Return After Taxes on Distributions ⁽³⁾	5.65%	4.39%	1.08%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	6.68%	4.44%	1.53%
S&P 500 [®] Stock Index ⁽⁵⁾	15.78%	6.19%	3.25%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Emerging Markets Fund

Investment Objective

The Phoenix Insight Emerging Markets Fund has an investment objective to seek to provide capital appreciation.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in equity securities of issuers located in emerging markets countries. The World Bank and other international agencies define an emerging or developing country on the basis of such factors as trade initiatives, per capita income and level of industrialization. There are over 130 countries that are emerging or developing under this standard and approximately 40 of these countries have stock markets. Emerging markets countries generally include every nation in the world except the U.S., Canada, Japan, Australia, New Zealand and most nations located in Western Europe. The fund's policy of investing at least 80% of its assets in the securities of issuers located in emerging markets countries may be changed only upon 60 days written notice to shareholders.
- ➔ The fund invests in issuers with the potential for long-term capital appreciation using a "value" approach. The "value" approach emphasizes investments in companies the portfolio manager believes are undervalued.
- ➔ The subadviser uses a bottom-up stock and business analysis approach. The subadviser makes its assessments by examining companies one at a time, regardless of size, country of organization, place of principal business activity, or other similar selection criteria. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$341.6 million to \$85.4 billion.

The subadviser seeks to identify undervalued companies whose businesses are highly profitable, have consistent operating histories and financial performance, and enjoy favorable long-term economic prospects. A company may be undervalued when, in the opinion of the subadviser, the company is selling for a price that is below its intrinsic worth. A company may be undervalued due to market or economic conditions, temporary earnings declines, unfavorable developments affecting the company or other factors. Such factors may include buying opportunities at attractive prices compared to the subadviser's calculation of future earnings power. The subadviser believes that buying these securities at a price that is below their intrinsic worth may generate greater returns for the fund than those obtained by paying a premium price for companies currently in favor in the market.

The fund may invest substantially all of its assets in common stocks if the subadviser believes that common stocks will appreciate in value.

- ➔ The subadviser seeks to achieve attractive absolute returns that exceed the “normalized risk-free” rate, defined as the rate of return available on long-term U.S. Government securities. Utilization of an “absolute” rather than a “relative” valuation yardstick is designed to achieve not only a satisfactory return over the risk-free rate, but at the same time seek safety of principal. The subadviser considers the riskiness of an investment to be a function of the issuer’s business rather than the volatility of its stock price.
- ➔ In determining which portfolio securities to sell, the subadviser focuses on the operating results of the portfolio companies, not price quotations, to measure the success of an investment. In making sell decisions, the subadviser considers, among other things, whether a security’s price target has been met, whether there has been an overvaluation of the issuer by the market, whether there has been a clear deterioration of future earnings power and whether, in the subadviser’s opinion, there has been a loss of a long-term competitive advantage.

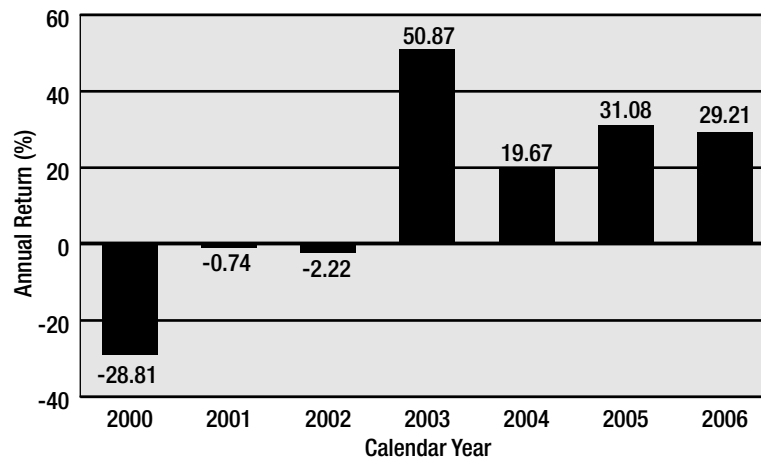
Risks Related to Principal Investment Strategies

- **Currency Rate Risk** – The risk that fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect an investment.
- **Emerging Markets Risk** – The risk that prices of emerging markets securities may be more volatile than those of their counterparts in more established foreign markets.
- **Foreign Securities Risk** – The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts.
- **Geographic Concentration Risk** – The risk that, if the fund concentrates its investments in a single country or region, its portfolio will be more susceptible to factors adversely affecting issuers located in that country or region than would a more geographically diverse portfolio of securities.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Market Risk** – The risk that the market value of the fund’s investments will fluctuate as the stock and bond markets fluctuate.
- **Small and Medium Company Risk** – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.
- **Value Stocks Risk** – The risk that the fund’s focus on value investing will cause the fund to underperform when growth investing is in favor.
- **Volatility Risk** – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Emerging Markets Fund. Prior to May 18, 2006, the fund's investment program and general operations were managed by Harris Investment Management, Inc. as adviser and Hansberger Global Investors, Inc. as subadviser. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 23.10% **Worst Quarter:** Q3 2001 -17.01%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is -0.25%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (8/11/99)
Class A Shares			
Return Before Taxes	21.78%	23.02%	13.56%
Return After Taxes on Distributions ⁽³⁾	17.07%	21.30%	12.47%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	19.44%	20.28%	11.93%
S&P 500 [®] Index ⁽⁵⁾	15.78%	6.19%	2.80%
MSCI Emerging Markets Index ⁽⁶⁾	32.59%	26.97%	14.56% ⁽⁷⁾

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets. The index is calculated on a total-return basis with gross dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(7) Since 8/31/99.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Equity Fund

Investment Objective

Phoenix Insight Equity Fund has an investment objective to seek to provide capital appreciation and current income.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in common stocks. These stocks are generally of companies with market capitalization in excess of \$1 billion at time of purchase. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$2.2 billion to \$446.9 billion.
- ➔ The subadviser selects stocks that are representative of the companies found within the Russell 1000[®] Value Index in an effort to:
 - provide greater returns, over the long-term, than the securities comprising the Russell 1000[®] Value Index; and
 - maintain a risk level approximating that of the Russell 1000[®] Value Index.

The Russell 1000[®] Value Index measures the performance of those Russell 1000[®] companies with lower price-to-book ratios and lower forecasted growth values.

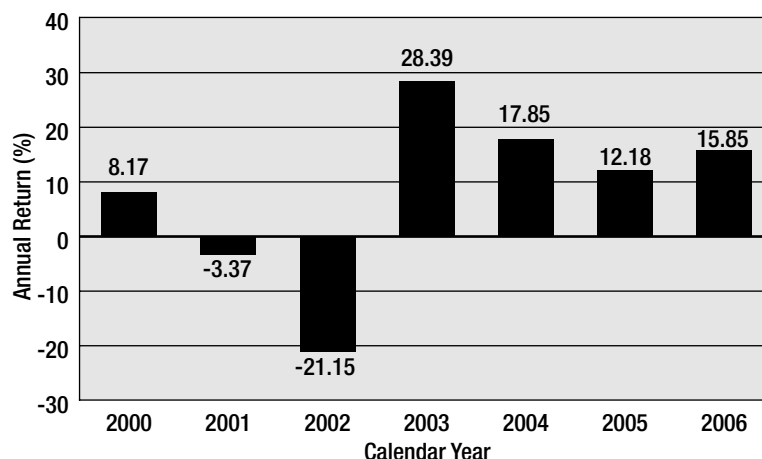
Risks Related to Principal Investment Strategies

- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Market Risk – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- Value Stocks Risk – The risk that the fund's focus on value investing will cause the fund to underperform when growth investing is in favor.
- Volatility Risk – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Equity Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 13.04% **Worst Quarter:** Q3 2002 -16.27%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 3.96%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (2/11/99)
Class A Shares			
Return Before Taxes	9.19%	7.88%	5.33%
Return After Taxes on Distributions ⁽³⁾	7.74%	7.27%	3.70%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	7.87%	6.76%	3.90%
S&P 500® Index ⁽⁵⁾	15.78%	6.19%	3.20%
Russell 1000® Value Index ⁽⁶⁾	22.25%	10.86%	7.90%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500® 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Index Fund

Investment Objective

Phoenix Insight Index Fund has an investment objective to seek to provide the return and risk characteristics of the S&P 500[®] Index.

Principal Investment Strategies

- ➔ The fund normally holds at least 90% of the 500 securities in the S&P 500[®] Index and attempts to match its holdings of each issue with that security's proportional representation in the S&P 500[®] Index. As of December 31, 2006, the market capitalizations of companies included in the S&P 500[®] Index ranged from \$1.4 billion to \$446.9 billion. The fund invests a significant portion (typically 95% or more) of its assets in securities in the S&P 500[®] Index.
- ➔ The fund's subadviser employs a "passively" managed – or index – investment approach that attempts to replicate the performance of the index while not necessarily investing in all of its stocks. This approach is unlike traditional methods of active investment management whereby securities are selected on the basis of economic, financial and market analysis. On a regular basis, the subadviser compares the fund's performance to that of the S&P 500[®] Index. The subadviser may adjust the fund's holdings if the fund's performance does not adequately track the performance of the S&P 500[®] Index.
- ➔ Apart from its equity investments, the fund may use S&P 500[®] Stock Index Futures Contracts to reduce transactional costs and simulate full investment in the S&P 500[®] Index while retaining a cash balance for portfolio management purposes.

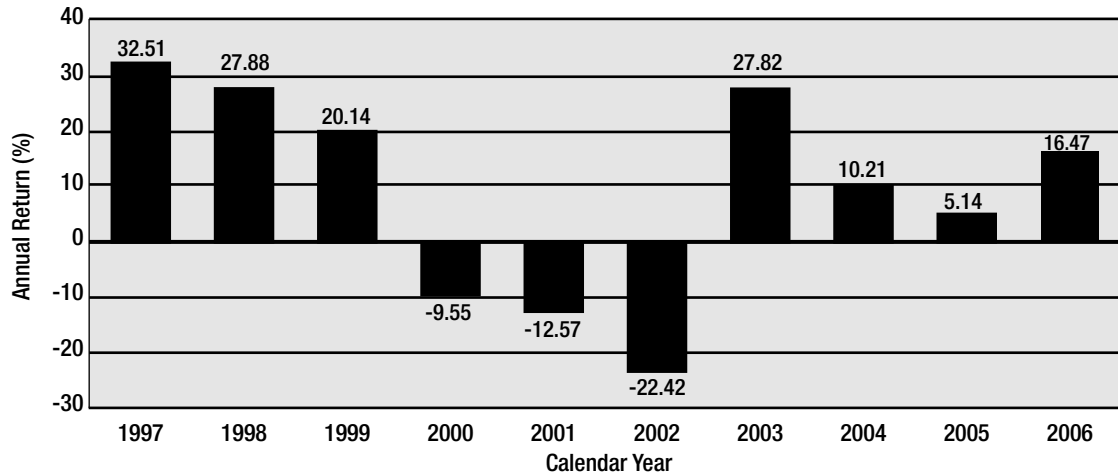
Risks Related to Principal Investment Strategies

- Leverage Risk – The risk that downward price changes in a security may result in a loss greater than the fund's investment in that security.
- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Market Risk – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- Small and Medium Company Risk – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Index Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over a 10-year period.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q4 1998 21.17% **Worst Quarter:** Q3 2002 -17.14%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 0.55%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	10 Years
Class A Shares			
Return Before Taxes	9.77%	4.75%	7.34%
Return After Taxes on Distributions ⁽³⁾	8.72%	3.47%	6.12%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	7.00%	3.79%	6.04%
S&P 500 [®] Index ⁽⁵⁾	15.78%	6.19%	8.44%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Phoenix Insight Small-Cap Growth Fund

Investment Objective

Phoenix Insight Small-Cap Growth Fund has an investment objective to seek to provide capital appreciation.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in the securities of small-cap companies, generally equity securities. The subadviser normally considers small-cap companies to include those with a market capitalization no larger than that of the largest company in the Russell 2000[®] Index, an index comprised of stocks with market capitalizations ranging from \$39 million to \$3.08 billion at December 31, 2006. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$256.9 million to \$3.06 billion. The fund's policy of investing at least 80% of its assets in the securities of small-cap companies may be changed only upon 60 days written notice to shareholders.
- ➔ The fund seeks to invest in equity securities of companies that the subadviser believes offer superior prospects for growth, i.e., issues with the potential for accelerated earnings or revenue growth relative to the broader stock market and higher-than-average forecast earnings-growth rates. Valuation is a secondary consideration in stock selection.
- ➔ The subadviser seeks to maintain a risk level approximating that of the Russell 2000[®] Growth Index, an index that measures the performance of those Russell 2000[®] companies with higher price-to-book ratios and higher forecasted growth values.

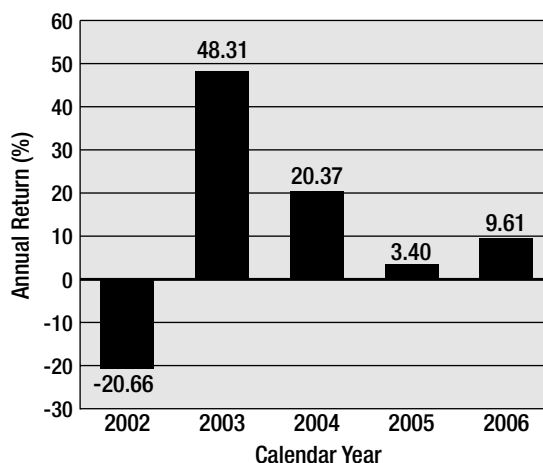
Risks Related to Principal Investment Strategies

- Growth Stocks Risk – The risk that the fund's focus on growth investing will cause the fund to underperform when value investing is in favor.
- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Market Risk – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- Small Company Risk – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.
- Volatility Risk – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Small-Cap Growth Fund. The bar chart shows changes in the fund's Class I Shares⁽¹⁾ performance from year to year over the life of the fund⁽²⁾. The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 22.89% **Worst Quarter:** Q3 2002 -15.51%

(1) The returns shown in the chart are for a class of shares that is not offered in this prospectus. Class I Shares would have substantially similar annual returns as Class A Shares and Class C Shares because they are invested in the same portfolio of securities. The annual returns would differ only to the extent that the classes do not have the same expenses. Class A Shares and Class C Shares' returns would generally be lower than those shown in the chart. Year-to-date performance (through March 31, 2007) is 0.07%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (1/8/01)
Class I Shares			
Return Before Taxes	9.61%	9.93%	7.66%
Return After Taxes on Distributions ⁽³⁾	8.35%	9.50%	7.30%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾	7.41%	8.57%	6.60%
S&P 500 [®] Index ⁽⁴⁾	15.78%	6.19%	3.27%
Russell 2000 [®] Growth Index ⁽⁵⁾	13.35%	6.93%	5.43%

(2) The fund's annual returns in the charts above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table are for a class of shares that is not offered in this prospectus. After-tax returns for classes offered in this prospectus will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(5) The Russell 2000[®] Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class A Shares and Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since these classes of shares have not had a full calendar year of investment operations.

Phoenix Insight Small-Cap Opportunity Fund

Investment Objective

Phoenix Insight Small-Cap Opportunity Fund has an investment objective to seek to provide capital appreciation.

Principal Investment Strategies

- The fund normally invests at least 80% of its assets in the securities of small-cap companies. These securities will normally be equities and equity-like instruments. The fund's subadviser normally considers small-cap companies to include those with a market capitalization no larger than that of the largest company in the Russell 2000[®] Index, an index comprised of stocks with market capitalizations ranging from \$39 million to \$3.08 billion at December 31, 2006. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$330.3 million to \$7.01 billion. The fund's policy of investing at least 80% of its assets in the securities of small-cap companies may be changed only upon 60 days written notice to shareholders.
- The fund seeks to invest in the securities of companies that the subadviser believes have growth potential. In selecting securities, the subadviser focuses on those companies that appear to have potential for above average sales and earnings growth but are attractively valued relative to the securities of comparable companies.
- The subadviser seeks to maintain a risk level approximating that of the Russell 2000[®] Index.

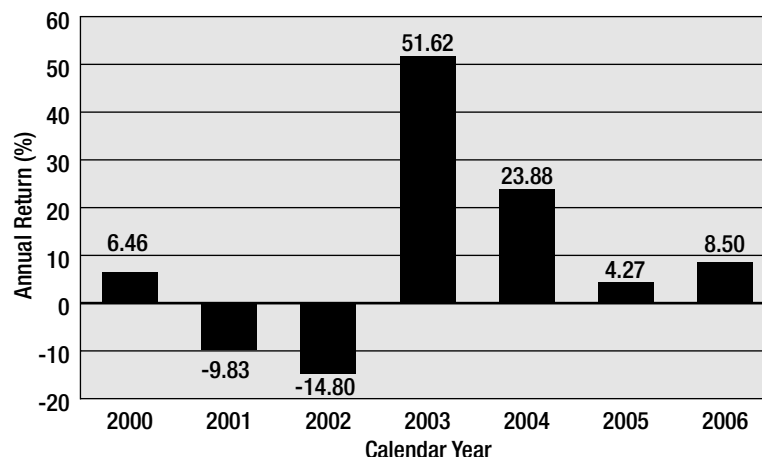
Risks Related to Principal Investment Strategies

- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Market Risk – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- Small Company Risk – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.
- Volatility Risk – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Small-Cap Opportunity Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 23.06% **Worst Quarter:** Q3 2001 -20.32%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 0.42%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (3/4/99)
Class A Shares			
Return Before Taxes	2.26%	11.28%	12.07%
Return After Taxes on Distributions	-0.51%	9.56%	10.10%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	4.71%	9.68%	10.15%
S&P 500 [®] Index ⁽⁵⁾	15.78%	6.19%	3.29%
Russell 2000 [®] Index ⁽⁶⁾	18.37%	11.39%	10.65%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Russell 2000[®] Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Small-Cap Value Fund

Investment Objectives

Phoenix Insight Small-Cap Value Fund has an investment objective to seek to provide capital appreciation. Income is a secondary objective.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in the securities of small-cap companies. These securities will normally be equities and equity-like instruments. The fund's subadviser normally considers small-cap companies to include those with a market capitalization no larger than that of the largest company in the Russell 2000[®] Index, an index comprised of stocks with market capitalizations ranging from \$39 million to \$3.08 billion as of December 31, 2006. As of December 31, 2006, the market capitalization of the equity issuers in which the fund was invested ranged from \$235 million to \$3.2 billion. The fund's policy of investing at least 80% of its assets in the securities of small-cap companies may be changed only upon 60 days written notice to shareholders.
- ➔ The subadviser seeks securities it considers to be undervalued at the time of purchase. The subadviser uses a value investment strategy that seeks companies that are attractively valued relative to the securities of comparable companies. In searching for stocks with lower than average valuations, the subadviser considers, among other things, price-to-earnings and price-to-book ratios.
- ➔ The subadviser seeks to maintain a risk level approximating that of the Russell 2000[®] Value Index, an index that measures the performance of those Russell 2000[®] companies with lower price-to-book ratios and lower forecasted growth values.

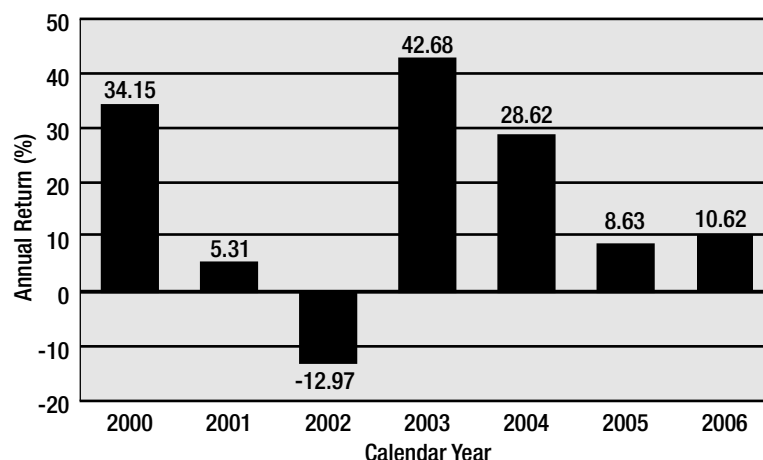
Risks Related to Principal Investment Strategies

- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Market Risk – The risk that the market value of the fund's investments will fluctuate as the stock and bond markets fluctuate.
- Small Company Risk – The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates.
- Value Stocks Risk – The risk that the fund's focus on value investing will cause the fund to underperform when growth investing is in favor.
- Volatility Risk – The risk that performance will be affected by unanticipated events that cause major price changes in individual securities or market sectors.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 20.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Small-Cap Value Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2003 20.10% **Worst Quarter:** Q3 2002 -20.20%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 1.11%.

Average Annual Total Returns (for the periods ended 12/31/06) ⁽²⁾	1 Year	5 Years	Since Inception (8/17/99)
Class A Shares			
Return Before Taxes	4.26%	12.58%	14.29%
Return After Taxes on Distributions ⁽³⁾	1.77%	10.81%	12.41%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	6.03%	10.63%	12.01%
S&P 500 [®] Index ⁽⁵⁾	15.78%	6.19%	2.36%
Russell 2000 [®] Value Index ⁽⁶⁾	23.48%	15.37%	14.94%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The S&P 500[®] 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 net dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Russell 2000[®] Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Risks Related To Principal Investment Strategies

Generally, the value of a fund's investments that supports your share value may decrease. If between the time you purchase shares and the time you sell shares the value of such fund's investments decreases, you will lose money.

Investment values can decrease for a number of reasons. Conditions affecting the overall economy, specific industries or companies in which the fund invests can be worse than expected and investments may fail to perform as the subadviser expects. As a result, the value of your shares may decrease.

Specific risks of investing in the various Equity Funds are indicated in the chart below and described in detail following the chart.

Risks For One Or More Funds	Balanced Fund	Core Equity Fund	Emerging Markets Fund	Equity Fund	Index Fund	Small-Cap Growth Fund	Small-Cap Opportunity Fund	Small-Cap Value Fund
Allocation	X							
Credit	X							
Currency Rate			X					
Emerging Markets			X					
Foreign Securities	X		X					
Geographic Concentration			X					
Growth Stocks						X		
Interest Rate	X							
Leverage					X			
Manager	X	X	X	X	X	X	X	X
Market	X	X	X	X	X	X	X	X
Prepayment	X							
Small Company						X	X	X
Small and Medium Company	X		X		X			
Value Stocks			X	X				X
Volatility		X	X	X		X	X	X

Allocation Risk

The risk that the percentages of the fund's assets invested in equities and fixed income securities, respectively, will not be optimum for market conditions at a given time, which may cause a fund to underperform as compared to a fund with a more favorable allocation.

