

Virtus Introduces Virtus KAR Mid-Cap ETF

KMID leverages Kayne Anderson Rudnick's expertise in quality-focused equity strategies

New York, NY, October 16, 2024 – [Virtus Investment Partners, Inc.](#) (NYSE: VRTS) has expanded its offerings of distinctive, actively managed exchange-traded funds with the introduction of the [Virtus KAR Mid-Cap ETF](#), (NYSE: KMID), the first ETF strategy managed by [Kayne Anderson Rudnick](#) (KAR).

The Virtus KAR Mid-Cap ETF is an actively managed, concentrated portfolio consisting of 25-35 high-quality mid-cap stocks, selected using KAR's disciplined and rigorous business-analyst approach to fundamental research, and looking to own these businesses for the long run. KMID aims to generate attractive risk-adjusted long-term returns by offering investments in businesses with sustainable competitive advantages that can maintain above-average growth and are better positioned to exceed consensus growth expectations.

“We consider mid-caps to be in the equity ‘sweet spot’ between faster-growing small caps and less-volatile large caps, representing an attractive investment opportunity,” said KAR’s Jon Christensen, CFA, portfolio manager and senior research analyst, who manages KMID with Craig Stone, co-chief investment officer and portfolio manager. “Investors whose portfolios do not have dedicated exposure to mid-cap equities may be missing out on the growth potential of this compelling segment.”

Virtus’ multi-manager ETF platform, [Virtus ETF Solutions](#), now offers 19 actively managed and index-based ETFs across multiple asset classes. These include the Virtus Terranova U.S. Quality Momentum ETF (JOET) as well as ETFs managed by other Virtus affiliates, Duff & Phelps Investment Management Co., Newfleet Asset Management, Seix Investment Advisors, and Stone Harbor Investment Partners.

“We are excited to launch the first ETF managed by Kayne, which has been delivering high-quality investment strategies for 40 years,” said William J. Smalley, executive managing director, Virtus ETF Solutions. “KAR is extending to investors its well-known active management capabilities in a transparent and tax-efficient structure that adds value to their stock selection process by selecting what they consider to be quality mid-sized businesses with strong growth prospects.”

About Kayne Anderson Rudnick

[Kayne Anderson Rudnick](#), an affiliate of Virtus Investment Partners, is an investment management and wealth advisory firm founded in 1984 by John Anderson (a Forbes 400 billionaire and the benefactor of UCLA's Anderson School of Management). Based in Los Angeles, the firm has \$69.8 billion in assets under management as of September 30, 2024. The company manages assets for corporations, endowments, foundations, public entities, and high net worth individuals. With 40 years of experience, the firm is known for its commitment to high quality in its business practices, investment strategies and wealth solutions.

About Virtus ETF Solutions

[Virtus ETF Solutions](#) is an ETF sponsor that offers actively managed and index-based investment capabilities across multiple asset classes, seeking to deliver a family of complementary ETFs that provide investors access to differentiated investment capabilities from select managers.

About Virtus Investment Partners, Inc.

[Virtus Investment Partners](#) (NYSE: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. We provide investment management products and services from our [affiliated managers](#), each with a distinct investment style and autonomous investment process, as well as select subadvisers. Investment solutions are available across multiple disciplines and product types to meet a wide array of investor needs. Additional information about our firm, investment partners, and strategies is available at [virtus.com](#).

Risk Considerations

Exchange-Traded Funds (ETF): The value of an ETF may be more volatile than the underlying portfolio of securities it is designed to track. The costs to the portfolio of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **Non-Diversified:** The portfolio is not diversified and may be more susceptible to factors negatively impacting its holdings to the extent the portfolio invests more of its assets in the securities of fewer issuers than would a diversified portfolio. **Market Price/NAV:** At the time of

purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

Prospectus: For additional information on risks, please see the fund's prospectus.

The Russell Midcap® Index is a market capitalization-weighted index of medium-capitalization stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested.

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

Please consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. Contact us at 1-800-243-4361 or visit virtus.com for a copy of the fund's prospectus. Read the prospectus carefully before you invest or send money.

Mutual funds distributed by **VP Distributors, LLC**, member FINRA and subsidiary of Virtus Investment Partners, Inc.

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