



NEWS RELEASE

# Virtus ETFs Launches Core Equity Exchange Traded Fund Driven by the Investment Principles of Joe Terranova

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NEW YORK, Nov. 18, 2020 /PRNewswire/ -- **Virtus ETF Solutions**, a multi-manager ETF sponsor and affiliate of Virtus Investment Partners, today announced the introduction of the **Virtus Terranova U.S. Quality Momentum ETF** (NASDAQ: **JOET**), which strives to deliver exposure to U.S.-listed large-cap companies that combine strong quality fundamentals with positive momentum technical trends.

JOET tracks the Terranova U.S. Quality Momentum Index (Ticker VTUSQM), which was created and developed by Joseph M. Terranova, senior managing director and chief market strategist for Virtus. The index's methodology reflects the investment philosophy Terranova has utilized throughout his career on Wall Street as a professional investor, risk manager, and trader. In addition to providing Virtus clients and investment professionals with insights into the domestic and global investing landscape, Terranova is a CNBC ensemble member, appearing regularly on the Halftime Report and Squawk Box. He is also the author of the book, "Buy High, Sell Higher."

"An essential component for building long-term growth is maintaining discipline and identifying high-conviction investment opportunities for portfolio allocation and diversification," said Terranova. "Throughout my career, I have determined that high-conviction investment opportunities are rooted in both quality fundamental strength and positive technical momentum trends."

JOET may serve as a core equity holding in a diversified portfolio as the ETF strives to provide exposure to the best performing U.S. large-cap companies with the highest quality fundamental characteristics, resulting in a distinct portfolio built for long-term growth. With its quality momentum approach, JOET systematically seeks to identify and capture returns of high conviction investment opportunities characterized by fundamental (quality) and technical (momentum) attributes. It results in a portfolio of 125 equal stock weightings at the time of quarterly index rebalance to help ensure balance and diversification, while also attempting to reduce over-concentration, single event stock risk, and limitations, relative to traditional cap-weighted strategies.

"We believe the opportunity to utilize Joe's investment philosophy and expertise with the launch of the Virtus Terranova U.S. Quality Momentum ETF delivers a compelling, core domestic equity strategy for the Virtus ETF suite," added William Smalley, executive managing director of Virtus ETF Solutions. "Investment professionals and investors will discover how JOET may serve as a differentiator for their respective portfolios."

"The methodology behind the Terranova U.S. Quality Momentum Index, which JOET follows, provides rules-based, systematic exposure to domestic large-cap companies exhibiting those quality and momentum characteristics," Terranova said. "It also removes any emotion from the decision-making process in a modern market environment proliferated by algorithmic models and a widening gap between top-performing and bottom-performing companies."

Visit **Virtus ETF Solutions** to learn more about the **Virtus Terranova U.S. Quality Momentum ETF** (JOET) and other ETF offerings.

#### About Joe Terranova

Joe Terranova is a senior managing director and chief market strategist for Virtus Investment Partners, which he represents as a client facing thought leader, providing insight into the domestic and global investing landscape for global multi asset classes such as equities, commodities, fixed income, and currencies.

Prior to joining Virtus, Terranova spent 18 years at MBF Clearing Corp., rising to the position of Director of Trading. He is perhaps best known for his risk management skills, honed while overseeing MBF's proprietary trading operations during some of the most calamitous times for the U.S. markets, including the first Gulf War, the 1998 Asian Crisis, 9/11, and the collapse of Amaranth Advisors. During those times there was never a loss at MBF due to market anomalies.

Since 2008, Terranova has been a CNBC ensemble member, appearing regularly on the Halftime Report, Squawk Box and contributing financial content throughout the CNBC media and digital platforms.

#### About Virtus ETF Solutions

**Virtus ETF Solutions** is a New York-based, multi-manager exchange-traded-funds sponsor and affiliate of Virtus Investment Partners. With actively managed and index-based investment capabilities across multiple asset classes, Virtus ETF Solutions offers a range of complementary ETFs subadvised by select investment managers.

#### About Virtus Investment Partners

**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.

#### Important 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. 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 or medium-sized companies may enhance that risk. Momentum Factor Investing: Momentum investing is subject to the risk that the securities may be more volatile than the market as a whole. There may be periods when the momentum style of investing is out of favor and therefore, the investment performance of the Fund may suffer. Passive Strategy/Index

Risk: A passive investment strategy seeking to track the performance of the underlying Index may result in the fund holding securities regardless of market conditions or their current or projected performance. This could cause the fund's returns to be lower than if the fund employed an active strategy. 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. Correlation to Index: The performance of the fund and its index may vary due to factors such as fund flows, transaction costs, whether the fund obtains every security in the index, and timing differences associated with additions to and deletions from its index. 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. Prospectus: For additional information on risks, please see the fund's prospectus.

The Terranova U.S. Quality Momentum Index is an equally weighted index designed to provide diversified exposure to quality momentum large cap equities listed in the United States. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The Fund is an exchange-traded fund ("ETF"). The "net asset value" (NAV) of the Fund is determined at the close of each business day, and represents the dollar value of one share of the Fund; it is calculated by taking the total assets of the Fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV of the Fund is not necessarily the same as its intraday trading value. Fund investors should not expect to buy or sell shares at NAV because shares of ETFs such as the Fund are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Thus, shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. NAV returns are calculated using the Fund's daily 4:00 pm NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00 pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

Please consider the Fund's objectives, risks, charges, and expenses before investing. Contact us at 1.800.243.4361 or visit [www.virtus.com](http://www.virtus.com) for a prospectus, which contains this and other information about the Fund. Read the prospectus carefully before investing.

Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

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