Credit Risk

The risk that an issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. Debt securities rated below investment-grade are especially susceptible to this risk.

Currency Rate Risk

The risk that fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect an investment. Although a fund may engage in foreign currency hedge transactions to help reduce this risk, those transactions may not be effective or appropriate in particular situations nor, of course, will they protect against declines in security values.

Emerging Markets Risk

The risk that prices of emerging markets securities may be more volatile than those of their counterparts in more established foreign markets. Investments in less-developed countries whose markets are still emerging generally present risks in greater degree than those presented by investments in foreign issuers based in countries with developed securities markets and more advanced regulatory systems. Prior governmental approval may be required in some developing countries for the release of investment income, capital and sale proceeds to foreign investors, and some developing countries may limit the extent of foreign investment in domestic companies.

Foreign Securities Risk

The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts owing in part to possible political or economic instability; limits on repatriation of capital; exchange controls or exchange rate fluctuations; less publicly available information as a result of accounting, auditing, and financial reporting standards different from those used in the U.S.; more volatile markets; less securities regulation; less favorable tax provisions; war or expropriation.

Geographic Concentration Risk

The risk that, if a fund concentrates its investments in a single country or region, its portfolio will be more susceptible to factors adversely affecting issuers located in that country or region than would a more geographically diverse portfolio of securities.

Growth Stocks Risk

Because growth stocks typically make little or no dividend payments to shareholders, investment return is based on a stock's capital appreciation, making return more dependent on market increases and decreases. Growth stocks are therefore more susceptible than non-growth stocks to market changes, tending to drop more sharply when markets fall. Growth-oriented funds typically underperform when value investing is in favor.

Interest Rate Risk

The risk that bond prices overall will decline because of rising interest rates. With fixed-rate securities, an increase in prevailing interest rates typically causes the value of those securities to fall, while a decline in prevailing interest rates generally produces an increase in the market value of the securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities. This will have the effect of locking in a

below-market interest rate, increasing a fund's duration and reducing the value of such a security. If a fund invests in asset-backed and mortgage-backed securities, it is more vulnerable to this risk. Changes in interest rates will affect the value of longer-term fixed income securities more than shorter-term securities and lower quality securities more than higher quality securities.

Leverage Risk

The risk that downward price changes in a security may result in a loss greater than a fund's investment in the security. This risk exists through the use of certain securities or techniques (e.g., forward or futures contracts, derivative securities or purchases on margin) that tend to magnify changes in an index or market.

Manager Risk

The risk that poor security selection will cause a fund to underperform other funds with a similar investment objective.

Market Risk

The risk that the market value of a fund's investments will fluctuate as the stock and bond markets fluctuate. Market risk may affect a single issuer, industry or section of the economy or it may affect the market as a whole.

Prepayment Risk

The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing a fund to reinvest in obligations with lower interest rates than the original obligations. As interest rates decline, the issuers of securities held by a fund may prepay principal earlier than scheduled, forcing a fund to reinvest in lower yielding securities. This prepayment may reduce a fund's income. If a fund invests in asset-backed and mortgage-backed securities, it is more vulnerable to this risk.

Small Company Risk

The risk that investments in smaller companies may be more volatile than investments in larger companies, as smaller companies generally experience higher growth and failure rates. The trading volume of small company securities is normally lower than that of larger companies. Changes in the demand for the securities of smaller companies generally have a disproportionate effect on their market price, tending to make prices rise more in response to buying demand and fall more in response to selling pressure.

Small and Medium Company Risk

Companies with small and medium market capitalizations are often companies with a limited operating history or companies in industries that have recently emerged due to cultural, economic, regulatory or technological developments. Such developments can have a significant impact or negative effect on small and medium market capitalization companies and their stock performance and can make investment returns highly volatile. Product lines are often less

diversified and more susceptible to competitive threats. Small and medium market capitalization stocks are subject to varying patterns of trading volume and may, at times, be difficult to sell.

Value Stocks Risk

Value stocks involve the risk that the value of the security will not be recognized for an unexpectedly long period of time, and that the security is not undervalued but is appropriately priced due to fundamental problems not yet apparent. Value-oriented funds typically underperform when growth investing is in favor.

Volatility Risk

The risk that performance will be affected by unanticipated events (e.g., significant earnings shortfalls or gains, war, or political events) that cause major price changes in individual securities or market sectors.

Fund Fees and Expenses – Equity Funds

This table illustrates all fees and expenses that you may pay if you buy and hold Class A Shares and Class C Shares of the Equity Funds.

	<u>Class A Shares</u>	<u>Class C Shares</u>
Shareholder Fees (fees paid directly from your investment)		
Maximum Sales Charge (load) Imposed on Purchases (as a percentage of offering price)	5.75%	None
Maximum Deferred Sales Charge (load) (as a percentage of the lesser of the value redeemed or the amount invested)	None ^(a)	1.00 ^(b)
Maximum Sales Charge (load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Exchange Fee	None	None

(a) A contingent deferred sales charge of 1% may apply on certain redemptions made within one year following purchases on which a finder's fee has been paid. The one-year period begins on the last day of the month preceding the month in which the purchase was made.

(b) The deferred sales charge is imposed on Class C Shares redeemed during the first year only.

Class A Shares

Annual Fund Operating Expenses (expenses that are deducted from Fund assets)

	<u>Balanced</u>	<u>Core Equity</u>	<u>Emerging Markets</u>	<u>Equity</u>	<u>Index</u>	<u>Small-Cap Growth</u>	<u>Small-Cap Opportunity</u>	<u>Small-Cap Value</u>
Management Fees	0.50%	0.70%	1.00%	0.70%	0.20%	0.75%	0.75%	0.70%
Distribution and Shareholder Servicing (12b-1) Fees ^(c)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Other Expenses ^(d)	0.24%	0.19%	0.33%	0.18%	0.27%	0.40%	0.18%	0.20%
Acquired Fund Fees and Expenses	—	—	—	—	0.01%	—	—	—
Total Annual Fund Operating Expenses	<u>0.99%</u>	<u>1.14%</u>	<u>1.58%</u>	<u>1.13%</u>	<u>0.73%^(e)</u>	<u>1.40%^(f)</u>	<u>1.18%</u>	<u>1.15%</u>

(c) Distribution and Shareholder Servicing (12b-1) Fees represent an asset-based sales charge that, for a long-term shareholder, over time may be higher than the maximum front-end sales charge permitted by the NASD.

(d) Restated to reflect current fee structure.

(e) The Total Annual Fund Operating Expenses do not correlate to the ratio of expense to average net assets appearing in the Financial Highlights tables, which tables reflect only the operating expenses of the Index Fund and do not include acquired fund fees and expenses.

(f) The fund's investment adviser has contractually agreed to limit the total operating expenses (excluding 12b-1 and/or other shareholder servicing fees, acquired fund fees and expenses, interest, taxes and extraordinary expenses) through December 31, 2007, so that such expenses do not exceed 1.40% for Class A Shares of the Small-Cap Growth Fund. Actual Total Annual Fund Operating Expenses, after expense reimbursement, were 1.23% for the Class A Shares of the Small-Cap Growth Fund. The adviser will not seek to recapture any operating expenses reimbursed under this arrangement, unless authorized to do so by the Board of Trustees.

Example

This example is intended to help you compare the cost of investing in a fund to the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in Class A Shares of a fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. Although your actual costs and the return on your investment may be higher or lower, based on these assumptions your costs would be:

Fund	1 year	3 years	5 years	10 years
Balanced	\$670	\$872	\$1,091	\$1,718
Core Equity	\$685	\$916	\$1,167	\$1,881
Emerging Markets	\$726	\$1,045	\$1,386	\$2,345
Equity	\$684	\$913	\$1,161	\$1,871
Index	\$645	\$795	\$958	\$1,429
Small-Cap Growth	\$709	\$993	\$1,297	\$2,158
Small-Cap Opportunity	\$688	\$928	\$1,187	\$1,924
Small-Cap Value	\$685	\$919	\$1,172	\$1,892

The example assumes that the expense reimbursement obligations of the adviser, if any, are in effect through December 31, 2007. Thereafter, the examples do not reflect any expense reimbursement obligations.

Class C Shares

Annual Fund Operating Expenses (expenses that are deducted from Fund assets)

	Balanced	Core Equity	Emerging Markets	Equity	Small-Cap Growth	Small-Cap Opportunity	Small-Cap Value
Management Fees	0.50%	0.70%	1.00%	0.70%	0.75%	0.75%	0.70%
Distribution and Shareholder Servicing (12b-1) Fees ^(g)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Expenses ^(h)	0.24%	0.19%	0.33%	0.18%	0.40%	0.18%	0.20%
Total Annual Fund Operating Expenses	1.74%	1.89%	2.33%	1.88%	2.15%⁽ⁱ⁾	1.93%	1.90%

(g) Distribution and Shareholder Servicing (12b-1) Fees represent an asset-based sales charge that, for a long-term shareholder, over time may be higher than the maximum front-end sales charge permitted by the NASD.

(h) Restated to reflect current fee structure.

(i) The fund's investment adviser has contractually agreed to limit the total operating expenses (excluding 12b-1 and/or other shareholder servicing fees, interest, taxes and extraordinary expenses) through December 31, 2007, so that such expenses do not exceed 2.15% for Class C Shares of the Small-Cap Growth Fund. The adviser will not seek to recapture any operating expenses reimbursed under this arrangement, unless authorized to do so by the Board of Trustees.

Example

This example is intended to help you compare the cost of investing in a fund to the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in Class C Shares of a fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. Although your actual costs and the return on your investment may be higher or lower, based on these assumptions your costs would be:

Fund	1 year	3 years	5 years	10 years
Balanced	\$277	\$548	\$944	\$2,052
Core Equity	\$292	\$594	\$1,021	\$2,212
Emerging Markets	\$336	\$727	\$1,245	\$2,666
Equity	\$291	\$591	\$1,016	\$2,201
Small-Cap Growth	\$318	\$673	\$1,154	\$2,483
Small-Cap Opportunity	\$296	\$606	\$1,042	\$2,254
Small-Cap Value	\$293	\$597	\$1,026	\$2,222

You would pay the following expenses if you did not redeem your shares:

Fund	1 year	3 years	5 years	10 years
Balanced	\$177	\$548	\$944	\$2,052
Core Equity	\$192	\$594	\$1,021	\$2,212
Emerging Markets	\$236	\$727	\$1,245	\$2,666
Equity	\$191	\$591	\$1,016	\$2,201
Small-Cap Growth	\$218	\$673	\$1,154	\$2,483
Small-Cap Opportunity	\$196	\$606	\$1,042	\$2,254
Small-Cap Value	\$193	\$597	\$1,026	\$2,222

The examples assume that the expense reimbursement obligations of the adviser, if any, are in effect through December 31, 2007. Thereafter the examples do not reflect any expense reimbursement obligations.

Phoenix Insight Fixed Income Funds

Introduction to Fixed Income Funds

- ➔ Fixed Income Funds invest primarily in bonds, which are debt instruments that normally
 - Pay a set amount of interest on a regular basis.
 - Repay the face amount, or principal, at a stated future date.
 - Are issued by domestic and foreign corporations, federal and state governments, and their agencies.
- ➔ If you invest in a Fixed Income Fund, you risk losing your investment.
- ➔ Each Fixed Income Fund's investment objective is not fundamental and may be changed by the Board of Trustees without approval by the fund's shareholders. There is no guarantee that a fund will achieve its objective.
- ➔ Temporary Defensive Strategy: During periods of adverse market conditions, each of the Fixed Income Funds (other than Phoenix Insight Short/Intermediate Bond Fund) may temporarily invest a substantial portion of its assets in investment-grade fixed income securities and money market instruments. When a fund takes such a defensive position, the fund may not be able to meet its investment objective.
- ➔ Each Fixed Income Fund's principal risks are provided in an alphabetical listing within the fund description that follows. These risks are discussed in greater detail under "Risks Related to Principal Investment Strategies" beginning on page 46.

Phoenix Insight Bond Fund

Investment Objective

Phoenix Insight Bond Fund has an investment objective to seek to provide a high level of total return, including a competitive level of current income.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in bonds. “Bonds” are fixed income debt securities of various types of issuers, including corporate bonds, mortgage-backed and asset-backed securities, U.S. Government securities and other short-term instruments. U.S. Government securities that the fund may invest in may be backed by:

- the full faith and credit of the U.S. Government;
- the full faith and credit of the U.S. Treasury; or
- may not be backed by either the U.S. Government or U.S. Treasury.

The fund intends to invest in bonds, at least 65% of which are rated at the time of investment Baa3 or higher by Moody’s Investors Service or BBB- or higher by Standard & Poor’s Corporation. The fund’s policy of investing at least 80% of its assets in bonds may be changed only upon 60 days written notice to shareholders.

- ➔ The fund’s subadviser uses a value-driven style that focuses on issue and sector selection, measured interest rate anticipation and trading opportunities.
- ➔ Securities selected for fund investment may be of any maturity or duration. Duration measures the interest rate sensitivity of a fixed income security by assessing and weighting the present value of a security’s payment pattern. Normally, the fund’s dollar-weighted average duration will vary between two and eight years. The subadviser may adjust the fund’s dollar-weighted average duration based on changing expectations for the federal funds rate, the shape of the yield curve, swap spreads, mortgage prepayments, credit spreads, and capital market liquidity. For instance, if the federal funds rate is expected to rise, the subadviser may choose to move the fund’s dollar-weighted average duration to the lower end of the band. Within this context, it is expected that the fund’s dollar-weighted average maturity will range between three and fifteen years. On December 31, 2006, the average duration of the fund’s fixed income securities was 4.60 years and the average adjusted maturity was 5.77 years. Typically, for a fund maintaining an average duration of 4.60 years, a one percent increase in interest rates would cause a 4.60% decrease in the value of the fund’s fixed income assets. Similarly, a one percent decrease in interest rates typically would cause the value of the fund’s fixed income assets to increase by 4.60%.
- ➔ Securities may be reviewed for sale due to anticipated changes in interest rates, changes in the creditworthiness of issuers, or general financial or market developments.

- ➔ The subadviser's investment strategies may result in a higher portfolio turnover rate for the fund. A high portfolio turnover rate increases costs to the fund, negatively affects fund performance, and may increase capital gain distributions, resulting in greater tax liability to fund shareholders.

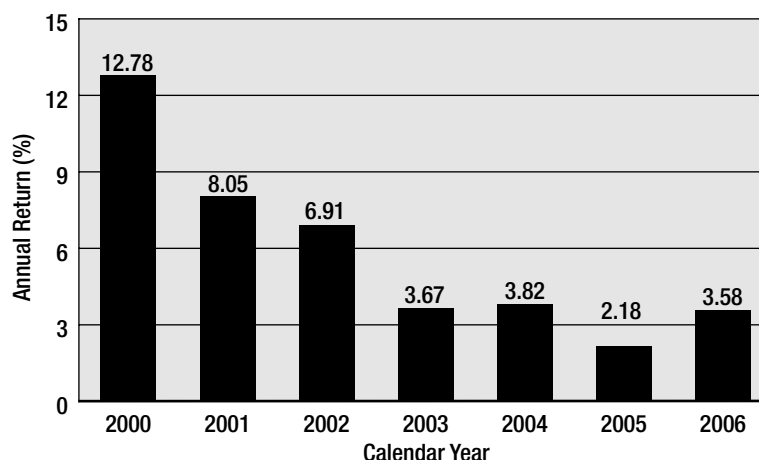
Risks Related to Principal Investment Strategies

- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- **High Yield Securities Risk** – The risk that lower rated securities generally have a higher incidence of default and may be less liquid than higher rated securities.
- **Income Risk** – The risk that falling interest rates will cause the fund's income to decline.
- **Interest Rate Risk** – The risk that bond prices overall will decline because of rising interest rates.
- **Long-Term Maturities/Durations Risk** – The risk of greater price fluctuations than would be associated with securities having shorter maturities or durations.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Bond Fund. Prior to May 18, 2006, the fund was managed by Harris Investment Management, Inc. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q4 2000 4.98% **Worst Quarter:** Q2 2004 -2.40%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 1.15%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (2/17/99)
Class A Shares			
Return Before Taxes	-1.34%	3.01%	4.35%
Return After Taxes on Distributions ⁽³⁾	-2.99%	1.30%	2.36%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	-0.90%	1.55%	2.48%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	5.64%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight High Yield Bond Fund

Investment Objective

Phoenix Insight High Yield Bond Fund has an investment objective to seek to provide a high level of total return through a combination of income and capital appreciation.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in domestic and foreign high yield bonds that have a credit quality rated below “Baa” by Moody’s Investors Service, Inc. (Moody’s) and “BBB” by Standard and Poor’s Corporation (S&P). “Bonds” are fixed income debt securities of various types of issuers, including corporate bonds, mortgage-backed and asset-backed securities, U.S. Government securities and other short-term instruments. The fund may also invest in a broad range of interest-rate sensitive securities, including preferred stocks, interest-rate futures contracts, and foreign currency futures and forwards for the purpose of hedging. The fund’s policy of investing at least 80% of its assets in high yield bonds may be changed only upon 60 days written notice to shareholders.
- ➔ Principally, securities are selected from a broad universe of domestic high yield corporate bonds, although the fund may invest in other types of high yield securities. The fund’s subadviser uses an investment process that focuses on adding value through issue selection, sector/industry selection and opportunistic trading. The subadviser evaluates market conditions in the context of broad macroeconomic trends. It generally overweights those sector/industries where well-valued companies can be identified and whose business profiles (and credit measures) are viewed to be improving.
- ➔ The subadviser considers credit research an integral component of its higher quality high yield investment process. It invests across the credit rating spectrum with an emphasis on securities that are moving up the credit rating scale of a nationally recognized statistical rating organization and generally those rated Ba/BB and B/B by Moody’s, Standard & Poor’s or Fitch, at the time of investment. If after the time of investment a security’s rating declines, the fund is not obligated to sell the security.
- ➔ The subadviser attempts to maintain the duration of the fund at a level similar to that of its style benchmark. Duration measures the interest rate sensitivity of a fixed income security by assessing and weighting the present value of the security’s payment pattern. Generally, the longer the maturity the greater the duration and, therefore, the greater effect interest rate changes have on the price of the security. At December 31, 2006, the modified duration to maturity for the benchmark and the fund was 4.42 and 4.10 years, respectively. Typically, for a fund maintaining a modified duration to maturity of 4.10 years, a one percent increase in interest rates would cause a 4.10% decrease in the value

of the fund's assets. Similarly, a one percent decrease in interest rates typically would cause the value of the fund's assets to increase by 4.10%.

- ➔ The subadviser's investment strategies may result in a higher portfolio turnover rate for the fund. A high portfolio turnover rate increases costs to the fund, negatively affects fund performance, and may increase capital gain distributions, resulting in greater tax liability to fund shareholders.

Risks Related to Principal Investment Strategies

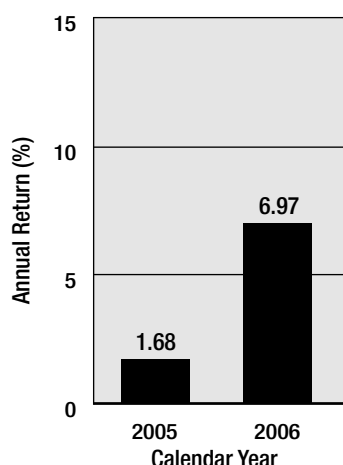
- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- **Foreign Securities Risk** – The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts.
- **High Yield Securities (Junk Bond) Risk** – The risk that lower rated securities generally have a higher incidence of default and may be less liquid than higher rated securities.
- **Income Risk** – The risk that falling interest rates will cause the fund's income to decline.
- **Interest Rate Risk** – The risk that bond prices overall will decline because of rising interest rates.
- **Leverage Risk** – The risk that downward price changes in a security may result in a loss greater than the fund's investment in that security.
- **Long-Term Maturities/Durations Risk** – The risk of greater price fluctuations than would be associated with securities having shorter maturities or durations.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Because of the speculative nature of the fund's investments, you should carefully consider the risks associated with this fund before you purchase shares.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight High Yield Bond Fund. Prior to May 18, 2006, the fund's investment program and general operations were managed by Harris Investment Management, Inc. as adviser and HIM-Money, Inc. as subadviser. The bar chart shows the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q4 2006 4.03% **Worst Quarter:** Q2 2006 -1.91%

(1) The fund's annual return in the chart above does not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 3.07%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	Since Inception (5/17/04)
Class A Shares		
Return Before Taxes	1.89%	5.54%
Return After Taxes on Distributions ⁽³⁾	-0.48%	3.01%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	1.16%	3.27%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	4.56%
Lehman Brothers High Yield 2% Issuer Cap Index ⁽⁶⁾	10.76%	10.06%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Lehman Brothers High Yield 2% Issuer Cap Index is a market capitalization-weighted index that measures fixed rate non-investment grade debt securities of U.S. and non-U.S. corporations. No single issuer accounts for more than 2% of market cap. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Intermediate Government Bond Fund

Investment Objective

Phoenix Insight Intermediate Government Bond Fund has an investment objective to seek to provide a high level of current income, consistent with preservation of capital.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in Government Bonds which are defined as:
- U.S. Treasury securities whose interest and principal payments are backed by the full faith and credit of the U.S. Government and securities issued by U.S. Government agencies and instrumentalities whose interest and principal payments may be supported by the full faith and credit of the U.S. Treasury (such as Government National Mortgage Association participation certificates); or
 - Securities issued by U.S. Government agencies whose interest and principal payments are not backed by the full faith and credit of the U.S. Government and may be supported by the limited authority of the issuer to borrow from the U.S. Treasury (such as securities of the Federal Home Loan Bank); the discretionary authority of the U.S. Government to purchase certain obligations (such as securities of the Federal National Mortgage Association); or the credit of the issuer only; and, repurchase agreements collateralized by U.S. Government securities.

The fund's policy of investing at least 80% of its assets in Government Bonds may be changed only upon 60 days written notice to shareholders.

