



NEWS RELEASE

# Newfleet Asset Management and Virtus ETFs Introduce Actively Managed Securitized Debt ETF

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Virtus Newfleet ABS/MBS ETF (VABS) offers access to short-duration, investment-grade securitized credit and rigorous risk management

NEW YORK, Feb. 10, 2021 /PRNewswire/ -- **Newfleet Asset Management** and **Virtus ETF Solutions**, both affiliates of **Virtus Investment Partners, Inc.** (NASDAQ: VRTS), have introduced the **Virtus Newfleet ABS/MBS ETF** (NYSE: VABS), the third Virtus ETF strategy managed by Newfleet.

The Virtus Newfleet ABS/MBS ETF seeks to generate income by investing primarily in short-duration, investment-grade securitized debt across asset-backed securities (ABS) and mortgage-backed securities (MBS), including commercial and residential MBS. By utilizing Newfleet's disciplined, time-tested investment process and rigorous risk management approach, the actively managed ETF expects to invest in asset-backed and mortgage-backed securities with competitive yield and current income across undervalued areas of securitized credit markets.

"We believe active management is a better option in the ABS and MBS sectors of the securitized credit markets and our approach provides a wider investment opportunity set and much-needed diversification relative to traditional fixed income," said Newfleet President and Chief Investment Officer David L. Albrycht, CFA. "As the demand for shorter duration, income-generating strategies grows, we can employ our relative value approach to exploit market inefficiencies."

"Virtus ETF Solutions has the platform to bring our expertise and experience in the niche securitized credit markets to investors in a low-cost, transparent vehicle," said Albrycht, who will manage VABS along with Andrew Szabo, CFA, Nick Rinaldi, and Zachary Szyndlar, CFA, all of Newfleet. "Historically, investment-grade securitized credit has offered a yield advantage to its corporate bond counterparts."

Newfleet managed \$9.9 billion of fixed-income assets as of December 31, 2020 and applies its expertise in a variety of multi-sector and dedicated strategies offered to institutional and individual fixed income investors. In addition to VABS, Newfleet also manages the Virtus Newfleet Dynamic Credit ETF (BLHY) and Virtus Newfleet Multi-Sector Bond ETF (NFLT).

## About Newfleet Asset Management

**Newfleet Asset Management** provides comprehensive fixed income portfolio management, including multi-sector, enhanced core, and core strategies, in addition to dedicated sector strategies such as emerging markets debt, bank

loans and high yield. Newfleet leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

## About Virtus ETF Solutions

**Virtus ETF Solutions** (VES) is a multi-manager ETF sponsor that offers actively managed and index-based investment capabilities across multiple asset classes, seeking to deliver a family of complementary ETFs that are subadvised by select investment managers.

## About Virtus Investment Partners, Inc.

**Virtus Investment Partners** (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. The company provides investment management products and services through its affiliated managers and select subadvisers, each with a distinct investment style, autonomous investment process, and individual brand. Virtus Investment Partners offers access to a variety of investment styles across multiple disciplines to meet a wide array of investor needs. In addition to **Newfleet Asset Management** and Virtus ETF Solutions, its affiliates include **Ceredex Value Advisors**, **Duff & Phelps Investment Management**, **Kayne Anderson Rudnick Investment Management**, **NFJ Investment Group**, **Seix Investment Advisors**, **Silvant Capital Management**, and **Sustainable Growth Advisors**. Additional information is available at [virtus.com](http://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 fund of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the non-repayment of underlying collateral, including losses to the fund. **Credit & Interest:** Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Variable Distribution Risk:** Periodic distributions by investments of variable or floating interest rates vary with fluctuations in market interest rates. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Sector Focused Investing:** Events negatively affecting a particular market sector in which the fund focuses its investments may cause the value of the fund's shares to decrease. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. **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. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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 1-888-383-0553 or visit [www.virtus.com](http://www.virtus.com) for a copy of the fund's prospectus. Read the prospectus carefully before you invest or send money.

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