- ➔ The fund's subadviser may invest up to 20% of the fund's assets in one or more of the following types of securities, which normally will be investment-grade:
- Asset-backed securities
 - Non-agency mortgage-backed securities
 - Corporate bonds
- ➔ The dollar-weighted average portfolio maturity (or average life with respect to mortgage-backed and asset-backed securities) generally will be in the intermediate range of between three and ten years. Maturity composition refers to the percentage of securities within specific maturity ranges as well as the aggregate weighted average portfolio maturity. On December 31, 2006, the average maturity of the Lehman Brothers Intermediate Government Bond Index was 4.03 years; the average adjusted maturity of the fund was 5.18 years.

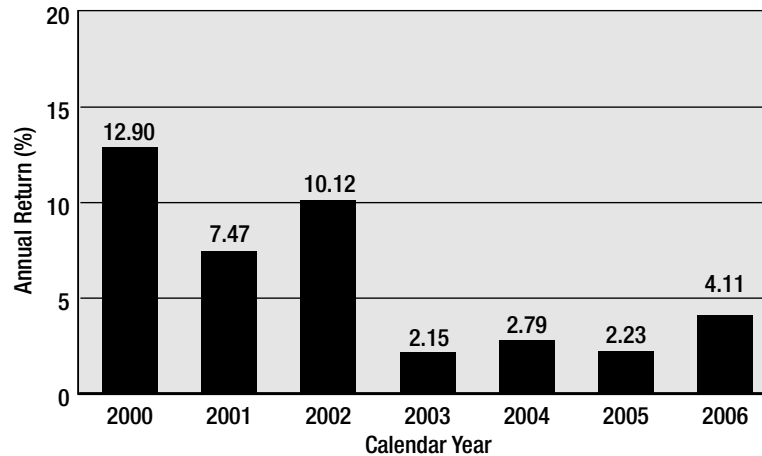
Risks Related to Principal Investment Strategies

- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- **Income Risk** – The risk that falling interest rates will cause the fund's income to decline.
- **Interest Rate Risk** – The risk that bond prices overall will decline because of rising interest rates.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Intermediate Government Bond Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q3 2002 5.16% **Worst Quarter:** Q2 2004 -2.51%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 1.41%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (2/11/99)
Class A Shares			
Return Before Taxes	-0.83%	3.23%	4.47%
Return After Taxes on Distributions ⁽³⁾	-2.49%	1.59%	2.57%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	-0.57%	1.81%	2.66%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	5.62%
Lehman Brothers Intermediate Government Bond Index ⁽⁶⁾	3.84%	3.92%	4.93%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Lehman Brothers Intermediate Government Bond Index measures intermediate-term bonds issued by the U.S. Treasury, government agencies, and quasi-federal corporations with maturities ranging from 1 to 9.99 years. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Phoenix Insight Intermediate Tax-Exempt Bond Fund

Investment Objective

Phoenix Insight Intermediate Tax-Exempt Bond Fund has an investment objective to seek to provide a high level of current income that is exempt from federal income tax.

Principal Investment Strategies

- The fund normally invests at least 80% of its assets in tax-exempt bonds, generally municipal securities. These securities generate income that is exempt from federal income tax and not subject to the federal alternative minimum tax. This policy is fundamental and may only be changed by shareholder approval. The fund may also invest in securities that generate income that is not exempt from federal or state income tax and is subject to the federal alternative minimum tax.

Income exempt from federal or state income tax may be subject to state or local income tax. Any capital gains distributed by the fund may be taxable.

The fund will normally purchase only securities that are investment grade.

- The subadviser employs:
 - interest rate risk management techniques to temper the potential negative impact of interest rate increases on the fund's share price; and
 - credit analysis to determine whether the municipalities issuing the bonds are likely to repay their debt.
- The fund also may invest in U.S. Government securities and securities with various forms of credit enhancement (such as bank letters of credit). The fund may buy and sell options and interest rate futures contracts to hedge against declines in value of portfolio securities.
- Under normal market conditions, the fund's investments will have a dollar-weighted average portfolio maturity in a range of three to twelve years. Maturity composition refers to the percentage of securities within specific maturity ranges as well as the aggregate weighted average portfolio maturity. On December 31, 2006, the average maturity of the Lehman Brothers 3-15 Year Blend Municipal Bond Index was 8.38 years; the average adjusted maturity of the fund was 6.4 years.

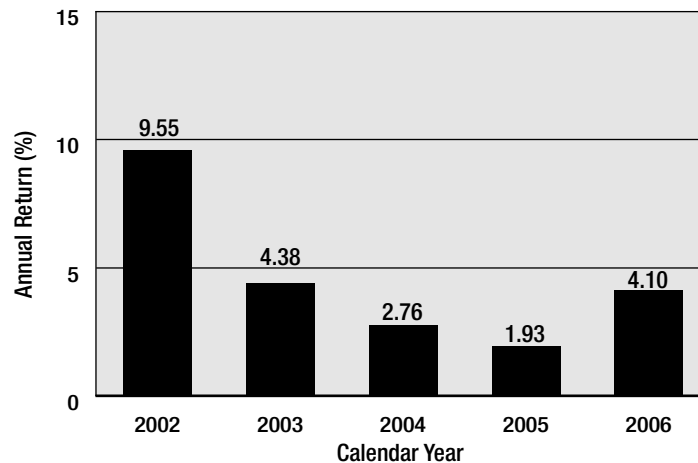
Risks Related to Principal Investment Strategies

- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of the security to decline.
- **Income Risk** – The risk that falling interest rates will cause the fund’s income to decline.
- **Interest Rate Risk** – The risk that bond prices overall will decline because of rising interest rates.
- **Leverage Risk** – The risk that downward price changes in a security may result in a loss greater than the fund’s investment in that security.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Municipal Market Risk** – The risk that certain factors may negatively affect the value of municipal securities and, as a result, the share price of the fund.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Intermediate Tax-Exempt Bond Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q3 2002 4.60% **Worst Quarter:** Q2 2004 -2.32%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 0.64%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (1/16/01)
Class A Shares			
Return Before Taxes	-0.84%	3.50%	3.59%
Return After Taxes on Distributions ⁽³⁾	-1.13%	3.44%	3.54%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	1.23%	3.58%	3.66%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	5.57%
Lehman Brothers 3-15 Year Blend Municipal Bond Index ⁽⁶⁾	4.17%	4.96%	4.86% ⁽⁷⁾

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Lehman Brothers 3-15 Year Blend Municipal Bond Index is an unmanaged index of investment grade municipal bonds with maturities of 3-15 years. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(7) Since 1/31/01.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Short/Intermediate Bond Fund

Investment Objective

Phoenix Insight Short/Intermediate Bond Fund has an investment objective to seek to provide a high level of total return, including a competitive level of current income.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in bonds with a short/intermediate-term average maturity. “Bonds” are fixed income debt securities of various types of issuers, including corporate bonds, mortgage-backed and asset-backed securities, U.S. Government securities and other short-term instruments. The fund’s policy of investing at least 80% of its assets in short/intermediate bonds may be changed only upon 60 days written notice to shareholders.
- ➔ The fund generally invests in investment grade securities. Investment grade securities are those with credit ratings, at the time of acquisition, within the four highest rating categories of a nationally recognized statistical rating organization, or if unrated, those that the subadviser determines, pursuant to procedures reviewed and approved by the Board of Trustees, are of comparable quality.
- ➔ The fund may invest in bonds and debentures, U.S. Government securities, U.S. dollar denominated debt obligations of foreign governments, mortgage-backed and asset-backed securities, municipal securities, zero-coupon securities, other floating/variable rate obligations, and options and interest-rate futures contracts.
- ➔ The fund normally maintains a dollar-weighted average maturity (or average life with respect to mortgage-backed and asset-backed securities) of between two and five years.

Temporary Defensive Strategy. If a defensive position is warranted, the fund may hold short-term U.S. Government securities (such as Treasury bills), high-quality money market instruments and cash. When the fund takes such a defensive position, the fund may not be able to meet its investment objective.

Risks Related to Principal Investment Strategies

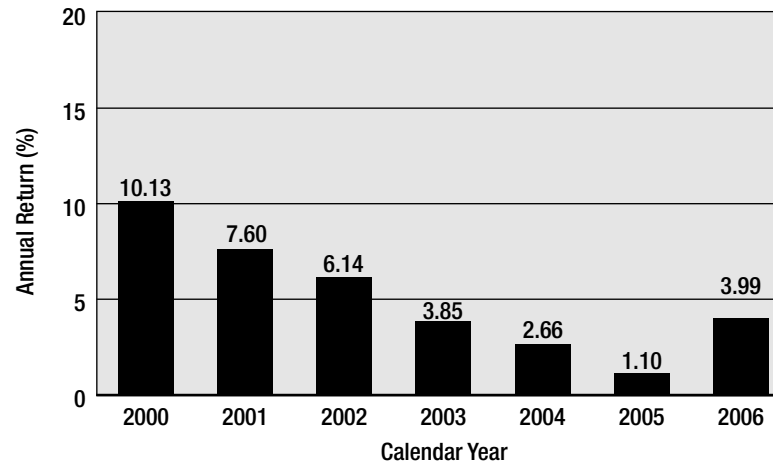
- Credit Risk – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of the security to decline.
- Foreign Securities Risk – The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts.
- Income Risk – The risk that falling interest rates will cause the fund’s income to decline.

- Interest Rate Risk – The risk that bond prices overall will decline because of rising interest rates.
- Leverage Risk – The risk that downward price changes in a security may result in a loss greater than the fund's investment in that security.
- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- Prepayment Risk – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Short/Intermediate Bond Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund.⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q3 2001 4.10% **Worst Quarter:** Q2 2004 -2.28%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 1.39%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (7/21/99)
Class A Shares			
Return Before Taxes	-0.95%	2.53%	4.05%
Return After Taxes on Distributions ⁽³⁾	-2.33%	1.06%	2.28%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	-0.64%	1.28%	2.36%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	6.02%
Lehman Brothers Intermediate Government/Credit Bond Index ⁽⁶⁾	4.08%	4.53%	5.60%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Lehman Brothers Intermediate Government/Credit Bond Index measures U.S. investment grade government and corporate debt securities with an average maturity of 4 to 5 years. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Phoenix Insight Tax-Exempt Bond Fund

Investment Objective

Phoenix Insight Tax-Exempt Bond Fund has an investment objective to seek to provide a high level of current income that is exempt from federal income tax.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in tax-exempt bonds, generally municipal securities with varying maturities. These securities generate income that is exempt from federal income tax and not subject to the federal alternative minimum tax. This policy is fundamental and may only be changed by shareholder approval. The fund may also invest in securities that generate income that is not exempt from federal or state income tax and is subject to the federal alternative minimum tax.

Income exempt from federal or state income tax may be subject to state or local income tax. Any capital gains distributed by the fund may be taxable.

The fund will normally purchase only securities that are investment grade.

- ➔ The subadviser employs:
 - interest rate risk management techniques to temper the potential negative impact of interest rate increases on the fund's share price; and
 - credit analysis to determine whether the municipalities issuing the bonds are likely to repay their debt.
- ➔ The fund also may invest in U.S. Government securities and securities with various forms of credit enhancement (such as bank letters of credit). The fund may buy and sell options and interest rate futures contracts to hedge against declines in the value of portfolio securities.
- ➔ In pursuit of higher income, the subadviser normally favors longer-term bonds that typically mature in ten years or more. In exchange for this higher potential income, investors may experience higher share-price volatility than would occur through investments with shorter maturities.

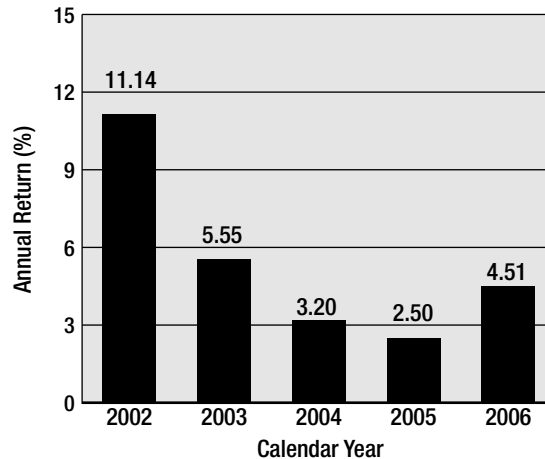
Risks Related to Principal Investment Strategies

- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- **Income Risk** – The risk that falling interest rates will cause the fund's income to decline.
- **Interest Rate Risk** – The risk that bond prices overall will decline because of rising interest rates.
- **Leverage Risk** – The risk that downward price changes in a security may result in a loss greater than the fund's investment in that security.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Municipal Market Risk** – The risk that certain factors may negatively affect the value of municipal securities and, as a result, the share price of the fund.
- **Prepayment Risk** – The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 46.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Tax-Exempt Bond Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over the life of the fund⁽¹⁾ The table shows how the fund's average annual returns compare to those of a broad-based securities market index and a more narrowly-based benchmark that reflects the market sectors in which the fund invests. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q3 2002 6.07% **Worst Quarter:** Q2 2004 -2.75%

(1) The fund's annual returns in the chart above do not reflect the deduction of any sales charges. The returns would have been less than those shown if sales charges were deducted. Year-to-date performance (through March 31, 2007) is 0.58%.

Average Annual Total Returns (for the periods ended 12/31/06)⁽²⁾	1 Year	5 Years	Since Inception (1/30/01)
Class A Shares			
Return Before Taxes	-0.45%	4.32%	4.56%
Return After Taxes on Distributions ⁽³⁾	-0.80%	4.15%	4.42%
Return After Taxes on Distributions and Sale of Fund Shares ⁽³⁾⁽⁴⁾	1.63%	4.31%	4.53%
Lehman Brothers Aggregate Bond Index ⁽⁵⁾	4.33%	5.06%	5.49%
Lehman Brothers Municipal Bond Index ⁽⁶⁾	4.84%	5.53%	5.39%

(2) The fund's average annual returns in the table above reflect the deduction of the maximum sales charge for an investment in the fund's Class A Shares.

(3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. The after-tax returns shown in the table above are for only one class of shares offered by the prospectus (Class A); after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

(4) The Return After Taxes on Distributions and Sale of Fund Shares for a period may be greater than the Return After Taxes on Distributions for the same period if there was a tax loss realized on sale of fund shares. The benefit of the tax loss (to the extent it can be used to offset other gains) may result in a higher return.

(5) The Lehman Brothers Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

(6) The Lehman Brothers Municipal Bond Index is a market capitalization-weighted index that measures the long-term tax-exempt bond market. The index is calculated on a total-return basis. The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the fees, expenses or taxes associated with the active management of an actual portfolio.

Class C Shares have been in existence since June 26, 2006; therefore, performance information is not included since this class of shares has not had a full calendar year of investment operations.

Risks Related To Principal Investment Strategies

The value of your shares and the level of income you receive are subject to risks associated with the types of securities selected for fund investment. Neither a fund, nor its adviser or subadviser, can assure you that a particular level of income will consistently be achieved or that the value of the fund's investments that supports your share value will increase. If the value of fund investments decreases, your share value will decrease.

Specific risks of investing in the various Fixed Income Funds are indicated in the chart below and are described in detail following the chart.

Risks For One or More Funds	Bond Fund	High Yield Bond Fund	Intermediate Government Bond Fund	Intermediate Tax-Exempt Bond Fund	Short/Intermediate Bond Fund	Tax-Exempt Bond Fund
Credit	X	X	X	X	X	X
Foreign Securities		X			X	
High Yield Securities	X	X				
Income	X	X	X	X	X	X
Interest Rate	X	X	X	X	X	X
Leverage		X		X	X	X
Long-Term Maturities/Durations	X	X				
Manager	X	X	X	X	X	X
Municipal Market				X		X
Prepayment	X	X	X	X	X	X

Credit Risk

The risk that an issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. Debt securities rated below investment-grade are especially susceptible to this risk.

Foreign Securities Risk

The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts owing in part to possible political or economic instability; limits on repatriation of capital; exchange controls or exchange rate fluctuations; less publicly available information as a result of accounting, auditing, and financial reporting standards different from those used in the U.S.; more volatile markets; less securities regulation; less favorable tax provisions; war or expropriation.

High Yield Securities (Junk Bond) Risk

Securities rated "BB" or below by S&P or "Ba" or below by Moody's are known as "high yield" securities and are commonly referred to as "junk bonds". These securities involve greater risk of loss due to credit deterioration and are less liquid, especially during periods of economic uncertainty or change, than higher-quality debt securities. Lower-rated debt securities generally have a higher risk that the issuer of the security may default and not make the payment of interest or principal.

Income Risk

The risk that falling interest rates will cause a fund's income to decline. A fund's dividends decline when interest rates fall because the fund then must invest in lower-yielding bonds.

Interest Rate Risk

The risk that bond prices overall will decline because of rising interest rates. With fixed-rate securities, an increase in prevailing interest rates typically causes the value of those securities to fall, while a decline in prevailing interest rates generally produces an increase in the market value of the securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities. This will have the effect of locking in a below-market interest rate, increasing a fund's duration and reducing the value of such a security. If a fund invests in asset-backed and mortgage-backed securities, it is more vulnerable to this risk. Changes in interest rates will affect the value of longer-term fixed income securities more than shorter-term securities and lower quality securities more than higher quality securities.

Leverage Risk

The risk that downward price changes in a security may result in a loss greater than a fund's investment in the security. This risk exists through the use of certain securities or techniques (e.g., forward or futures contracts, derivative securities or purchases on margin) that tend to magnify changes in an index or market.

Long-Term Maturities/Durations Risk

Fixed income securities with longer maturities or durations may be subject to greater price fluctuations due to interest rate, tax law, and general market changes than securities with shorter maturities or durations.

Manager Risk

The risk that poor security selection will cause a fund to underperform other funds with a similar investment objective.

Municipal Market Risk

The risk that certain factors may negatively affect the value of municipal securities, and, as a result, the share price of a fund that invests in them. These factors include political or legislative changes, uncertainties related to the tax status of the securities or the rights of investors in the securities. A fund may invest in municipal obligations that are related in such a way (e.g., multiple apparently unrelated issues that depend on the financial rating or support of a single government unit) that an economic, business or political development or change that affects one of these obligations would also affect the others.

Prepayment Risk

The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing a fund to reinvest in obligations with lower interest rates than the original obligations. As interest rates decline, the issuers of securities held by a fund may prepay principal earlier than scheduled, forcing a fund to reinvest in lower yielding securities. This prepayment may reduce a fund's income. If a fund invests in asset-backed and mortgage-backed securities, it is more vulnerable to this risk.

Fund Fees and Expenses – Fixed Income Funds

The tables below illustrate all fees and expenses that you may pay if you buy and hold Class A Shares and Class C Shares of the Fixed Income Funds.

	<u>Class A Shares</u>	<u>Class C Shares</u>
Shareholder Fees (fees paid directly from your investment)		
Maximum Sales Charge (load) Imposed on Purchases (as a Percentage of offering price)	4.75%	None
Maximum Deferred Sales Charge (load) (as a percentage of lesser of the value redeemed or the amount invested)	None ^(a)	1.00% ^(b)
Maximum Sales Charge (load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Exchange Fee	None	None

(a) A contingent deferred sales charge of 1% may apply on certain redemptions made within one year following purchases on which a finder's fee has been paid. The one-year period begins on the last day of the month preceding the month in which the purchase was made.

(b) The deferred sales charge is imposed on Class C Shares redeemed during the first year only.

Class A Shares

Annual Fund Operating Expenses (expenses that are deducted from fund assets)

	<u>Bond</u>	<u>High Yield Bond</u>	<u>Intermediate Government Bond</u>	<u>Intermediate Tax-Exempt Bond</u>	<u>Short/ Intermediate Bond</u>	<u>Tax- Exempt Bond</u>
Management Fees	0.50%	0.45%	0.45%	0.45%	0.55%	0.45%
Distribution and Shareholder Servicing (12b-1) Fees ^(c)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Other Expenses ^(d)	0.18%	0.25%	0.46%	0.17%	0.18%	0.24%
Acquired Fund Fees and Expenses	—	—	0.01%	—	—	0.01%
Total Annual Fund Operating Expenses	<u>0.93%^(f)</u>	<u>0.95%</u>	<u>1.17%^{(e)(f)}</u>	<u>0.87%^(f)</u>	<u>0.98%^(f)</u>	<u>0.95%^{(e)(f)}</u>

(c) Distribution and Shareholder Servicing (12b-1) Fees represent an asset-based sales charge that, for a long-term shareholder, over time may be higher than the maximum front-end sales charge permitted by the NASD.

(d) Restated to reflect current fee structure.

(e) The Total Annual Fund Operating Expenses do not correlate to the ratio of expense to average net assets appearing in the Financial Highlights tables, which tables reflect only the operating expenses of the Intermediate Government Bond Fund and the Tax-Exempt Bond Fund and do not include acquired fund fees and expenses.

(f) The fund's investment adviser has contractually agreed to limit total operating expenses (excluding 12b-1 and/or other shareholder servicing fees, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) through December 31, 2007, so that such expenses do not exceed 0.85% for Class A Shares of the Bond Fund, 0.75% for Class A Shares of the Intermediate Government Bond Fund, 0.85% for Class A Shares of the Intermediate Tax-Exempt Bond Fund, 0.95% for Class A Shares of the Short/Intermediate Bond Fund, and 0.85% for Class A Shares of the Tax-Exempt Bond Fund. Actual Total Annual Fund Operating Expenses, after expense reimbursements, were 0.84% for Class A Shares of the Bond Fund, 0.74% for Class A Shares of the Intermediate Government Bond Fund, 0.83% for Class A Shares of the Intermediate Tax-Exempt Bond Fund, 0.91% for Class A Shares of the Short/Intermediate Bond Fund, and 0.85% for Class A Shares of the Tax-Exempt Bond Fund. The adviser will not seek to recapture any operating expenses reimbursed under these arrangements, unless authorized to do so by the Board of Trustees.

Example

This example is intended to help you compare the cost of investing in a fund to the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in Class A Shares of a fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. Although your actual costs and the return on your investment may be higher or lower, based on these assumptions your costs would be:

Fund	1 year	3 years	5 years	10 years
Bond	\$565	\$757	\$965	\$1,564
High Yield Bond	\$567	\$763	\$976	\$1,586
Intermediate Government Bond	\$589	\$829	\$1,088	\$1,828
Intermediate Tax-Exempt Bond	\$560	\$739	\$934	\$1,497
Short/Intermediate Bond	\$570	\$772	\$991	\$1,619
Tax-Exempt Bond	\$567	\$763	\$976	\$1,586

The examples assume that the expense reimbursement obligations, if any, are in effect through December 31, 2007. Thereafter, the examples do not reflect any expense reimbursement obligations.

Class C Shares

Annual Fund Operating Expenses (expenses that are deducted from fund assets)

	Bond	High Yield Bond	Intermediate Tax-Exempt Bond	Short/ Intermediate Bond	Tax-Exempt Bond
Management Fees	0.50%	0.45%	0.45%	0.55%	0.45%
Distribution and Shareholder Servicing (12b-1) Fees ^(g)	1.00%	1.00%	1.00%	1.00%	1.00%
Other Expenses ^(h)	0.18%	0.25%	0.17%	0.18%	0.24%
Acquired Fund Fees and Expenses	—	—	—	—	0.01%
Total Annual Fund Operating Expenses	<u>1.68%</u>⁽ⁱ⁾	<u>1.70%</u>	<u>1.62%</u>⁽ⁱ⁾	<u>1.73%</u>⁽ⁱ⁾	<u>1.70%</u>⁽ⁱⁱ⁾

(g) Distribution and Shareholder Servicing (12b-1) Fees represent an asset-based sales charge that, for a long-term shareholder, over time may be higher than the maximum front-end sales charge permitted by the NASD.

(h) Restated to reflect current fee structure.

(i) The Total Annual Fund Operating Expenses do not correlate to the ratio of expense to average net assets appearing in the Financial Highlights tables, which tables reflect only the operating expenses of the Tax-Exempt Bond Fund and do not include acquired fund fees and expenses.

(j) The fund's investment adviser has contractually agreed to limit total operating expenses (excluding 12b-1 and/or other shareholder servicing fees, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) through December 31, 2007, so that such expenses do not exceed 1.60% for Class C Shares of the Bond Fund, 1.60% for Class C Shares of the Intermediate Tax-Exempt Bond Fund, 1.70% for Class C Shares of the Short/Intermediate Bond Fund, and 1.60% for Class C Shares of the Tax-Exempt Bond Fund. Actual Total Annual Fund Operating Expenses, after expense reimbursements, were 1.59% for Class C Shares of the Bond Fund, 1.61% for Class C Shares of the Intermediate Tax-Exempt Bond Fund, 1.70% for Class C Shares of the Short/Intermediate Bond Fund, and 1.61% for Class C Shares of the Tax-Exempt Bond Fund. The adviser will not seek to recapture any operating expenses reimbursed under these arrangements, unless authorized to do so by the Board of Trustees.

Example

This example is intended to help you compare the cost of investing in a fund to the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in Class C Shares of a fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. Although your actual costs and the return on your investment may be higher or lower, based on these assumptions your costs would be:

Fund	1 year	3 years	5 years	10 years
Bond	\$271	\$530	\$913	\$1,987
High Yield Bond	\$273	\$536	\$923	\$2,009
Intermediate Tax-Exempt Bond	\$265	\$511	\$881	\$1,922
Short/Intermediate Bond	\$276	\$545	\$939	\$2,041
Tax-Exempt Bond	\$273	\$536	\$923	\$2,009

You would pay the following expenses if you did not redeem your shares.

Fund	1 year	3 years	5 years	10 years
Bond	\$171	\$530	\$913	\$1,987
High Yield Bond	\$173	\$536	\$923	\$2,009
Intermediate Tax-Exempt Bond	\$165	\$511	\$881	\$1,922
Short/Intermediate Bond	\$176	\$545	\$939	\$2,041
Tax-Exempt Bond	\$173	\$536	\$923	\$2,009

The examples assume that the expense reimbursement obligations of the adviser, if any, are in effect through December 31, 2007. Thereafter, the examples do not reflect any expense reimbursement obligations.

Phoenix Insight Money Market Funds

Introduction to Money Market Funds

- ➔ Money market funds invest in short-term money market instruments issued by banks, other U.S. corporations, the U.S. Government, state or local governments, and other entities. These securities may include certificates of deposit, bankers' acceptances, variable rate demand notes, fixed-term obligations, commercial paper, asset-backed securities and repurchase agreements.
- ➔ Money market funds must conform to a number of regulations, including rules that require each fund to:
 - limit the dollar-weighted average maturity of their investments to 90 days or less;
 - buy only high-quality, short-term money market instruments; and
 - buy securities with remaining maturities no longer than 397 days.
- ➔ Each fund's investment objective is not fundamental and may be changed by the Board of Trustees without approval by the fund's shareholders. There is no guarantee that a fund will achieve its objective.
- ➔ An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.
- ➔ Each fund's principal risks are provided in an alphabetical listing within the fund description that follows. These risks are discussed in detail under "Risks Related to Principal Investment Strategies" beginning on page 58.

Phoenix Insight Government Money Market Fund

Investment Objective

Phoenix Insight Government Money Market Fund has an investment objective to seek to provide as high a level of current income from government obligations as is consistent with preservation of capital and liquidity.

Principal Investment Strategies

- ➔ The fund invests only in high-quality, short-term money market instruments that, in the opinion of the fund's subadviser, present minimal credit risks. The fund normally invests at least 80% of its assets in government money market securities which are defined as:
- U.S. Treasury securities whose interest and principal payments are backed by the full faith and credit of the U.S. Government and securities issued by U.S. Government agencies and instrumentalities whose interest and principal payments may be supported by the full faith and credit of the U.S. Treasury (such as Government National Mortgage Association participation certificates); or
 - Securities issued by the U.S. Government whose interest and principal payments are not backed by the full faith and credit of the U.S. Government and may be supported by the limited authority of the issuer to borrow from the U.S. Treasury (such as securities of the Federal Home Loan Bank); the discretionary authority of the U.S. Government to purchase certain obligations (such as securities of the Federal National Mortgage Association); or the credit of the issuer only; and repurchase agreements collateralized by U.S. Government securities.

The fund's policy of investing at least 80% of its assets in government short-term money market instruments may be changed only upon 60 days written notice to shareholders.

- ➔ The fund will purchase only securities (other than U.S. Government securities) that have been rated within the two highest rating categories by at least two nationally recognized statistical rating organizations, unless only one such agency has rated the security, (or, if not rated, are considered by the adviser to be of comparable quality). No more than 5% of the fund's assets will be invested in securities in the second highest rating category. The fund's current income generally will be lower than the income provided by funds that invest in securities with longer maturities or lower quality.

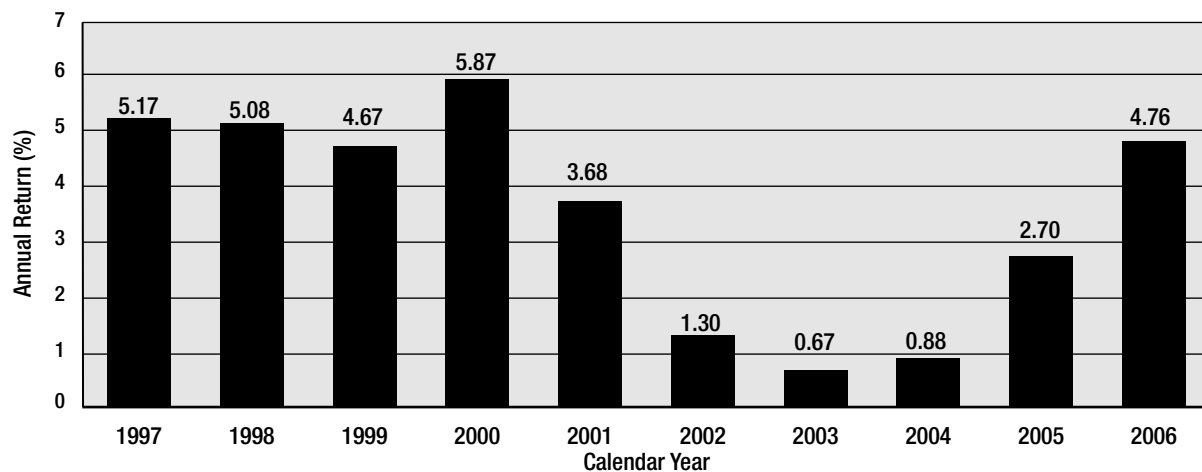
Risks Related to Principal Investment Strategies

- **Counterparty Risk** – The risk that the fund incurs when it engages in certain investment techniques where it relies on the other party to consummate the transaction and is subject to the risk of default by the other party.
- **Credit Risk** – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of the security to decline.
- **Income Risk** – The risk that falling interest rates will cause the fund’s income to decline.
- **Manager Risk** – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.
- **Principal Stability Risk** – The risk that the fund may not be able to maintain a stable net asset value of \$1.00.

For a more detailed description of the above risks, see Risks Related to Principal Investment Strategies, page 58.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Government Money Market Fund. The bar chart shows changes in the fund’s Class A Shares performance from year to year over a 10-year period. The table shows the fund’s average annual returns for one, five and ten years. The fund’s past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q4 2000 1.52% **Worst Quarter:** Q3 2003 0.14%

Average Annual Total Returns (for the periods ended 12/31/06)	1 Year	5 Years	10 Years
Class A Shares	4.76%	2.05%	3.46%

The fund’s 7-day yield on December 31, 2006 was 4.80% for Class A Shares.

Phoenix Insight Money Market Fund

Investment Objective

Phoenix Insight Money Market Fund has an investment objective to seek to provide as high a level of current income as is consistent with its investment policies and with preservation of capital and liquidity.

Principal Investment Strategies

- ➔ The fund invests only in high-quality, short-term money market instruments that, in the opinion of the fund's subadviser, present minimal credit risks. The fund invests in a broad range of short-term money market instruments, including U.S. Government securities, repurchase agreements, as well as bank and commercial obligations. Commercial paper purchased by the fund will consist of U.S. dollar-denominated direct obligations of domestic and foreign corporate issuers, including bank holding companies.
- ➔ The fund will purchase only U.S. dollar-denominated securities. In addition, the fund will purchase only securities (other than U.S. Government securities) that have been rated within the two highest rating categories by at least two nationally recognized statistical rating organizations, unless only one such agency has rated the security, (or, if not rated, are considered by the subadviser to be of comparable quality). No more than 5% of the fund's assets will be invested in securities in the second highest rating category. The fund's current income generally will be lower than the income provided by funds that invest in securities with longer maturities or lower quality.

Risks Related to Principal Investment Strategies

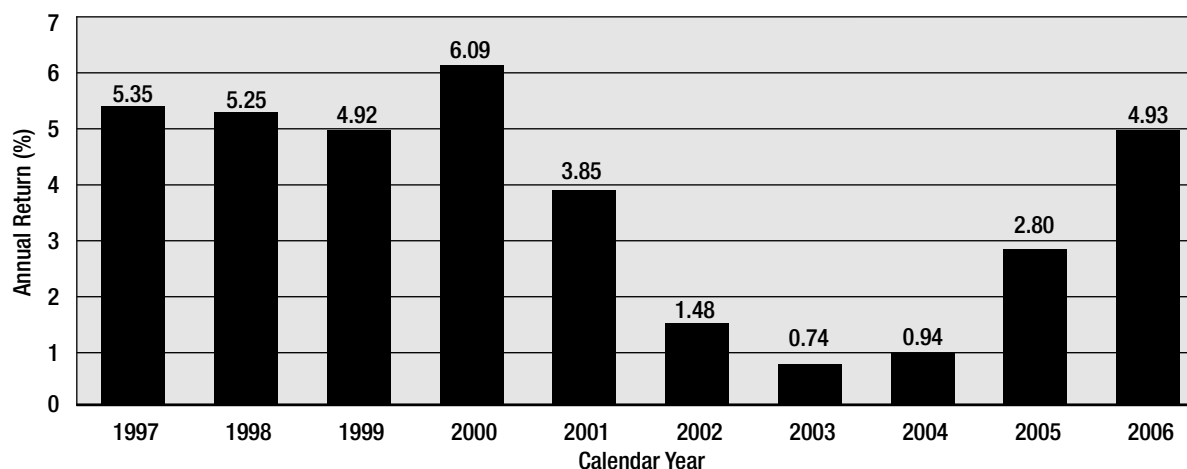
- Counterparty Risk – The risk that the fund incurs when it engages in certain investment techniques where it relies on the other party to consummate the transaction and is subject to the risk of default by the other party.
- Credit Risk – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- Foreign Securities – The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts.
- Income Risk – The risk that falling interest rates will cause the fund's income to decline.
- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.

- **Principal Stability Risk** – The risk that the fund may not be able to maintain a stable net asset value of \$1.00.

For a more detailed description of the above risks, see *Risks Related to Principal Investment Strategies*, page 58.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Money Market Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over a 10-year period. The table shows the fund's average annual returns for one, five and ten years. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q4 2000 1.57% **Worst Quarter:** Q3 2003 0.15%

Average Annual Total Returns (for the periods ended 12/31/06)	1 Year	5 Years	10 Years
Class A Shares	4.93%	2.17%	3.62%

The fund's 7-day yield on December 31, 2006 was 4.88% for Class A Shares.

Phoenix Insight Tax-Exempt Money Market Fund

Investment Objective

Phoenix Insight Tax-Exempt Money Market Fund has an investment objective to seek to provide as high a level of current income that is exempt from federal income taxes as is consistent with its investment policies and with preservation of capital and liquidity.

Principal Investment Strategies

- ➔ The fund normally invests at least 80% of its assets in high-quality, short-term money market instruments that generate income that is generally exempt from federal income tax and are not subject to the federal alternative minimum tax. This policy is fundamental and may only be changed by shareholder approval. The fund may also invest in securities that generate income that is not exempt from federal or state income tax.

Income exempt from federal or state income tax may be subject to state or local income tax. Any capital gains distributed by the fund may be taxable.

- ➔ The fund will invest primarily in U.S. dollar-denominated municipal securities.
- ➔ The fund will purchase only securities (other than U.S. Government securities) that have been rated within the two highest rating categories by at least two nationally recognized statistical rating organizations, unless only one such agency has rated the security, (or, if not rated, are considered by the subadviser to be of comparable quality). The fund's current income generally will be lower than the income provided by funds that invest in securities with taxable income or securities with longer maturities or lower quality.
- ➔ Depending on market conditions, the fund may temporarily hold up to 20% of the current value of its assets in securities whose interest income is subject to taxation.

Risks Related to Principal Investment Strategies

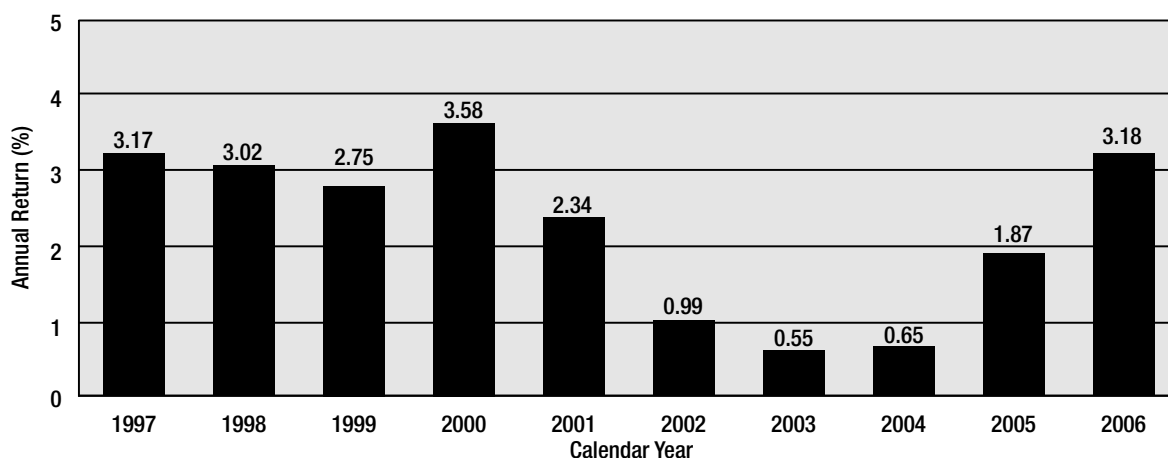
- Counterparty Risk – The risk that the fund incurs when it engages in certain investment techniques where it relies on the other party to consummate the transaction and is subject to the risk of default by the other party.
- Credit Risk – The risk that an issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.
- Income Risk – The risk that falling interest rates will cause the fund's income to decline.
- Manager Risk – The risk that poor security selection will cause the fund to underperform other funds with a similar investment objective.

- **Municipal Market Risk** – The risk that certain factors may negatively affect the value of municipal securities and, as a result, the share price of the fund.
- **Principal Stability Risk** – The risk that the fund may not be able to maintain a stable net asset value of \$1.00.

For a more detailed description of the above risks, see *Risks Related to Principal Investment Strategies*, page 58.

Performance Tables

The bar chart and table below provide some indication of the risks of investing in the Phoenix Insight Tax-Exempt Money Market Fund. The bar chart shows changes in the fund's Class A Shares performance from year to year over a 10-year period. The table shows the fund's average annual returns for one, five and ten years. The fund's past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.



Best Quarter: Q2 2006 0.97% **Worst Quarter:** Q3 2003 0.10%

Average Annual Total Returns (for the periods ended 12/31/06)	1 Year	5 Years	10 Years
Class A Shares	3.18%	1.44%	2.21%

The fund's 7-day yield on December 31, 2006 was 3.32% for Class A Shares.

Risks Related To Principal Investment Strategies

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Specific risks of investing in the various Money Market Funds are indicated in the chart below and described in detail following the chart.

Risks For One or More Funds	Government Money Market Fund	Money Market Fund	Tax-Exempt Money Market Fund
Counterparty	X	X	X
Credit	X	X	X
Foreign Securities		X	
Income	X	X	X
Manager	X	X	X
Municipal Market			X
Principal Stability	X	X	X

Counterparty Risk

The risk that a fund incurs when it engages in repurchase, reverse repurchase, derivative, when-issued, forward-commitment, delayed-settlement and securities-lending transactions or other similar transactions with another party, relies on the other party to consummate the transaction and is subject to the risk of default by the other party. Failure of the other party to consummate the transaction may result in the fund's incurring a loss or missing an opportunity to obtain a price believed to be advantageous.

Credit Risk

The risk that an issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. Debt securities rated below investment-grade are especially susceptible to this risk.

Foreign Securities Risk

The risk that the prices of foreign securities may be more volatile than those of their domestic counterparts owing in part to possible political or economic instability; limits on repatriation of capital; exchange controls or exchange rate fluctuations; less publicly available information as a result of accounting, auditing, and financial reporting standards different from those used in the U.S.; more volatile markets; less securities regulation; less favorable tax provisions; war or expropriation.

Income Risk

The risk that falling interest rates will cause a fund's income to decline. A fund's dividends decline when interest rates fall because the fund then must invest in lower-yielding bonds.

Manager Risk

The risk that poor security selection will cause a fund to underperform other funds with a similar investment objective.

Municipal Market Risk

The risk that certain factors may negatively affect the value of municipal securities, and, as a result, the share price of a fund that invests in them. These factors include political or legislative changes, uncertainties related to the tax status of the securities or the rights of investors in the securities. A fund may invest in municipal obligations that are related in such a way (e.g., multiple apparently unrelated issues that depend on the financial rating or support of a single government unit) that an economic, business or political development or change that affects one of these obligations would also affect the others.

Principal Stability Risk

The risk that a money market fund may not be able to maintain a stable net asset value of \$1.00 per share.

Fund Fees and Expenses – Money Market Funds

The tables below illustrate all the fees and expenses that you may pay if you buy and hold Class A Shares of the Money Market Funds.

	<u>Class A Shares</u>
Shareholder Fees (fees paid directly from your investment)	
Maximum Sales Charge (load) Imposed on Purchases	None
Maximum Deferred Sales Charge (load) (as a percentage of the lesser of the value redeemed or the amount invested)	None
Maximum Sales Charge (load) Imposed on Reinvested Dividends	None
Redemption Fee	None
Exchange Fee	None

Class A Shares

Annual Fund Operating Expenses (expenses that are deducted from fund assets)

	<u>Government Money Market</u>	<u>Money Market</u>	<u>Tax-Exempt Money Market</u>
Management Fees	0.10%	0.10%	0.10%
Distribution (12b-1) Fees	0.10%	0.10%	0.10%
Shareholder Servicing Fees	0.25%	0.25%	0.25%
Other Expenses ^(a)	0.15%	0.08% ^(b)	0.10%
Total Annual Fund Operating Expenses	<u>0.60%</u>	<u>0.53%</u>	<u>0.55%</u>

(a) Restated to reflect current fee structure.

(b) Effective October 1, 2006, the fund's investment adviser voluntarily agreed to limit the total operating expenses (excluding 12b-1 and/or other shareholder servicing fees, interest, taxes and extraordinary expenses), so that such expenses do not exceed 0.53% for Class A Shares of the Money Market Fund. Actual Total Annual Fund Operating Expenses, after expense reimbursement, were 0.52% for Class A Shares of the Money Market Fund. The adviser may discontinue this expense cap at any time. The adviser will not seek to recapture any operating expenses reimbursed under this arrangement, unless authorized to do so by the Board of Trustees.

Example

This example is intended to help you compare the cost of investing in Class A Shares of the fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Fund	1 year	3 years	5 years	10 years
Government Money Market	\$61	\$192	\$335	\$750
Money Market	\$54	\$170	\$296	\$665
Tax-Exempt Money Market	\$56	\$176	\$307	\$689

Note: Your actual expenses for the Money Market Fund Class A Shares may be lower than those shown in the table above since the expense levels used to calculate the figures shown do not include the voluntary reimbursement of expenses over a certain level by the fund's investment adviser.

Additional Investment Techniques and Related Risks

Equity Funds

In addition to the Principal Investment Strategies and Related Risks, each of the Equity Funds may engage in additional investment techniques that present additional risks to a fund as indicated in the chart below. Each risk is described in the Risks Related to Principal Investment Strategies section starting on page 20. Many of the additional investment techniques that a fund may use are more fully described in the Trust's Statement of Additional Information.

RISKS	Balanced Fund	Core Equity Fund	Emerging Markets Fund	Equity Fund	Index Fund	Small-Cap Growth Fund	Small-Cap Opportunity Fund	Small-Cap Value Fund
Counterparty	X	X	X	X	X	X	X	X
Credit			X					
Currency Rate	X							
Foreign Securities		X		X		X	X	X
Interest Rate			X					
Leverage	X	X		X		X	X	X
Small Company								
Volatility	X				X			

Fixed Income Funds and the Money Market Fund

In addition to the Principal Investment Strategies and Related Risks, each of the Fixed Income Funds may engage in additional investment techniques that present additional risks to a fund as indicated in the chart below. Each risk is described in the Risks Related to Principal Investment Strategies section starting on page 46, except Market Risk, which may be found on page 22. Many of the additional investment techniques that a fund may use are more fully described in the Trust's Statement of Additional Information.

RISKS	Bond Fund	High Yield Bond Fund	Intermediate Government Bond Fund	Intermediate Tax-Exempt Bond Fund	Short/Intermediate Bond Fund	Tax-Exempt Bond Fund	Money Market Fund
Counterparty	X	X	X	X	X	X	
Foreign Securities	X		X				
Leverage	X		X				
Long-Term Maturities/Durations			X				
Market	X	X	X	X	X	X	
Municipal Market	X						X

Management of the Funds

The Adviser

Phoenix Investment Counsel, Inc. (Phoenix) is the investment adviser to each fund in the Phoenix Insight Funds Trust and is located at 56 Prospect Street, Hartford, CT 06115. Phoenix acts as the investment adviser for over 60 mutual funds and as adviser to institutional clients. Phoenix has acted as an investment adviser for over 70 years. As of December 31, 2006, Phoenix had approximately \$28.7 billion in assets under management.

Subject to the direction of the funds' Board of Trustees, Phoenix is responsible for managing each fund's investment program, and for the general operations of the funds, including oversight of each fund's subadviser. Each fund's subadviser manages the investments of that fund. In the case of all of the funds other than the Bond Fund, High Yield Bond Fund and Emerging Markets Fund, Phoenix has appointed and oversees the activities of Harris Investment Management, Inc. ("Harris") as the investment subadviser for each of the funds. Prior to May 18, 2006, Harris was each fund's investment adviser. In the case of the Bond Fund and High Yield Bond Fund, Phoenix has appointed and oversees the activities of SCM Advisors LLC (formerly Seneca Capital Management LLC), ("SCM Advisors") as the investment subadviser. In the case of the Emerging Markets Fund, Phoenix has appointed and oversees the activities of Vontobel Asset Management, Inc., ("Vontobel") as the investment subadviser.

The funds each separately pay Phoenix a monthly investment management fee that is accrued daily against the value of the fund's net assets at the following rates:

Management Fees

Balanced Fund	0.50%
Core Equity Fund	0.70%
Emerging Markets Fund	1.00%
Equity Fund	0.70%
Index Fund	0.20%
Small-Cap Growth Fund	0.75%
Small-Cap Opportunity Fund	0.75%
Small-Cap Value Fund	0.70%
Bond Fund	0.50%
High Yield Bond Fund	0.45%
Intermediate Government Bond Fund	0.45%
Intermediate Tax-Exempt Bond Fund	0.45%
Short/Intermediate Bond Fund	0.55%
Tax-Exempt Bond Fund	0.45%

The Government Money Market Fund, Money Market Fund and Tax-Exempt Money Market Fund each pay Phoenix an investment management fee at the annual rate of 0.14% of the fund's first \$100 million of net assets, plus 0.10% of the fund's remaining net assets.

During the last fiscal year, the funds paid total management fees as follows: Balanced Fund - \$427,260; Core Equity Fund - \$1,066,166; Emerging Markets Fund - \$3,198,679; Equity Fund - \$2,089,600; Index Fund - \$160,981; Small-Cap Growth Fund - \$176,747; Small-Cap Opportunity Fund - \$4,192,604; Small-Cap Value Fund - \$3,191,683; Bond Fund - \$1,017,226; High Yield Bond Fund - \$332,152; Intermediate Government Bond Fund - \$115,953; Intermediate Tax-Exempt Bond Fund - \$1,081,603; Short/Intermediate Bond Fund - \$1,574,359; Tax-Exempt Bond Fund - \$529,990; Government Money Market Fund - \$569,172; Money Market Fund - \$5,000,450; and Tax-Exempt Money Market Fund - \$1,334,217.

The Subadvisers

Harris is the subadviser to all of the funds, except Emerging Markets Fund, Bond Fund and High Yield Bond Fund, and is located at 190 South LaSalle Street, 4th Floor, P.O. Box 755, Chicago, IL 60603. Harris has been an investment adviser since 1989. Harris is a wholly-owned subsidiary of Harris Bankcorp, Inc. Harris Bankcorp, Inc. is a wholly-owned subsidiary of Harris Financial Corp., which is a wholly-owned subsidiary of Bank of Montreal, a publicly-traded Canadian banking institution. As of December 31, 2006, Harris had approximately \$16.4 billion in assets under management.

Vontobel (formerly named Vontobel USA Inc.) is the subadviser to the Emerging Markets Fund and is located at 450 Park Avenue, New York, NY 10022. Vontobel is a wholly-owned and controlled subsidiary of Vontobel Holding AG, a Swiss bank holding company, having its registered offices in Zurich, Switzerland. In addition to U.S. registered investment companies, Vontobel also acts as the adviser to five series of a Luxembourg investment fund that accepts investments from non-U.S. investors only and that was organized by an affiliate of Vontobel. Vontobel has provided investment advisory services to mutual fund clients since 1990. As of December 31, 2006, Vontobel managed in excess of \$7 billion.

SCM Advisors is the subadviser to the Bond Fund and High Yield Bond Fund and is located at 909 Montgomery Street, San Francisco, CA 94133. SCM Advisors acts as subadviser to six mutual funds and as investment adviser to institutions and individuals. As of December 31, 2006, SCM Advisors had approximately \$11.2 billion in assets under management. SCM Advisors has been an investment adviser since 1989.

Phoenix pays Harris a subadvisory fee payable on the fund's average daily net assets at the following rates:

Balanced Fund	0.28%
Core Equity Fund	0.38%
Equity Fund	0.38%
Index Fund	0.13%

Small-Cap Growth Fund	0.405%
Small-Cap Opportunity Fund	0.405%
Small-Cap Value Fund	0.38%
Intermediate Government Bond Fund	0.255%
Intermediate Tax-Exempt Bond Fund	0.255%
Short/Intermediate Bond Fund	0.305%
Tax-Exempt Bond Fund	0.255%

With respect to the Government Money Market Fund, Money Market Fund and Tax-Exempt Money Market Fund, Phoenix pays Harris a subadvisory fee at the annual rate of 0.07% of each fund's first \$100 million of net assets, plus 0.05% of the fund's remaining net assets.

For each fund, the subadvisory fee payable to Harris will be reduced by 50% of any reimbursements or waivers by Phoenix.

Phoenix pays Vontobel a subadvisory fee at the following rates:

	First \$200 million	Net assets over \$200 million
Emerging Markets Fund	0.50%	0.45%

Phoenix pays SCM Advisors a subadvisory fee of the average daily net assets at the following rates:

Bond Fund	0.25%
High Yield Bond Fund	0.225%

A discussion regarding the basis for the Board of Trustees approving the investment advisory agreement with Phoenix and the subadvisory agreements with Harris, Vontobel and SCM Advisors is available in the funds' semiannual report covering the period from January 1, 2006 through June 30, 2006.

Portfolio Managers of the Phoenix Insight Equity Funds

Balanced Fund

C. Thomas Johnson, CFA, Senior Partner, Head of Equities and Portfolio Manager (Harris)

Mr. Johnson joined Harris in 1990. He has served as manager of the fund since it commenced operations in 1997 and has 37 years of experience in portfolio management.

Laura Alter, Senior Partner, Head of Fixed Income and Portfolio Manager (Harris)

Prior to joining Harris in 1994, Ms. Alter served as portfolio manager for a major mutual fund investment management firm. She has 22 years of experience in the fixed-income investment area and has served as a manager of the fund since 2005. Ms. Alter is also a manager of the Intermediate Government Bond Fund, the Intermediate Tax-Exempt Bond Fund, the Short/Intermediate Bond Fund and the Tax-Exempt Bond Fund.

Daniel L. Sido, Senior Partner and Portfolio Manager (Harris)

Prior to joining Harris in 1994, Mr. Sido served as portfolio manager for a trust company, managing equity and fixed income portfolios. He has over 23 years of investment management experience and was appointed as a manager of the fund in May 2006. Mr. Sido is also a manager of the Core Equity Fund, the Equity Fund and the Index Fund.

Maureen Svagera, CFA, Senior Partner and Portfolio Manager (Harris)

Prior to joining Harris in 1994, Ms. Svagera was Principal/Vice President at an investment management firm where she focused on the mortgage- and asset-backed securities markets. She has 24 years of experience in the fixed-income market and was appointed as a manager of the fund in May 2006. Ms. Svagera is also a manager of the Intermediate Government Bond Fund and the Short/Intermediate Bond Fund.

Core Equity Fund

Mark Wimer, CFA, Principal and Portfolio Manager (Harris)

Prior to joining Harris in 2006, Mr. Wimer over the previous five years was Director of Quantitative Research at an investment management firm and also worked in investment model development, consulting, sales and marketing and risk analysis for a full service financial services firm. He has 12 years of total investment management experience and was appointed as a manager of the fund in May 2006. Mr. Wimer is also a manager of the Equity Fund and the Index Fund.

T. Andrew Janes, J.D., CFA, Partner and Portfolio Manager (Harris)

Mr. Janes joined Harris in 1999. He has served as a manager of the fund since then and has 21 years of portfolio management, investment research and trust administration experience. Mr. Janes is also a manager of the Equity Fund.

Daniel L. Sido, Senior Partner and Portfolio Manager (Harris)

Mr. Sido was appointed as a manager of the fund in 2005. See information for the Balanced Fund.

Emerging Markets Fund

Rajiv Jain, Managing Director and Senior Vice President (Vontobel)

Mr. Jain is a Senior Portfolio Manager in the International Equity Group and has 18 years of investment management experience. Mr. Jain joined Vontobel Asset Management, Inc. in 1994. Before joining Vontobel he held a portfolio management position at Swiss Bank Corporation. Mr. Jain was appointed as a manager of the fund in May 2006.

Equity Fund

Daniel L. Sido, Senior Partner and Portfolio Manager (Harris)

Mr. Sido has served as a manager of the fund since 2003. See information for the Balanced Fund.

T. Andrew Janes, J.D., CFA, Partner and Portfolio Manager (Harris)

Mr. Janes has served as a manager of the fund since 2005. See information for the Core Equity Fund.

Mark Wimer, CFA, Principal and Portfolio Manager (Harris)

Mr. Wimer was appointed as a manager of the fund in May 2006. See information for the Core Equity Fund.

Index Fund

Mark Wimer, CFA, Principal and Portfolio Manager (Harris)

Mr. Wimer was appointed as a manager of the fund in May 2006. See information for the Core Equity Fund.

Daniel L. Sido, Senior Partner and Portfolio Manager (Harris)

Mr. Sido has served as a manager of the fund since 2004. See information for the Balanced Fund.

Small-Cap Growth Fund

Jason Bulinski, Principal and Portfolio Manager (Harris)

Prior to joining Harris in 2003, Mr. Bulinski was a credit associate for a large banking institution from 2001 to 2003 and served as co-manager of an endowment fund for a university from 2002 to 2004. He has five years of investment management experience and was appointed as a manager of the fund in May 2006. Mr. Bulinski is also a manager of the Small-Cap Opportunity Fund and the Small-Cap Value Fund.

Thomas P. Lettenberger, CFA, Principal and Portfolio Manager (Harris)

Prior to joining Harris in 2005, Mr. Lettenberger was a portfolio manager at an asset management firm from 2000 to 2005 with responsibility for institutional and mutual fund accounts. He has nine years of investment management experience and was appointed as a manager of the fund in May 2006. Mr. Lettenberger is also a manager of the Small-Cap Opportunity Fund and the Small-Cap Value Fund.

Todd Sanders, CFA, Principal, Portfolio Manager (Harris)

Prior to joining Harris in 2006, Mr. Sanders was a portfolio manager for an investment management firm from 1998 to 2006. He has a total of 15 years of industry experience, including portfolio management and quantitative analysis, and was appointed as a manager of the fund in May 2006. Mr. Sanders is also a manager of the Small-Cap Opportunity Fund and the Small-Cap Value Fund.

Small-Cap Opportunity Fund

Todd Sanders, CFA, Principal, Portfolio Manager (Harris)

Mr. Sanders was appointed as a manager of the fund in May 2006. See information for the Small-Cap Growth Fund.

Thomas P. Lettenberger, CFA, Principal and Portfolio Manager (Harris)

Mr. Lettenberger was appointed as a manager of the fund in May 2006. See information for the Small-Cap Growth Fund.

Jason Bulinski, Principal and Portfolio Manager (Harris)

Mr. Bulinski was appointed as a manager of the fund in May 2006. See information for the Small-Cap Growth Fund.

Small-Cap Value Fund

Thomas P. Lettenberger, CFA, Principal and Portfolio Manager (Harris)

Mr. Lettenberger was appointed as a manager of the fund in May 2006. See information for the Small-Cap Growth Fund.

Jason Bulinski, Principal and Portfolio Manager (Harris)

Mr. Bulinski was appointed as a manager of the fund in May 2006. See information for Small-Cap Growth Fund.

Todd Sanders, CFA, Principal, Portfolio Manager (Harris)

Mr. Sanders was appointed as a manager of the fund in May 2006. See information for the Small-Cap Growth Fund.

Portfolio Managers of the Phoenix Insight Fixed Income Funds

Bond Fund

Albert Gutierrez, Fixed Income Chief Investment Officer, Executive Committee, Chair (SCM Advisors)

Prior to joining SCM Advisors in 2002, Mr. Gutierrez headed the portfolio management, trading and investment systems at American General Investment Management from 2000 to 2002, and served in a similar capacity for twelve years at Consecro Capital Management. Mr. Gutierrez was appointed as a manager of the fund in May 2006. He is also a manager of the High Yield Bond Fund.

Al Alaimo, Fixed Income Portfolio Manager & Director of Research (SCM Advisors)

Prior to joining SCM Advisors in 2001, Mr. Alaimo was Managing Director of Banc of America Securities LLC. Mr. Alaimo was appointed as a manager of the fund in May 2006. He is also a manager of the High Yield Bond Fund.

Robert L. Bishop, Fixed Income Portfolio Manager and Trader (SCM Advisors)

Prior to joining SCM Advisors in 2002, Mr. Bishop was in Corporate Bond Sales with Merrill Lynch from 1989 to 2002. He has 27 years of investment experience and was appointed as a manager of the fund in May 2006.

Andrew S. Chow, Fixed Income Portfolio Manager and Analyst (SCM Advisors)

Prior to joining SCM Advisors in 2002, Mr. Chow was a portfolio manager for a sizeable and highly ranked convertible bond fund at ING Pilgrim from 2000 to 2002. Mr. Chow was appointed as a manager of the fund in May 2006.

High Yield Bond Fund

Albert Gutierrez, Fixed Income CIO, Executive Committee, Chair (SCM Advisors)

Mr. Gutierrez was appointed as a manager of the fund in May 2006. See information for the Bond Fund.

Al Alaimo, Fixed Income Portfolio Manager & Director of Research (SCM Advisors)

Mr. Alaimo was appointed as a manager of the fund in May 2006. See information for the Bond Fund.

Intermediate Government Bond Fund

Maureen Svagera, CFA, Senior Partner and Portfolio Manager (Harris)

Ms. Svagera has served as a manager of the fund since 1997. See information for the Balanced Fund.

Laura Alter, Senior Partner, Head of Fixed Income and Portfolio Manager (Harris)

Ms. Alter has served as a manager of the fund since 2005. See information for the Balanced Fund.

Carol H. Lyons, Partner and Portfolio Manager (Harris)

Ms. Lyons joined Harris in 1995. She was appointed a manager of the fund in May 2006 and has 27 years of fixed income portfolio management and sales experience. Ms. Lyons is also a manager of the Short/Intermediate Bond Fund.

Intermediate Tax-Exempt Bond Fund

George W. Selby, CPA, Partner and Portfolio Manager (Harris)

Prior to joining Harris in 1998, Mr. Selby served as Executive Director of Municipal Bond Sales for a brokerage firm. He has 24 years of municipal bond sales experience and has served as a manager of the fund since 1998. Mr. Selby is also a manager of the Tax-Exempt Bond Fund.

Kimberly J. Keywell, Principal and Portfolio Manager (Harris)

Prior to joining Harris in 1995, Ms. Keywell served as an Associate Portfolio Manager for the trust department of a large banking institution. She has 15 years of investment management experience and has served as a manager of the fund since 2005. Ms. Keywell is also a manager of the Tax-Exempt Bond Fund, the Government Money Market Fund, the Money Market Fund and the Tax-Exempt Money Market Fund.

Laura Alter, Senior Partner, Head of Fixed Income and Portfolio Manager (Harris)

Ms. Alter was appointed as a manager of the fund in May 2006. See information for the Balanced Fund.

Short/Intermediate Bond Fund

Laura Alter, Senior Partner, Head of Fixed Income and Portfolio Manager (Harris)

Ms. Alter has served as a manager of the fund since 1994. See information for the Balanced Fund.

Maureen Svagera, CFA, Senior Partner and Portfolio Manager (Harris)

Ms. Svagera has served as a manager of the fund since 1996. See information for the Balanced Fund.

Carol H. Lyons, Partner and Portfolio Manager (Harris)

Ms. Lyons has served as a manager of the fund since 2005. See information for the Intermediate Government Bond Fund.

Tax-Exempt Bond Fund

George W. Selby, CPA, Partner and Portfolio Manager (Harris)

Mr. Selby has served as a manager of the fund since 1998. See information for the Intermediate Tax-Exempt Bond Fund.

Kimberly J. Keywell, Principal and Portfolio Manager (Harris)

Ms. Keywell has served as a manager of the fund since 2005. See information for the Intermediate Tax-Exempt Bond Fund.

Laura Alter, Senior Partner, Head of Fixed Income and Portfolio Manager (Harris)

Ms. Alter was appointed as a manager of the fund in May 2006. See information for the Balanced Fund.

Portfolio Managers of the Phoenix Insight Money Market Funds

Government Money Market Fund

Peter J. Arts, Principal, Head of Cash Management and Portfolio Manager (Harris)

Mr. Arts joined Harris in 1995. He has 13 years of investment management experience and has served as a manager of the fund since 2004. Mr. Arts is also a manager of the Money Market Fund and the Tax-Exempt Money Market Fund.

Boyd R. Eager, Principal and Portfolio Manager (Harris)

Mr. Eager joined Harris in 1996. He has 11 years of investment management experience and has served as a manager of the fund since 2004. Mr. Eager is also a manager of the Money Market Fund and the Tax-Exempt Money Market Fund.

Kimberly J. Keywell, Principal and Portfolio Manager (Harris)

Ms. Keywell was appointed as a manager of the fund in May 2006. See information for the Intermediate Tax-Exempt Bond Fund.

Money Market Fund

Peter J. Arts, Principal, Head of Cash Management and Portfolio Manager (Harris)

Mr. Arts has served as a manager of the fund since 2004. See information for the Government Money Market Fund.

Boyd R. Eager, Principal and Portfolio Manager (Harris)

Mr. Eager has served as a manager of the fund since 2004. See information for the Government Money Market Fund.

Kimberly J. Keywell, Principal and Portfolio Manager (Harris)

Ms. Keywell was appointed as a manager of the fund in 2006. See information for the Intermediate Tax-Exempt Bond Fund.

Tax-Exempt Money Market Fund

Kimberly J. Keywell, Principal and Portfolio Manager (Harris)

Ms. Keywell has served as a manager of the fund since 1998. See information for the Intermediate Tax-Exempt Bond Fund.

Peter J. Arts, Principal, Head of Cash Management and Portfolio Manager (Harris)

Mr. Arts has served as a manager of the fund since 2004. See information for the Government Money Market Fund.

Boyd R. Eager, Principal and Portfolio Manager (Harris)

Mr. Eager was appointed as a manager of the fund in May 2006. See information for the Government Money Market Fund.

Please refer to the Statement of Additional Information for additional information about each fund's Portfolio Managers including the structure of and method of computing compensation, other accounts they manage and their ownership of shares of the funds.

Pricing of Fund Shares

How is the Share Price determined?

Each fund calculates a share price for each class of its shares. The share price for each class is based on the net assets of the fund and the number of outstanding shares of that class. In general, each fund calculates a share price for each class by:

- adding the values of all securities and other assets of the fund;
- subtracting liabilities; and
- dividing the result by the total number of outstanding shares of that class.

Assets: 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. Debt securities (other than short-term investments) are valued on the basis of broker quotations or valuations provided by a pricing service, which in determining value utilizes information with respect to recent sales, market transactions in comparable securities, quotations from dealers, and various relationships between securities. Short-term investments having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value. Securities held in the Money Market Funds are valued at amortized cost. As required, some securities and assets are valued at fair value as determined in good faith by, or under the direction of, the Board of Trustees. Other assets, such as accrued interest, accrued dividends and cash are also included in determining a fund's net asset value.

Liabilities: Accrued liabilities for class specific expenses (if any), distribution fees, service fees and other liabilities are deducted from the assets of each class. Accrued expenses and liabilities that are not class specific (such as management fees) are allocated to each class in proportion to each class's net assets except where an alternative allocation can be more appropriately made.

Net Asset Value: The liabilities allocated to a class are deducted from the proportionate interest of such class in the assets of the applicable fund. The resulting amount for each class is then divided by the number of shares outstanding of that class to produce each class's net asset value per share.

For Non-Money Market Funds, the net asset value per share of each class of each fund is determined as of the close of trading (normally 4:00 PM eastern time) on days when the New York Stock Exchange (the “NYSE”) is open for trading. A Non-Money Market Fund will not calculate its net asset value per share class on days when the NYSE is closed for trading. For Money Market Funds, the net asset value of each class of each fund is determined as of the times indicated below on each business day, except on those days the Securities Industry and Financial Markets Association (formerly, the Bond Market Association) (“SIFMA”) recommends that the U.S. bond market remains closed.

Government Money Market Fund	4:30 PM eastern time
Money Market Fund	12:00 Noon and 4:30 PM eastern time
Tax-Exempt Money Market Fund	12:00 Noon eastern time

The Money Market Funds may price their shares at an earlier time if an early close is recommended by SIFMA. A Money Market Fund will not calculate its net asset value per share class on days SIFMA has recommended that the U.S. bond market remains closed.

How are securities fair valued?

If market quotations are not readily available or where available prices are not reliable, the funds determine a “fair value” for an investment according to policies and procedures approved by the Board of Trustees. The types of assets for which such pricing might be required include (i) securities whose trading has been suspended; (ii) securities where the trading market is unusually thin or trades have been infrequent; (iii) debt securities that have recently gone into default and for which there is no current market quotation; (iv) a security whose market price is not available from an independent pricing source and for which otherwise reliable quotes are not available; (v) securities of an issuer that has entered into a restructuring; (vi) a security whose price as provided by any pricing source, does not, in the opinion of the adviser/subadviser, reflect the security’s market value; (vii) foreign securities subject to trading collars for which no or limited trading takes place; and (viii) securities where the market quotations are not readily available as a result of “significant” events. This list is not inclusive of all situations that may require a security to be fair valued, nor is it intended to be conclusive in determining whether a specific event requires fair valuation.

The value of any portfolio security held by a fund for which market quotations are not readily available shall be determined in good faith and in a manner that assesses the security’s “fair value” on the valuation date (i.e., the amount that the fund might reasonably expect to receive for the security upon its current sale), based on a consideration of all available facts and all available information, including, but not limited to, the following: (i) the fundamental analytical data relating to the investment; (ii) an evaluation of the forces which influence the market in which these securities are purchased and sold (e.g., the existence of merger proposals or tender offers that might affect the value of the security); (iii) price quotes from dealers and/or pricing services; (iv) an analysis of the issuer’s financial statements; (v) trading volumes on markets, exchanges or among dealers; (vi) recent news about the security or issuer; (vii) changes in interest rates; (viii) information obtained from the issuer, analysts, other financial

institutions and/or the appropriate stock exchange (for exchange traded securities); (ix) whether two or more dealers with whom the adviser/subadviser regularly effects trades are willing to purchase or sell the security at comparable prices; (x) other news events or relevant matters; and (xi) government (domestic or foreign) actions or pronouncements; and (xii) the value of other relevant financial instruments, including derivative securities, traded on other markets or among dealers.

Certain foreign common stocks 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, events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that foreign markets close (where the security is principally traded) and the time that the fund calculates its net asset value (generally, the close of the NYSE) that may impact the value of securities traded in these foreign markets. In such cases, information from an external vendor may be utilized to adjust closing market prices of certain foreign common stocks to reflect their fair value. Because the frequency of significant events is not predictable, fair valuation of certain foreign common stocks may occur on a frequent basis. The value of a security, as determined using the fund's fair valuation procedures, may not reflect such security's market value.

At what price are shares purchased?

For Non-Money Market Funds, all investments received by the funds' authorized agents prior to the close of regular trading on the NYSE (normally 4:00 PM eastern time) will be executed based on that day's net asset value. For Money Market Funds, investments received will be executed based on the next-determined net asset value. Shares credited to your account from the reinvestment of fund distributions will be in full and fractional shares that are purchased at the next-determined net asset value following the dividend record date.

Sales Charges

What are the classes and how do they differ?

This Prospectus contains information for Class A Shares and Class C Shares. Prior to June 26, 2006 Class A Shares of the Index Fund and the Money Market Funds were named Class N Shares. For all other funds offering Class N Shares, on June 26, 2006 Class N Shares were converted to Class A Shares. All Non-Money Market Funds offer Class A Shares and Class C Shares, except the Index Fund and the Intermediate Government Bond Fund, which offer only Class A Shares. The Money Market Funds offer only Class A Shares. Each class has different sales and distribution charges. (See "Fund Fees and Expenses" previously in this prospectus.) The Equity Funds and Fixed Income Funds have adopted distribution and service plans allowed under Rule 12b-1 of the Investment Company Act of 1940 as amended ("the 1940 Act"), that authorize the funds to pay distribution and service fees for the sale of their shares

and for services provided to shareholders. The Money Market Funds have adopted shareholder servicing plans in addition to the distribution and service plans allowed under Rule 12b-1.

What arrangement is best for you?

The different classes of shares permit you to choose the method of purchasing shares that is most beneficial to you. In choosing a class of shares, consider the amount of your investment, the length of time you expect to hold the shares, whether you decide to receive distributions in cash or to reinvest them in additional shares, and any other personal circumstances. Depending upon these considerations, the accumulated distribution and service fees and contingent deferred sales charges of one class of shares may be more or less than the initial sales charge and accumulated distribution and service fees of another class of shares bought at the same time. Because distribution and service fees are paid out of a fund's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Your financial representative should recommend only those arrangements that are suitable for you based on known information. In certain instances, you may be entitled to a reduction or waiver of sales charges. For instance, you may be entitled to a sales charge discount on Class A Shares if you purchase more than certain breakpoint amounts. You should inform or inquire of your financial representative whether or not you may be entitled to a sales charge discount attributable to your total holdings in a fund or affiliated funds. To determine eligibility for a sales charge discount, you may aggregate all of your accounts (including joint accounts, IRAs, non-IRAs, etc.) and those of your spouse and minor children. The financial representative may request you to provide an account statement or other holdings information to determine your eligibility for a breakpoint and to make certain all involved parties have the necessary data. Additional information about the classes of shares offered, sales charges, breakpoints and discounts follows in this section and also may be found in the Statement of Additional Information in the section entitled "How to Buy Shares." This information is available free of charge, and in a clear and prominent format, at the Individual Investors section of the Phoenix Funds' Web sites at PhoenixFunds.com or PhoenixInvestments.com. Please be sure that you fully understand these choices before investing. If you or your financial representative require additional assistance, you may also contact Mutual Fund Services by calling toll-free (800) 243-1574.

Initial Sales Charge Alternative—Class A Shares

The public offering price of Class A Shares of Non-Money Market Funds is the net asset value plus a sales charge that varies depending on the size of your purchase. (See "Class A Shares—Reduced Initial Sales Charges" in the Statement of Additional Information.) Shares purchased based on the automatic reinvestment of income dividends or capital gain distributions are not subject to any sales charges. The sales charge is divided between your investment dealer and the funds' underwriter (Phoenix Equity Planning Corporation, "PEPCO" or "Distributor").

Sales Charges you may pay to purchase Class A Shares

Equity Funds

Amount of Transaction at Offering Price	Sales Charge as a Percentage of	
	Offering Price	Net Amount Invested
Under \$50,000	5.75%	6.10%
\$50,000 but under \$100,000	4.75	4.99
\$100,000 but under \$250,000	3.75	3.90
\$250,000 but under \$500,000	2.75	2.83
\$500,000 but under \$1,000,000	2.00	2.04
\$1,000,000 or more	None	None

Sales Charges you may pay to purchase Class A Shares

Fixed Income Funds

Amount of Transaction at Offering Price	Sales Charge as a Percentage of	
	Offering Price	Net Amount Invested
Under \$50,000	4.75%	4.99%
\$50,000 but under \$100,000	4.50	4.71
\$100,000 but under \$250,000	3.50	3.63
\$250,000 but under \$500,000	2.75	2.83
\$500,000 but under \$1,000,000	2.00	2.04
\$1,000,000 or more	None	None

Currently, Class A Shares of the Money Market Funds are sold without any sales charge.

Class A Sales Charge Reductions and Waivers

Investors may reduce or eliminate sales charges applicable to purchases of Class A Shares through utilization of Combination Purchase Privilege, Letter of Intent, Right of Accumulation, Purchase by Associations or the Account Reinstatement Privilege. These programs are summarized below and are described in greater detail in the Statement of Additional Information. Investors buying Class A Shares on which a finder's fee has been paid may incur a 1% deferred sales charge if they redeem their shares within one year of purchase.

Combination Purchase Privilege. Your purchase of any class of shares of these funds or any other Phoenix Fund (other than any Phoenix money market fund), if made at the same time by the same person, will be added together with any existing Phoenix Fund account values to determine whether the combined sum entitles you to an immediate reduction in sales charges. A "person" is defined in this and the following sections as: (a) any individual, their spouse and minor children purchasing shares for his or their own account (including an IRA account) including his or their own trust; (b) a trustee or other fiduciary purchasing for a single trust, estate or single fiduciary account (even though more than one beneficiary may exist); (c) multiple employer trusts or Section 403(b) plans for the same employer; (d) multiple accounts (up to 200) under a qualified employee benefit plan or administered by a third party administrator; or (e) trust companies, bank trust departments, registered investment advisers,

and similar entities placing orders or providing administrative services with respect to accounts over which they exercise discretionary investment authority and which are held in a fiduciary, agency, custodial or similar capacity, provided all shares are held of record in the name, or nominee name, of the entity placing the order.

Letter of Intent. If you sign a Letter of Intent, your purchase of any class of shares of these funds or any other Phoenix Fund (other than any Phoenix money market fund), if made by the same person within a 13-month period, will be added together to determine whether you are entitled to an immediate reduction in sales charges. Sales charges are reduced based on the overall amount you indicate that you will buy under the Letter of Intent. The Letter of Intent is a mutually non-binding arrangement between you and the Distributor. Shares worth 5% of the amount of each purchase will be held in escrow (while remaining registered in your name) to secure payment of the higher sales charges applicable to the shares actually purchased in the event the full intended amount is not purchased.

Right of Accumulation. The value of your account(s) in any class of shares of these funds or any other Phoenix Fund (other than any Phoenix money market fund) if made over time by the same person, may be added together at the time of each purchase to determine whether the combined sum entitles you to a prospective reduction in sales charges. You must provide certain account information to the Distributor at the time of purchase to exercise this right.

Purchase by Associations. Certain groups or associations may be treated as a “person” and qualify for reduced Class A Share sales charges. The group or association must: (1) have been in existence for at least six months; (2) have a legitimate purpose other than to purchase mutual fund shares at a reduced sales charge; (3) work through an investment dealer; or (4) not be a group whose sole reason for existing is to consist of members who are credit card holders of a particular company, policyholders of an insurance company, customers of a bank or a broker-dealer or clients of an investment adviser.

Account Reinstatement Privilege. Subject to the funds’ disruptive trading and market timing policies and procedures, for 180 days after you sell your Class A or Class C Shares on which you have previously paid a sales charge, you may purchase Class A Shares of any Phoenix Fund at net asset value, with no sales charge, by reinvesting all or part of your proceeds, but not more.

Sales at Net Asset Value. In addition to the programs summarized above, the funds may sell their Class A Shares at net asset value without an initial sales charge to certain types of accounts or account holders, including, but not limited to: trustees of the Phoenix Funds; directors, officers, employees and sales representatives of the adviser, subadviser (if any) or Distributor or a corporate affiliate of the adviser, subadviser or Distributor; private clients of an adviser or subadviser to any of the Phoenix Funds; registered representatives and employees of dealers with which the Distributor has sales agreements; and certain qualified employee benefit plans, endowment funds or foundations. Please see the Statement of Additional Information for more information about qualifying for purchases of Class A Shares at net asset value.

Deferred Sales Charge Alternative—Class C Shares

Class C Shares of the funds are purchased without an initial sales charge; however, shares sold within a specified time period are subject to a declining CDSC at the rates listed below. The sales charge will be multiplied by the then current market value or the initial cost of the shares being redeemed, whichever is less. No sales charge will be imposed on increases in net asset value or on shares purchased through the reinvestment of income dividends or capital gain distributions. To minimize the sales charge, shares not subject to any charge will be redeemed first, followed by shares held the longest time. To calculate the number of shares owned and time period held, all Class C Shares are considered purchased on the trade date.

Deferred Sales Charge you may pay to sell Class C Shares

Equity Funds and Fixed Income Funds

Year	1	2+
CDSC	1%	0%

Compensation to Dealers

Dealers with whom the Distributor has entered into sales agreements receive a discount or commission on Class A Shares as described below.

Equity Funds

Amount of Transaction at Offering Price	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Amount Invested	Dealer Discount as a Percentage of Offering Price
Under \$50,000	5.75%	6.10%	5.00%
\$50,000 but under \$100,000	4.75	4.99	4.25
\$100,000 but under \$250,000	3.75	3.90	3.25
\$250,000 but under \$500,000	2.75	2.83	2.25
\$500,000 but under \$1,000,000	2.00	2.04	1.75
\$1,000,000 or more	None	None	None

Fixed Income Funds

Amount of Transaction at Offering Price	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Amount Invested	Dealer Discount as a Percentage of Offering Price
Under \$50,000	4.75%	4.99%	4.25%
\$50,000 but under \$100,000	4.50	4.71	4.00
\$100,000 but under \$250,000	3.50	3.63	3.00
\$250,000 but under \$500,000	2.75	2.83	2.25
\$500,000 but under \$1,000,000	2.00	2.04	1.75
\$1,000,000 or more	None	None	None

In addition to the dealer discount on purchases of Class A Shares, the Distributor intends to pay investment dealers a sales commission of 1% of the sale price of Class C Shares sold by such dealers. (This sales commission will not be paid to dealers for sales of Class C Shares purchased by 401(k) participants of the Merrill Lynch Daily K Plan due to a waiver of the CDSC for these plan participants' purchases.) Your broker, dealer or financial advisor may also

charge you additional commissions or fees for their services in selling shares to you provided they notify the Distributor of their intention to do so.

Dealers and other entities that enter into special arrangements with the Distributor may receive compensation for the sale and promotion of shares of these funds and/or for providing other shareholder services. Such fees are in addition to the sales commissions referenced above and may be based upon the amount of sales of fund shares by a dealer; the provision of assistance in marketing of fund shares; access to sales personnel and information dissemination services; provision of recordkeeping and administrative services to qualified employee benefit plans; and other criteria as established by the Distributor. Depending on the nature of the services, these fees may be paid either from the funds through distribution fees, service fees or transfer agent fees or, in some cases, the Distributor may pay certain fees from its own profits and resources. From its own profits and resources, the Distributor does intend to: (a) from time to time, pay special incentive and retention fees to qualified wholesalers, registered financial institutions and third party marketers; (b) pay broker-dealers a finder's fee in an amount equal to 1% of the first \$3 million of Class A Share purchases by an account held in the name of a qualified employee benefit plan with at least 100 eligible employees, 0.50% on the next \$3 million, plus 0.25% on the amount in excess of \$6 million; and (c) excluding purchases as described in (b) above, pay broker-dealers an amount equal to 1.00% of the amount of Class A Shares sold from \$1,000,000 to \$3,000,000, 0.50% on amounts of \$3,000,001 to \$10,000,000 and 0.25% on amounts greater than \$10,000,000. If part or all of such investment as described in (b) and (c) above, including investments by qualified employee benefit plans, is subsequently redeemed within one year, a 1% CDSC may apply, except for redemptions of shares purchased on which a finder's fee would have been paid where such investor's dealer of record, due to the nature of the investor's account, notifies the Distributor prior to the time of the investment that the dealer waives the finder's fee otherwise payable to the dealer, or agrees to receive such finder's fee ratably over a 12-month period. For purposes of determining the applicability of the CDSC, the one-year CDSC period begins on the last day of the month preceding the month in which the purchase was made. Any dealer who receives more than 90% of a sales charge may be deemed to be an "underwriter" under the Securities Act of 1933. PEPCO reserves the right to discontinue or alter such fee payment plans at any time.

From its own resources or pursuant to the distribution and shareholder servicing plans, and subject to the dealers' prior approval, the Distributor may provide additional compensation to registered representatives of dealers in the form of travel expenses, meals, and lodging associated with training and educational meetings sponsored by the Distributor. The Distributor may also provide gifts amounting in value to less than \$100, and occasional meals or entertainment, to registered representatives of dealers. Any such travel expenses, meals, lodging, gifts or entertainment paid will not be preconditioned upon the registered representatives' or dealers' achievement of a sales target. The Distributor may, from time to time, reallocate the entire portion of the sales charge on Class A Shares which it normally retains to individual selling dealers. However, such additional reallocation generally will be made only when the selling dealer commits to substantial marketing support such as internal wholesaling through dedicated personnel, internal communications and mass mailings.

The Distributor has agreed to pay fees to certain distributors for preferred marketing opportunities. These arrangements may be viewed as creating a conflict of interest between these distributors and investors. Investors should make due inquiry of their selling agents to ensure that they are receiving the requisite point of sale disclosures and suitable recommendations free of any influence by reason of these arrangements.

Your Account

Opening an Account

Your financial advisor can assist you with your initial purchase as well as all phases of your investment program. If you are opening an account by yourself, please follow the instructions outlined below.

The funds have established the following preferred methods of payment for fund shares:

- Checks drawn on an account in the name of the investor and made payable to Phoenix Funds;
- Checks drawn on an account in the name of the investor's company or employer and made payable to Phoenix Funds; or
- Wire transfers or Automatic Clearing House (ACH) transfers from an account in the name of the investor, or the investor's company or employer.

Payment in other forms may be accepted at the discretion of the funds. Please specify the name(s) of the fund or funds in which you would like to invest on the check or transfer instructions.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, when you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may check the information you provide against publicly available databases, information obtained from consumer reporting agencies, other financial institutions or other sources. If, after reasonable effort, we cannot verify your identity, we reserve the right to close the account and redeem the shares at net asset value next calculated after the decision is made by us to close the account.

Step 1.

Your first choice will be the **initial** amount you intend to invest.

Minimum **initial** investments:

- \$25 for individual retirement accounts (IRAs), accounts that use the systematic exchange privilege or accounts that use the Systematic Purchase program. (See below for more information on the Systematic Purchase program.)
- There is no initial dollar requirement for defined contribution plans, asset-based fee programs, profit-sharing plans or employee benefit plans. There is also no minimum for reinvesting dividends and capital gains into another account.
- \$500 for all other accounts.

Minimum **additional** investments:

- \$25 for any account.
- There is no minimum additional investment requirement for defined contribution plans, asset-based fee programs, profit-sharing plans or employee benefit plans. There is also no minimum additional investment requirement for reinvesting dividends and capital gains into an existing account.

The funds reserve the right to refuse any purchase order for any reason.

Step 2.

Your second choice will be what class of shares to buy. Class A Shares and Class C Shares are offered in this Prospectus. Each has different sales and distribution charges. Because all future investments in your account will be made in the share class you choose when you open your account, you should make your decision carefully. Your financial advisor can help you pick the share class that makes the most sense for your situation.

Step 3.

Your next choice will be how you want to receive any dividends and capital gain distributions. Your options are:

- Receive both dividends and capital gain distributions in additional shares;
- Receive dividends in additional shares and capital gain distributions in cash;
- Receive dividends in cash and capital gain distributions in additional shares; or
- Receive both dividends and capital gain distributions in cash.

No interest will be paid on uncashed distribution checks.

How to Buy Shares

	To Open An Account
Through a financial advisor	Contact your advisor. Some advisors may charge a fee and may set different minimum investments or limitations on buying shares.
Through the mail	Complete a New Account Application and send it with a check payable to the fund. Mail them to: State Street Bank, P.O. Box 8301, Boston, MA 02266-8301.
Through express delivery	Complete a New Account Application and send it with a check payable to the fund. Send them to: Boston Financial Data Services, Attn: Phoenix Funds, 30 Dan Road, Canton, MA 02021-2809.
By Federal Funds wire	Call us at (800) 243-1574 (press 1, then 0).
By Systematic Purchase	Complete the appropriate section on the application and send it with your initial investment payable to the fund. Mail them to: State Street Bank, P.O. Box 8301, Boston, MA 02266-8301.
By telephone exchange	Call us at (800) 243-1574 (press 1, then 0).

The price at which a purchase is effected is based on the net asset value determined after receipt of a purchase order by the funds' Transfer Agent.

How to Sell Shares

You have the right to have the funds buy back shares at the net asset value next determined after receipt of a redemption order by the funds' Transfer Agent or an authorized agent. In the case of a Class C Share redemption, you will be subject to the applicable contingent deferred sales charge, if any, for such shares. Subject to certain restrictions, shares may be redeemed by telephone or in writing. In addition, shares may be sold through securities dealers, brokers or agents who may charge customary commissions or fees for their services. The funds do not charge any redemption fees. Payment for shares redeemed is made within seven days; however, redemption proceeds will not be disbursed until each check used for purchases of shares has been cleared for payment by your bank, which may take up to 15 days after receipt of the check. For the Money Market Funds, in the case of requests received by 12:00 Noon (eastern time), redemption proceeds generally will be sent by 2:30 PM (eastern time); in the case of requests received by 3:30 PM (eastern time), payment generally will be made by 5:00 PM (eastern time); and in the case of requests received after 3:30 PM (eastern time), payment generally will be made the next business day.

	To Sell Shares
Through a financial advisor	Contact your advisor. Some advisors may charge a fee and may set different minimums on redemptions of accounts.
Through the mail	Send a letter of instruction and any share certificates (if you hold certificate shares) to: State Street Bank, P.O. Box 8301, Boston, MA 02266-8301. Be sure to include the registered owner's name, fund and account number and number of shares or dollar value you wish to sell.
Through express delivery	Send a letter of instruction and any share certificates (if you hold certificate shares) to: Boston Financial Data Services, Attn: Phoenix Funds, 30 Dan Road, Canton, MA 02021-2809. Be sure to include the registered owner's name, fund and account number and number of shares or dollar value you wish to sell.
By telephone	For sales up to \$50,000, requests can be made by calling (800) 243-1574.
By telephone exchange	Call us at (800) 243-1574 (press 1, then 0).

Things You Should Know When Selling Shares

You may realize a taxable gain or loss (for federal income tax purposes) if you redeem shares of the funds. Except for the Money Market Funds, each fund reserves the right to pay large redemptions "in-kind" (i.e., in securities owned by the fund) rather than in cash. Large redemptions are those that exceed \$250,000 or 1% of the fund's net assets, whichever is less, over any 90-day period. Additional documentation will be required for redemptions by organizations, fiduciaries, or retirement plans, or if a redemption is requested by anyone but the shareholder(s) of record. Transfers between broker-dealer "street" accounts are governed by the accepting broker-dealer. Questions regarding this type of transfer should be directed to your financial advisor. Redemption requests will not be honored until all required documents, in proper form, have been received. To avoid delay in redemption or transfer, shareholders having questions about specific requirements should contact the funds' Transfer Agent at (800) 243-1574.

Redemptions by Mail

➔ If you are selling shares held individually, jointly, or as custodian under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act:

Send a clear letter of instruction if all of these apply:

- The proceeds do not exceed \$50,000.

- The proceeds are payable to the registered owner at the address on record.

Send a clear letter of instruction with a signature guarantee when any of these apply:

- You are selling more than \$50,000 worth of shares.
- The name or address on the account has changed within the last 30 days.
- You want the proceeds to go to a different name or address than on the account.

➔ If you are selling shares held in a corporate or fiduciary account, please contact the funds' Transfer Agent at (800) 243-1574.

If required, the signature guarantee must be a STAMP 2000 Medallion guarantee and be made by an eligible guarantor institution as defined by the funds' Transfer Agent in accordance with its signature guarantee procedures. Guarantees using previous technology medallions will not be accepted. Currently, the Transfer Agent's signature guarantee procedures generally permit guarantees by banks, broker-dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations.

Selling Shares by Telephone

The Transfer Agent will use reasonable procedures to confirm that telephone instructions are genuine. Address and bank account information are verified, redemption instructions are taped, and all redemptions are confirmed in writing.

The individual investor bears the risk from instructions given by an unauthorized third party that the Transfer Agent reasonably believed to be genuine.

The Transfer Agent may modify or terminate the telephone redemption privilege at any time with 60 days notice to shareholders, except for instances of disruptive trading or market timing; in such cases, the telephone redemption privilege may be suspended immediately, followed by written notice. (See "Disruptive Trading and Market Timing" in this Prospectus.)

During times of drastic economic or market changes, telephone redemptions may be difficult to make or be temporarily suspended.

Account Policies

Account Reinstatement Privilege

Subject to the funds' disruptive trading and market timing policies and procedures, for 180 days after you sell your Class A Shares or Class C Shares on which you have previously paid a sales charge, you may purchase Class A Shares of any Phoenix Fund at net asset value, with no sales charge, by reinvesting all or part of your proceeds, but not more. Send your written request to State Street Bank, P.O. Box 8301, Boston, MA 02266-8301. You can call us at (800) 243-1574 for more information.

Please remember, a redemption and reinvestment are considered to be a sale and purchase for tax-reporting purposes. Class C shareholders who have had the contingent deferred sales charge waived because they are in the Systematic Withdrawal Program are not eligible for this reinstatement privilege.

Redemption of Small Accounts

Due to the high cost of maintaining small accounts, if your redemption activity causes your account balance to fall below \$200, you may receive a notice requesting you to bring the balance up to \$200 within 60 days. If you do not, the shares in the account will be sold at net asset value, and a check will be mailed to the address of record.

Distributions of Small Amounts

Distributions in amounts less than \$10 will automatically be reinvested in additional shares of the applicable fund.

Uncashed Checks

If any correspondence sent by the fund is returned by the postal or other delivery service as "undeliverable," your dividends or any other distribution may be automatically reinvested in the fund.

If your distribution check is not cashed within six months, the distribution may be reinvested in the fund at the current net asset value. You will not receive any interest on uncashed distribution or redemption checks. This provision may not apply to certain retirement or qualified accounts.

Exchange Privileges

You should read the prospectus of the Phoenix Fund(s) into which you want to make an exchange before deciding to make an exchange. You can obtain a prospectus from your financial advisor or by calling us at (800) 243-4361, or accessing our Web sites at PhoenixFunds.com or PhoenixInvestments.com.

- You may exchange shares of one fund for the same class of shares of another Phoenix Fund; e.g., Class A Shares for Class A Shares. Class C Shares are also exchangeable for Class T Shares of those Phoenix Funds offering them. Exchange privileges may not be available for all Phoenix Funds and may be rejected or suspended.
- Exchanges may be made by telephone ((800) 243-1574) or by mail (State Street Bank, P.O. Box 8301, Boston, MA 02266-8301).
- The amount of the exchange must be equal to or greater than the minimum initial investment required.
- The exchange of shares is treated as a sale and a purchase for federal income tax purposes.

Disruptive Trading and Market Timing

The Equity Funds and Fixed Income Funds are not suitable for market timers and market timers are discouraged from becoming investors. Your ability to make exchanges among funds is subject to modification if we determine, in our sole opinion, that your exercise of the exchange privilege may disadvantage or potentially harm the rights or interests of other shareholders.

Frequent purchases, redemptions and exchanges, programmed exchanges, exchanges into and then out of a fund in a short period of time, and exchanges of large amounts at one time may be indicative of market timing and otherwise disruptive trading (“Disruptive Trading”) which can have risks and harmful effects for other shareholders. These risks and harmful effects include:

- dilution of the interests of long-term investors, if market timers or others exchange into a fund at prices that are below the true value or exchange out of a fund at prices that are higher than the true value;
- an adverse effect on portfolio management, as determined by portfolio management in its sole discretion, such as causing the fund to maintain a higher level of cash than would otherwise be the case, or causing the fund to liquidate investments prematurely; and
- reducing returns to long-term shareholders through increased brokerage and administrative expenses.

Additionally, the nature of the portfolio holdings of the Emerging Markets Fund may expose those funds to investors who engage in the type of market timing trading that seeks to take advantage of possible delays between the change in the value of a mutual fund’s portfolio holdings and the reflection of the change in the net asset value of the fund’s shares, sometimes referred to as “time-zone arbitrage.” Arbitrage market timers seek to exploit possible delays between the change in the value of a mutual fund’s portfolio holdings and the net asset value of the fund’s shares in funds that hold significant investments in foreign securities because certain

foreign markets close several hours ahead of the U.S. markets. If an arbitrageur is successful, the value of the fund's shares may be diluted if redeeming shareholders receive proceeds (and buying shareholders receive shares) based upon net asset values which do not reflect appropriate fair value prices.

In order to attempt to protect our shareholders from the potential harmful effects of Disruptive Trading, the funds' Board of Trustees has adopted market timing policies and procedures designed to discourage Disruptive Trading. The Board has adopted these policies and procedures as a preventive measure to protect all shareholders from the potential effects of Disruptive Trading, while also abiding by any rights that shareholders may have to make exchanges and provide reasonable and convenient methods of making exchanges that do not have the potential to harm other shareholders.

Excessive trading activity is measured by the number of roundtrip transactions in an account. A roundtrip transaction is one where a shareholder buys and then sells, or sells and then buys, shares of any fund within 30 days. Shareholders of the funds are limited to one roundtrip transaction within any rolling 30-day period. Roundtrip transactions are counted at the shareholder level. In considering a shareholder's trading activity, the funds may consider, among other factors, the shareholder's trading history both directly and, if known, through financial intermediaries, in the funds, in other funds within the Phoenix Funds complex, in non-Phoenix mutual funds or in accounts under common control or ownership. We do not include exchanges made pursuant to the dollar cost averaging or other similar programs when applying our market timing policies. Systematic withdrawal and/or contribution programs, mandatory retirement distributions, and transactions initiated by a plan sponsor also will not count towards the roundtrip limits. The funds may permit exchanges that they believe, in the exercise of their judgement, are not disruptive. The size of the fund and the size of the requested transaction may be considered when determining whether or not the transaction would be disruptive.

Shareholders holding shares for at least 30 days following investment will ordinarily be in compliance with the funds' policies regarding excessive trading. The funds may, however, take action if activity is deemed disruptive even if shares are held longer than 30 days, such as a request for a transaction of an unusually large size. The size of the fund and the size of the requested transaction may be considered when determining whether or not the transaction would be disruptive.

Under our market timing policies, we may modify your exchange privileges for some or all of the funds by not accepting an exchange request from you or from any person, asset allocation service, and/or market timing services made on your behalf. We may also limit the amount that may be exchanged into or out of any fund at any one time or could revoke your right to make Internet, telephone or facsimile exchanges. We may reinstate Internet, telephone and facsimile exchange privileges after they are revoked, but we will not reinstate these privileges if we have reason to believe that they might be used thereafter for Disruptive Trading.

The funds currently do not charge exchange or redemption fees, or any other administrative charges on fund exchanges. The funds reserve the right to impose such fees and/or charges in the future.

Orders for the purchase of fund shares are subject to acceptance by the relevant fund. We reserve the right to reject, without prior notice, any exchange request into any fund if the purchase of shares in the corresponding fund is not accepted for any reason.

The funds do not have any arrangements with any person, organization or entity to permit frequent purchases and redemptions of fund shares.

We may, without prior notice, take whatever action we deem appropriate to comply with or take advantage of any state or federal regulatory requirement. The funds reserve the right to reject any purchase or exchange transaction at any time. If we reject a purchase or exchange for any reason, we will notify you of our decision in writing.

The funds cannot guarantee that their policies and procedures regarding market timing will be effective in detecting and deterring all Disruptive Trading.

Retirement Plans

Shares of the funds may be used as investments under the following qualified prototype retirement plans: traditional IRA, rollover IRA, SEP-IRA, SIMPLE IRA, Roth IRA, 401(k) plans, profit-sharing, money purchase plans, and 403(b) plans. For more information, call (800) 243-4361.

Investor Services and Other Information

Systematic Purchase is a systematic investment plan that allows you to have a specified amount automatically deducted from your checking or savings account and then deposited into your mutual fund account. Just complete the Systematic Purchase Section on the application and include a voided check.

Systematic Exchange allows you to automatically move money from one Phoenix Fund to another on a monthly, quarterly, semiannual or annual basis. Shares of one Phoenix Fund will be exchanged for shares of the same class of another Phoenix Fund at the interval you select. To sign up, just complete the Systematic Exchange Section on the application. Exchange privileges may not be available for all Phoenix Funds and may be rejected or suspended.

Telephone Exchange lets you exchange shares of one Phoenix Fund for the same class of shares in another Phoenix Fund, using our customer service telephone service. (See the “Telephone Exchange” section on the application.) Exchange privileges may not be available for all Phoenix Funds, and may be rejected or suspended.

Systematic Withdrawal allows you to periodically redeem a portion of your account on a predetermined monthly, quarterly, semiannual or annual basis. Sufficient shares from your account will be redeemed at the closing net asset value on the applicable payment date, with proceeds to be mailed to you or sent through ACH to your bank (at your selection). For payments to be mailed, shares will be redeemed on the 15th of the month so that the payment is made about the 20th of the month. For ACH payments, you may select the day of the month for the payments to be made; if no date is specified, the payments will occur on the 15th of the month. The minimum withdrawal is \$25, and minimum account balance requirements continue to apply. Shareholders in the program must own Phoenix Fund shares worth at least \$5,000.

Checkwriting is available for Class A Shares of the Money Market Funds. If you are an investor in one of these funds and have completed the checkwriting portion of your application and signature card, you may redeem shares by writing a check against your account. When a check is presented to the Transfer Agent for payment, the fund's custodian will cause the fund to redeem a sufficient number of shares in your account to cover the amount of the check.

You will continue to earn income on your shares until the check is presented to the Transfer Agent for payment. The minimum check amount is \$500.

This privilege is not available for IRAs, SEP-IRAs, 401(k), 403(b), Keogh and other retirement accounts.

The checkwriting privilege is subject to the customary rules and regulations governing checkwriting:

- ➔ For joint tenant accounts, each shareholder must sign each check, unless the shareholders have authorized fewer signatures and such election is on file with the fund's Transfer Agent.
- ➔ A sufficient number of shares is required to cover the amount of the check. If you do not own enough shares to cover a check when presented, the check will be returned to the payee marked "insufficient funds".
- ➔ A check may be returned if it is for less than \$500 or if the check would require the redemption of shares purchased by check or electronic funds transfer within the ten previous business days.

The funds and the custodian reserve the right to terminate or modify the checkwriting privilege or to impose a service fee in connection with the privilege.

Charges may be imposed for returned checks, stop-payment orders, copies of cancelled checks and other special services.

Disclosure of Fund Holdings. The funds make available on the Phoenix Funds' Web sites, PhoenixFunds.com or PhoenixInvestments.com, information with respect to each fund's top 10 holdings and summary composition data derived from portfolio holdings information. This information is posted to the Web sites at the end of each month with respect to the top

10 holdings, and at the end of each quarter with respect to summary composition information, generally within 10 business days. This information will remain available on the Web sites until full portfolio holdings information becomes publicly available. A full listing of each fund's portfolio holdings becomes publicly available (i) as of the end of its second and fourth fiscal quarters in shareholder reports, which are sent to all shareholders and are filed with the Securities and Exchange Commission ("SEC") on Form N-CSR, and (ii) at the end of its first and third fiscal quarters by filing with the SEC a Form N-Q. The funds' shareholder reports are available without charge on Phoenix's Web site at PhoenixFunds.com (also accessible at PhoenixInvestments.com). The funds' Form N-Q filings are available on the SEC's Internet site at sec.gov. A more detailed description of the funds' policies and procedures with respect to the disclosure of the funds' portfolio securities is also available in the Statement of Additional Information.

Tax Status of Distributions

The funds plan to make distributions from net investment income at intervals stated in the table below, and to distribute net realized capital gains, if any, at least annually.

Fund	Dividend Paid
Balanced Fund	Quarterly
Core Equity Fund	Semiannually
Emerging Markets Fund	Semiannually
Equity Fund	Quarterly
Index Fund	Quarterly
Small-Cap Growth Fund	Semiannually
Small-Cap Opportunity Fund	Semiannually
Small-Cap Value Fund	Semiannually
Bond Fund	Monthly ⁽¹⁾
High Yield Bond	Monthly ⁽¹⁾
Intermediate Government Bond Fund	Monthly ⁽¹⁾
Intermediate Tax-Exempt Bond Fund	Monthly ⁽¹⁾
Short/Intermediate Bond Fund	Monthly ⁽¹⁾
Tax-Exempt Bond Fund	Monthly ⁽¹⁾
Government Money Market Fund	Monthly ⁽¹⁾
Money Market Fund	Monthly ⁽¹⁾
Tax-Exempt Money Market Fund	Monthly ⁽¹⁾

(1) Although a dividend is paid monthly, it is accrued daily.

Distributions of short-term capital gains (gains on securities held for a year or less) and net investment income are taxable to shareholders as ordinary income. Under the Jobs and Growth Tax Reconciliation Act of 2003, certain distributions of long-term capital gains and certain dividends are taxable at a lower rate than ordinary income. Long-term capital gains, if any, distributed to shareholders and which are designated by a fund as capital gain distributions, are taxable to shareholders as long-term capital gain distributions regardless of the length of time you have owned your shares.

Unless you elect to receive distributions in cash, dividends and capital gain distributions are paid in additional shares. All distributions, cash or additional shares, are subject to federal income tax and may be subject to state, local and other taxes.

Master Fund/Feeder Fund Structure

The Board of Trustees has the authority to convert any fund to a “feeder” fund in a Master Fund/Feeder Fund Structure in which the fund, instead of investing in portfolio securities directly, would seek to achieve its investment objective by investing all of its investable assets in a separate “master” fund having the same investment objectives and substantially similar investment restrictions. Other funds with similar objectives and restrictions could also invest in the same Master Fund. The purpose of such an arrangement is to achieve greater operational efficiencies and reduce costs.

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Financial Highlights

These tables are intended to help you understand the funds' financial performance for the past five years. Certain information reflects financial results for a single fund share. The total returns in the tables represent the rate that an investor would have earned or lost on an investment in the fund (assuming reinvestment of all dividends and distributions). This information for the year ended December 31, 2006 has been audited by the funds' independent registered public accounting firm, PricewaterhouseCoopers LLP. For periods prior to December 31, 2006, this information was audited by the funds' previous independent registered public accounting firm. PricewaterhouseCoopers LLP's report, together with the funds' financial statements, is included in the funds' most recent Annual Report, which is available upon request.

	Net Asset Value Beginning of Period	Net Investment Income	Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Distributions from Net Investment Income	Distributions from Net Realized Gains
Balanced Fund							
Class A							
12/31/06	\$14.69	\$ 0.288 ⁽⁹⁾	\$0.016	\$ 0.988	\$ 1.292	\$(0.295)	\$(0.711)
12/31/05	14.97	0.269	—	0.793	1.062	(0.259)	(1.083)
12/31/04	13.49	0.242	—	1.496	1.738	(0.244)	(0.014)
12/31/03	11.53	0.230	—	1.950	2.180	(0.220)	—
12/31/02	13.00	0.278	—	(1.469)	(1.191)	(0.279)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$14.24	\$ 0.080 ⁽⁹⁾	\$ —	\$ 1.244	\$ 1.324	\$(0.085)	\$(0.519)
Core Equity Fund							
Class A							
12/31/06	\$20.91	\$ 0.110 ⁽⁹⁾	\$0.054	\$ 2.663	\$ 2.827	\$(0.104)	\$(2.049)
12/31/05	21.66	0.070	—	1.803	1.873	(0.072)	(2.551)
12/31/04	20.24	0.078	—	2.521	2.599	(0.095)	(1.084)
12/31/03	15.57	0.035	—	4.671	4.706	(0.036)	—
12/31/02	20.73	0.009	—	(4.883)	(4.874)	(0.008)	(0.278)
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$20.46	\$(0.022) ⁽⁹⁾	\$ —	\$ 2.633	\$ 2.611	\$(0.024)	\$(1.557)
Emerging Markets Fund							
Class A							
12/31/06	\$12.27	\$ 0.078 ⁽⁹⁾	\$0.007	\$ 3.362	\$ 3.447	\$(0.175)	\$(3.395)
12/31/05	10.88	0.103	—	3.137	3.240	(0.086)	(1.764)
12/31/04	9.94	0.030	—	1.864	1.894	(0.096)	(0.860)
12/31/03	6.60	0.040	—	3.315	3.355	(0.017)	—
12/31/02	6.75	0.002	—	(0.154)	(0.152)	—	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$11.71	\$(0.033) ⁽⁹⁾	\$ —	\$ 3.353	\$ 3.320	\$(0.074)	\$(2.816)

Distributions from Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Total Distributions	Redemption Fees Added to Paid-in Capital ⁽¹¹⁾	Net Asset Value End of Period	Total Return	Total Return Excluding Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets	Ratio of Expenses To Average Net Assets (Excluding Waivers)	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
\$ (0.016)	\$(1.022)	\$ —	\$14.96	9.03% ⁽⁴⁾	8.92% ⁽⁴⁾	\$ 12,613	1.01%	1.02%	1.93%	65.94%
—	(1.342)	—	14.69	7.14 ⁽⁴⁾	—	2,953	1.04	1.09	1.74	61.49
—	(0.258)	—	14.97	13.02 ⁽⁴⁾	—	1,641	1.13	1.20	1.69	65.60
—	(0.220)	—	13.49	19.07 ⁽⁴⁾	—	442	1.13	1.29	1.80	76.53
—	(0.279)	—	11.53	(9.26) ⁽⁴⁾	—	260	1.13	1.37	2.25	69.89
\$ —	\$(0.604)	\$ —	\$14.96	9.31% ⁽²⁾	—	\$ 255	1.77% ⁽¹⁾	1.77% ⁽¹⁾	1.04% ⁽¹⁾	65.94% ⁽²⁾
\$ (0.054)	\$(2.207)	\$ —	\$21.53	13.73% ⁽⁴⁾	13.46% ⁽⁴⁾	\$ 11,795	1.16%	1.16%	0.50%	74.12%
—	(2.623)	—	20.91	8.70 ⁽⁴⁾	—	1,009	1.18	1.22	0.29	79.92
—	(1.179)	—	21.66	13.01 ⁽⁴⁾	—	809	1.25	1.27	0.42	83.50
—	(0.036)	—	20.24	30.23 ⁽⁴⁾	—	531	1.35	1.48	0.22	76.15
—	(0.286)	—	15.57	(23.67) ⁽⁴⁾	—	552	1.35	1.49	0.02	67.66
\$ —	\$(1.581)	\$ —	\$21.49	12.84% ⁽²⁾⁽⁸⁾	—	\$ 171	1.89% ⁽¹⁾	1.89% ⁽¹⁾	(0.19)% ⁽¹⁾	74.12% ⁽²⁾
\$ (0.007)	\$(3.577)	\$0.000 ⁽¹²⁾	\$12.14	29.21% ⁽⁴⁾	29.15% ⁽⁴⁾	\$ 7,456	1.59%	1.63%	0.60%	82.51%
—	(1.850)	—	12.27	31.08 ⁽⁴⁾	—	1,205	1.70	1.85	0.91	42.91
—	(0.956)	0.002 ⁽⁵⁾	10.88	19.67 ⁽⁴⁾	—	916	1.83	1.85	0.49	49.13
—	(0.017)	0.002 ⁽⁵⁾	9.94	50.87 ⁽⁴⁾	—	364	1.83	1.86	0.62	19.99
—	—	0.002 ⁽⁵⁾	6.60	(2.22) ⁽⁴⁾	—	118	1.91	1.96	0.03	34.20
\$ —	\$(2.890)	\$ —	\$12.14	29.04% ⁽²⁾⁽⁸⁾	—	\$ 186	2.30% ⁽¹⁾	2.30% ⁽¹⁾	(0.49)% ⁽¹⁾	82.51% ⁽²⁾

Financial Highlights (continued)

	Net Asset Value Beginning of Period	Net Investment Income	Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Distributions from Net Investment Income	Distributions from Net Realized Gains
Equity Fund							
Class A							
12/31/06	\$13.97	\$ 0.126 ⁽⁹⁾	\$0.031	\$ 2.039	\$ 2.196	\$(0.106)	\$(1.259)
12/31/05	13.53	0.130	—	1.520	1.650	(0.140)	(1.070)
12/31/04	11.56	0.041	—	2.015	2.056	(0.086)	—
12/31/03	9.02	0.034	—	2.523	2.557	(0.017)	—
12/31/02	11.45	0.021	—	(2.440)	(2.419)	(0.011)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$14.20	\$ 0.012 ⁽⁹⁾	\$ —	\$ 1.603	\$ 1.615	\$(0.015)	\$(1.040)
Index Fund							
Class A⁽⁶⁾							
12/31/06	\$19.68	\$ 0.280 ⁽⁹⁾	\$0.212	\$ 2.700	\$ 3.192	\$(0.306)	\$(0.474)
12/31/05	22.08	0.300	—	0.851	1.151	(0.331)	(3.224)
12/31/04	21.54	0.299	—	1.851	2.150	(0.301)	(1.309)
12/31/03	18.05	0.224	—	4.728	4.952	(0.226)	(1.236)
12/31/02	23.90	0.194	—	(5.503)	(5.309)	(0.191)	(0.350)
Small-Cap Growth Fund							
Class A							
06/26/06 ⁽³⁾ to 12/31/06	\$13.34	\$(0.065) ⁽⁹⁾	\$ —	\$ 1.493	\$ 1.428	\$ —	\$(0.858)
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$13.47	\$(0.121) ⁽⁹⁾	\$ —	\$ 1.369	\$ 1.248	\$ —	\$(0.858)
Small-Cap Opportunity Fund							
Class A							
12/31/06	\$20.81	\$(0.034) ⁽⁹⁾	\$0.034	\$ 1.795	\$ 1.795	\$ —	\$(3.661)
12/31/05	24.03	(0.089)	—	1.159	1.070	—	(4.294)
12/31/04	22.27	0.042	—	5.003	5.045	(0.025)	(3.322)
12/31/03	14.85	(0.057)	—	7.714	7.657	—	(0.238)
12/31/02	17.43	(0.118)	—	(2.463)	(2.581)	—	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$20.31	\$(0.104) ⁽⁹⁾	\$ —	\$ 1.269	\$ 1.165	\$ —	\$(2.645)

Distributions from Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Total Distributions	Redemption Fees Added to Paid-in Capital ⁽¹¹⁾	Net Asset Value End of Period	Total Return	Total Return Excluding Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets	Ratio of Expenses To Average Net Assets (Excluding Waivers)	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
\$ (0.031)	\$(1.396)	\$ —	\$14.77	15.85% ⁽⁴⁾	15.62% ⁽⁴⁾	\$25,800	1.14%	1.14%	0.84%	59.39%
—	(1.210)	—	13.97	12.18 ⁽⁴⁾	—	2,416	1.12	1.16	1.00	62.67
—	(0.086)	—	13.53	17.85 ⁽⁴⁾	—	1,127	1.19	1.19	0.71	72.72
—	(0.017)	—	11.56	28.39 ⁽⁴⁾	—	339	1.19	1.21	0.38	81.21
—	(0.011)	—	9.02	(21.15) ⁽⁴⁾	—	199	1.20	1.22	0.28	61.83
\$ —	\$(1.055)	\$ —	\$14.76	11.35% ⁽²⁾⁽⁸⁾	—	\$ 175	1.89% ⁽¹⁾	1.89% ⁽¹⁾	0.15% ⁽¹⁾	59.39% ⁽²⁾
\$ (0.212)	\$(0.992)	\$ —	\$21.88	16.47% ⁽⁴⁾	15.18% ⁽⁴⁾	\$14,710	0.63%	0.69%	1.36%	3.37%
—	(3.555)	0.004 ⁽⁵⁾	19.68	5.15	—	14,963	0.57	0.64	1.34	6.34
—	(1.610)	—	22.08	10.21	—	17,457	0.68	0.68	1.34	2.67
—	(1.462)	—	21.54	27.82	—	19,986	0.68	0.72	1.12	1.72
—	(0.541)	—	18.05	(22.43)	—	17,339	0.70	0.78	0.93	6.42
\$ —	\$(0.858)	\$ —	\$13.91	10.70% ⁽⁴⁾	—% ⁽⁴⁾	\$ 130	1.23% ⁽¹⁾	1.23% ⁽¹⁾	(0.77)% ⁽¹⁾	122.70% ⁽²⁾
\$ —	\$(0.858)	\$ —	\$13.86	9.26% ⁽²⁾⁽⁸⁾	—	\$ 139	2.15% ⁽¹⁾	2.15% ⁽¹⁾	(1.65)% ⁽¹⁾	122.70% ⁽²⁾
\$(0.034)	\$(3.695)	\$ —	\$18.91	8.50% ⁽⁴⁾	8.34% ⁽⁴⁾	\$ 86,850	1.20%	1.20%	(0.17)%	85.43%
—	(4.294)	0.004 ⁽⁵⁾	20.81	4.28 ⁽⁴⁾	—	12,094	1.19	1.22	(0.18)	76.08
—	(3.347)	0.062 ⁽⁵⁾	24.03	23.88 ⁽⁴⁾⁽⁷⁾	—	66,179	1.25	1.25	0.33	63.79
—	(0.238)	0.001 ⁽⁵⁾	22.27	51.62 ⁽⁴⁾	—	3,047	1.45	1.50	(0.30)	83.34
—	—	0.001 ⁽⁵⁾	14.85	(14.80) ⁽⁴⁾	—	777	1.45	1.52	(0.76)	76.97
\$ —	\$(2.645)	\$ —	\$18.83	5.77% ⁽²⁾⁽⁸⁾	—	\$ 249	1.92% ⁽¹⁾	1.92% ⁽¹⁾	(0.98)%	85.43% ⁽²⁾

Financial Highlights (continued)

	Net Asset Value Beginning of Period	Net Investment Income	Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Distributions from Net Investment Income	Distributions from Net Realized Gains
Small-Cap Value Fund							
Class A							
12/31/06	\$47.02	\$ 0.050 ⁽⁹⁾	\$0.045	\$ 4.852	\$ 4.947	\$(0.031)	\$(7.921)
12/31/05	50.35	0.173	—	4.180	4.353	(0.135)	(7.581)
12/31/04	44.92	0.198	—	12.004	12.202	(0.229)	(6.826)
12/31/03	31.69	0.271	—	13.243	13.514	(0.286)	—
12/31/02	36.78	0.042	—	(4.767)	(4.725)	(0.064)	(0.306)
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$45.40	\$(0.187) ⁽⁹⁾	\$ —	\$ 4.647	\$ 4.460	\$ —	\$(6.040)
Bond Fund							
Class A							
12/31/06	\$10.01	\$0.465 ⁽⁹⁾	\$0.018	\$(0.120)	\$ 0.363	\$(0.475)	\$ —
12/31/05	10.22	0.429	—	(0.211)	0.218	(0.430)	—
12/31/04	10.27	0.432	—	(0.048)	0.384	(0.434)	—
12/31/03	10.38	0.483	—	(0.110)	0.373	(0.483)	—
12/31/02	10.25	0.556	—	0.130	0.686	(0.556)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$ 9.57	\$0.206 ⁽⁹⁾	\$ —	\$ 0.312	\$ 0.518	\$(0.208)	\$ —
High Yield Bond Fund							
Class A							
12/31/06	\$12.44	\$0.880 ⁽⁹⁾	\$0.013	\$(0.039)	\$ 0.854	\$(0.831)	\$ —
12/31/05	13.07	0.799	—	(0.592)	0.207	(0.800)	(0.037)
05/18/04 ⁽³⁾ to 12/31/04	12.43	0.527	—	0.831	1.358	(0.527)	(0.191)
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$11.98	\$0.374 ⁽⁹⁾	\$ —	\$ 0.474	\$ 0.848	\$(0.378)	\$ —
Intermediate Government Bond Fund							
Class A							
12/31/06	\$16.50	\$0.692 ⁽⁹⁾	\$0.095	\$(0.142)	\$ 0.645	\$(0.691)	\$ —
12/31/05	16.84	0.655	—	(0.278)	0.377	(0.664)	(0.055)
12/31/04	17.12	0.550	—	(0.094)	0.456	(0.550)	(0.186)
12/31/03	17.63	0.667	—	(0.293)	0.374	(0.667)	(0.217)
12/31/02	16.79	0.828	—	0.840	1.668	(0.828)	—
Intermediate Tax-Exempt Bond Fund							
Class A							
12/31/06	\$11.16	\$0.435 ⁽⁹⁾	\$0.020	\$ 0.011	\$ 0.466	\$(0.462)	\$(0.214)
12/31/05	11.41	0.466	—	(0.250)	0.216	(0.466)	—
12/31/04	11.55	0.451	—	(0.140)	0.311	(0.451)	—
12/31/03	11.48	0.424	—	0.070	0.494	(0.424)	—
12/31/02	10.91	0.453	—	0.570	1.023	(0.453)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$10.91	\$0.180 ⁽⁹⁾	\$ —	\$ 0.246	\$ 0.426	\$(0.182)	\$(0.214)

Distributions from Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Total Distributions	Redemption Fees Added to Paid-in Capital ⁽¹¹⁾	Net Asset Value End of Period	Total Return	Total Return Excluding Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets	Ratio of Expenses To Average Net Assets (Excluding Waivers)	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
\$(0.045)	\$(7.997)	\$ —	\$43.97	10.62% ⁽⁴⁾	10.52% ⁽⁴⁾	\$ 83,558	1.16%	1.17%	0.11%	92.13%
—	(7.716)	0.033 ⁽⁵⁾	47.02	8.63 ⁽⁴⁾	—	11,226	1.15	1.19	0.24	74.30
—	(7.055)	0.283 ⁽⁵⁾	50.35	28.62 ⁽⁴⁾⁽⁷⁾	—	8,352	1.18	1.19	0.57	69.98
—	(0.286)	0.002 ⁽⁵⁾	44.92	42.68 ⁽⁴⁾	—	1,557	1.20	1.24	0.83	106.69
—	(0.370)	0.005 ⁽⁵⁾	31.69	(12.98) ⁽⁴⁾	—	669	1.24	1.34	0.18	134.99
\$ —	\$(6.040)	\$ —	\$43.82	9.86% ⁽²⁾⁽⁸⁾	—	\$ 167	1.89% ⁽¹⁾	1.89% ⁽¹⁾	(0.77)% ⁽¹⁾	92.13% ⁽²⁾
\$(0.018)	\$(0.493)	\$0.000	\$ 9.88	3.58% ⁽⁴⁾	3.39% ⁽⁴⁾	\$ 2,066	0.84%	0.98%	4.74%	367.64%
—	(0.430)	0.002 ⁽⁵⁾	10.01	2.18 ⁽⁴⁾	—	784	0.82	1.13	4.01	51.90
—	(0.434)	—	10.22	3.82 ⁽⁴⁾	—	843	0.85	1.18	4.24	75.40
—	(0.483)	—	10.27	3.67 ⁽⁴⁾	—	715	0.85	1.19	4.64	66.64
—	(0.556)	—	10.38	6.91 ⁽⁴⁾	—	824	0.85	1.21	5.36	65.39
\$ —	\$(0.208)	\$ —	\$ 9.88	5.44% ⁽²⁾⁽⁸⁾	—	\$ 105	1.59% ⁽¹⁾	1.67% ⁽¹⁾	4.08% ⁽¹⁾	367.64% ⁽²⁾
\$(0.013)	\$ 0.844	\$0.000	\$12.45	6.97% ⁽⁴⁾	6.86% ⁽⁴⁾	\$ 5,648	0.96%	1.02%	7.16%	147.28%
—	(0.837)	—	12.44	1.68 ⁽⁴⁾	—	442	0.83	1.03	6.55	41.97
—	(0.718)	—	13.07	11.15 ⁽²⁾⁽⁴⁾	—	176	0.86 ⁽¹⁾	1.05 ⁽¹⁾	6.61 ⁽¹⁾	57.38
\$ —	\$(0.378)	\$ —	\$12.45	7.17% ⁽²⁾⁽⁸⁾	—	\$ 139	1.71% ⁽¹⁾	1.71% ⁽¹⁾	5.94% ⁽¹⁾	147.28% ⁽²⁾
\$(0.095)	\$(0.786)	\$0.001	\$16.36	4.11% ⁽⁴⁾	3.50% ⁽⁴⁾	\$ 6,118	0.74%	1.21%	4.24%	21.62%
—	(0.719)	0.002 ⁽⁵⁾	16.50	2.23 ⁽⁴⁾	—	2,480	0.73	1.19	3.58	70.97
—	(0.736)	—	16.84	2.79 ⁽⁴⁾	—	2,976	0.75	1.09	3.23	35.37
—	(0.884)	—	17.12	2.15 ⁽⁴⁾	—	2,394	0.75	1.14	3.82	58.97
—	(0.828)	—	17.63	10.12 ⁽⁴⁾	—	2,324	0.75	1.32	4.58	61.56
\$(0.020)	\$(0.696)	\$0.000	\$10.93	4.10% ⁽⁴⁾	3.91% ⁽⁴⁾	\$ 18,293	0.83%	0.88%	3.93%	75.91%
—	(0.466)	—	11.16	1.93 ⁽⁴⁾	—	1,802	0.64	0.92	4.13	46.00
—	(0.451)	—	11.41	2.76 ⁽⁴⁾	—	2,185	0.69	0.95	3.94	26.94
—	(0.424)	—	11.55	4.38 ⁽⁴⁾	—	2,102	0.70	0.97	3.69	40.20
—	(0.453)	—	11.48	9.55 ⁽⁴⁾	—	1,648	0.52	1.14	3.96	61.27
\$ —	\$(0.396)	\$ —	\$10.94	3.92% ⁽²⁾⁽⁸⁾	—	\$ 125	1.61%	1.63%	3.14%	75.91% ⁽²⁾

Financial Highlights (continued)

	Net Asset Value Beginning of Period	Net Investment Income	Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Distributions from Net Investment Income	Distributions from Net Realized Gains
Short/Intermediate Bond Fund							
Class A							
12/31/06	\$10.04	\$0.381 ⁽⁹⁾	\$0.018	\$ 0.010	\$ 0.409	\$(0.400)	\$ —
12/31/05	10.29	0.359	—	(0.248)	0.111	(0.361)	—
12/31/04	10.38	0.362	—	(0.090)	0.272	(0.362)	—
12/31/03	10.40	0.414	—	(0.020)	0.394	(0.414)	—
12/31/02	10.31	0.524	—	0.090	0.614	(0.524)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$ 9.80	\$0.156 ⁽⁹⁾	\$ —	\$ 0.230	\$ 0.386	\$(0.156)	\$ —
Tax-Exempt Bond Fund							
Class A							
12/31/06	\$10.74	\$0.425 ⁽⁹⁾	\$0.023	\$ 0.050	\$ 0.498	\$(0.468)	\$(0.247)
12/31/05	11.02	0.470	—	(0.200)	0.270	(0.470)	(0.080)
12/31/04	11.33	0.475	—	(0.123)	0.352	(0.475)	(0.187)
12/31/03	11.19	0.468	—	0.140	0.608	(0.468)	—
12/31/02	10.54	0.500	—	0.650	1.150	(0.500)	—
Class C							
06/26/06 ⁽³⁾ to 12/31/06	\$10.49	\$0.176 ⁽⁹⁾	\$ —	\$ 0.261	\$ 0.437	\$(0.180)	\$(0.247)

Distributions from Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Total Distributions	Redemption Fees Added to Paid-in Capital ⁽¹¹⁾	Net Asset Value End of Period	Total Return	Total Return Excluding Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets	Ratio of Expenses To Average Net Assets (Excluding Waivers)	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
\$(0.019)	\$(0.419)	\$0.000	\$10.03	3.99% ⁽⁴⁾	3.80% ⁽⁴⁾	\$ 5,956	0.91%	1.04%	3.83%	43.54%
—	(0.361)	—	10.04	1.10 ⁽⁴⁾	—	3,707	0.82	1.17	3.55	46.25
—	(0.362)	—	10.29	2.66 ⁽⁴⁾	—	4,350	0.85	1.19	3.50	68.37
—	(0.414)	—	10.38	3.85 ⁽⁴⁾	—	4,547	0.85	1.22	3.95	61.21
—	(0.524)	—	10.40	6.14 ⁽⁴⁾	—	4,756	0.85	1.25	4.89	66.14
\$ —	\$(0.156)	\$ —	\$10.03	3.96% ⁽²⁾⁽⁸⁾	—	\$ 159	1.70% ⁽¹⁾	1.73% ⁽¹⁾	3.03% ⁽¹⁾	43.54% ⁽²⁾
\$(0.023)	\$(0.738)	\$0.000	\$10.50	4.51% ⁽⁴⁾	4.28% ⁽⁴⁾	\$ 77,135	0.85%	0.95%	3.97%	82.77%
—	(0.550)	—	10.74	2.50 ⁽⁴⁾	—	4,197	0.70	0.99	4.30	41.86
—	(0.662)	—	11.02	3.21 ⁽⁴⁾	—	4,136	0.77	1.04	4.24	32.57
—	(0.468)	—	11.33	5.55 ⁽⁴⁾	—	3,098	0.76	1.04	4.15	42.58
—	(0.500)	—	11.19	11.15 ⁽⁴⁾	—	4,296	0.56	1.20	4.52	86.76
\$ —	\$(0.427)	\$ —	\$10.50	4.16% ⁽²⁾⁽⁸⁾	—	\$ 188	1.61% ⁽¹⁾	1.68% ⁽¹⁾	3.20% ⁽¹⁾	82.77% ⁽²⁾

Financial Highlights (continued)

	Net Asset Value Beginning of Period	Net Investment Income	Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Distributions from Net Investment Income	Distributions from Net Realized Gains
Government Money Market Fund							
Class A⁽⁶⁾							
12/31/06	\$1.00	\$0.047	\$0.002	\$ —	\$0.049	\$(0.047)	\$ —
12/31/05	1.00	0.027	—	—	0.027	(0.027)	—
12/31/04	1.00	0.009	—	—	0.009	(0.009)	—
12/31/03	1.00	0.007	—	—	0.007	(0.007)	—
12/31/02	1.00	0.013	—	—	0.013	(0.013)	—
Money Market Fund							
Class A⁽⁶⁾							
12/31/06	\$1.00	\$0.048	\$0.002	\$ —	\$0.050	\$(0.048)	\$ —
12/31/05	1.00	0.028	—	—	0.028	(0.028)	—
12/31/04	1.00	0.009	—	—	0.009	(0.009)	—
12/31/03	1.00	0.007	—	—	0.007	(0.007)	—
12/31/02	1.00	0.015	—	—	0.015	(0.015)	—
Exchange Shares							
12/31/06	\$1.00	\$0.049	\$ —	\$ —	\$0.049	\$(0.049)	\$ —
12/31/05	1.00	0.031	—	—	0.031	(0.031)	—
12/31/04	1.00	0.013	—	—	0.013	(0.013)	—
12/31/03	1.00	0.010	—	—	0.010	(0.010)	—
12/31/02	1.00	0.018	—	—	0.018	(0.018)	—
Tax-Exempt Money Market Fund							
Class A⁽⁶⁾							
12/31/06	\$1.00	\$0.030	\$0.002	\$ —	\$0.032	\$(0.030)	\$ —
12/31/05	1.00	0.019	—	—	0.019	(0.019)	—
12/31/04	1.00	0.007	—	—	0.007	(0.007)	—
12/31/03	1.00	0.005	—	—	0.005	(0.005)	—
12/31/02	1.00	0.010	—	—	0.010	(0.010)	—

Distributions from Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Total Distributions	Redemption Fees Added to Paid-in Capital ⁽¹¹⁾	Net Asset Value End of Period	Total Return	Total Return Excluding Non-recurring Payment from Former Administrator ⁽¹⁰⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets	Ratio of Expenses To Average Net Assets (Excluding Waivers)	Ratio of Net Investment Income to Average Net Assets
\$ (0.002)	\$(0.049)	\$ —	\$1.00	4.76%	4.56%	\$ 238,247	0.57%	0.60%	4.46%
—	(0.027)	—	1.00	2.70	—	262,512	0.55	0.60	2.65
—	(0.009)	—	1.00	0.88	—	234,751	0.56	0.60	0.88
—	(0.007)	—	1.00	0.67	—	374,310	0.54	0.59	0.66
—	(0.013)	—	1.00	1.30	—	302,126	0.55	0.61	1.27
\$ (0.002)	\$(0.050)	\$ —	\$1.00	4.93%	4.68%	\$ 880,851	0.52%	0.56%	4.58%
—	(0.028)	—	1.00	2.80	—	920,774	0.52	0.60	2.72
—	(0.009)	—	1.00	0.94	—	1,179,902	0.52	0.59	0.90
—	(0.007)	—	1.00	0.74	—	1,301,168	0.52	0.58	0.75
—	(0.015)	—	1.00	1.48	—	1,297,318	0.52	0.58	1.44
\$ —	\$(0.049)	\$ —	\$1.00	5.04%	—	\$ 440,609	0.17%	0.24%	4.81%
—	(0.031)	—	1.00	3.15	—	1,409,677	0.17	0.30	3.24
—	(0.013)	—	1.00	1.28	—	1,029,184	0.17	0.30	1.35
—	(0.010)	—	1.00	1.05	—	478,586	0.22	0.28	1.10
—	(0.018)	—	1.00	1.79	—	1,434,436	0.22	0.28	1.70
\$ (0.002)	\$(0.032)	\$ —	\$1.00	3.18%	2.95%	\$ 217,664	0.57%	0.59%	2.88%
—	(0.019)	—	1.00	1.87	—	257,842	0.57	0.60	1.87
—	(0.007)	—	1.00	0.65	—	191,165	0.60	0.60	0.64
—	(0.005)	—	1.00	0.54	—	237,835	0.57	0.58	0.54
—	(0.010)	—	1.00	0.99	—	210,678	0.57	0.58	0.99

(1) Annualized.

(2) Total returns and portfolio turnover for periods of less than one year are not annualized.

(3) Date commenced operations.

(4) Sales load is not reflected in total return.

(5) Fund assessed a redemption fee in the amount of 2.00% on redemptions of shares that were held 90 days or less (30 days or less, effective June 4, 2004) from time of purchase. Fees collected were retained by the Fund for the benefit of the remaining shareholders.

(6) Prior year and current period information represents the N Shares which converted to Class A on June 26, 2006.

(7) Total returns for each of the classes for the Small-Cap Opportunity Fund and the Small-Cap Value Fund include 0.16% and 0.26%, respectively, resulting from redemption fees reimbursed by the Administrator.

(8) Contingent deferred sales load is not included in total return.

(9) Computed using average shares outstanding.

(10) Non-recurring payment.

(11) Redemption fees.

(12) Amount is less than \$0.001.



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ADDITIONAL INFORMATION

You can find more information about the Funds in the following documents:

Annual and Semiannual Reports

Annual and semiannual reports contain more information about the Funds' investments. The annual report discusses the market conditions and investment strategies that significantly affected the Funds' performance during the last fiscal year.

Statement of Additional Information (SAI)

The SAI contains more detailed information about the Funds. It is incorporated by reference and is legally part of the prospectus.

To obtain free copies of these documents, you can download copies from the Individual Investors section of our Web site, phoenixfunds.com, or you can request copies by calling us toll-free at 1-800-243-1574.

Information about the Funds (including the SAI) can be reviewed and copied at the Securities and Exchange Commission's (SEC) Public Reference Room in Washington, DC. For information about the operation of the Public Reference Room, call 1-202-551-8090. This information is also available on the SEC's Internet site at sec.gov. You may also obtain copies upon payment of a duplicating fee by writing the Public Reference Section of the SEC, Washington, DC 20549-6009 or by electronic request at publicinfo@sec.gov.

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