



## NEWS RELEASE

# Virtus Launches Virtus KAR Small-Mid Cap Value Fund Managed by Kayne Anderson Rudnick

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Leverages KAR's small- and mid-cap capabilities

HARTFORD, Conn., Aug. 9, 2021 /PRNewswire/ -- **Virtus Investment Partners** (NASDAQ: VRTS), which operates a multi-boutique asset management business, and affiliated manager **Kayne Anderson Rudnick Investment Management** (KAR) have introduced the **Virtus KAR Small-Mid Cap Value Fund** (I Share: VKSFX), which offers investors exposure to a select group of high-quality companies that are believed to be undervalued relative to their future growth potential.

The fund, managed by Julie Kutasov and Craig Stone of KAR, is a natural extension of the Virtus KAR Small-Cap Value Fund, which they have managed for more than 10 years. The new fund seeks to generate attractive risk-adjusted long-term returns by investing primarily in the stocks of undervalued U.S. small- and mid-cap companies (SMID-caps) that have durable competitive advantages, excellent management, lower financial risk, and the ability to grow over market cycles.

"SMID-caps generally offer the return potential of smaller stocks and the lower risk and fewer liquidity or capacity constraints of mid-cap stocks. Unlike large-cap companies, small- and mid-cap businesses may not be followed as closely, making the SMID-cap universe a fertile ground for active managers," Kutasov said. "With our uncompromising focus on quality, in-depth fundamental research process, and differentiated approach to value investing, we believe the strategy offers an attractive option for conservative investors seeking exposure to the small-mid cap asset class."

The fund focuses on the portfolio team's 25-35 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential.

"While this fund allows investors to participate in the value segment of the market, our high-quality focus differentiates it from traditional value strategies," Stone said. "We own companies that have strong balance sheets and high returns on capital, and avoid the portion of the index where there are unprofitable or highly leveraged companies."

Rick Smirl, executive vice president and chief operating officer at Virtus, added that the Virtus KAR Small-Mid Cap Value Fund aligns with KAR's commitment to investment performance and risk management. "KAR is a strong investment partner that continues to address market demand for high-quality offerings across the market-cap spectrum, providing a multitude of distinctive strategies that are attractive to financial professionals and their clients."

**About Kayne Anderson Rudnick**

**Kayne Anderson Rudnick** is an investment management firm founded in 1984 by entrepreneurs Richard Kayne and John Anderson, for whom the Anderson School of Management at the University of California, Los Angeles is named. Based in Los Angeles, the firm had \$61.2 billion in assets under management as of June 30, 2021. The company builds equity portfolios of companies that have strong, consistent growth with low business and financial risk and manages assets for corporations, endowments, foundations, public entities and high-net-worth individuals. With nearly 40 years of experience, KAR is known for its commitment to high quality in its business practices and investment strategies.

## 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 **Kayne Anderson Rudnick Investment Management**, Virtus' affiliates include **Ceredex Value Advisors**, **Duff & Phelps Investment Management**, **Newfleet Asset Management**, **NFJ Investment Group**, **Seix Investment Advisors**, **Silvant Capital Management**, **Sustainable Growth Advisers**, and **Virtus ETF Solutions**.

## Risk Considerations

**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.

**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. **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.

Please consider a Fund's investment objectives, risks, charges, and expenses carefully before investing. For this and other information about any Virtus Fund, contact your financial professional, call 800-243-4361, or visit **virtus.com** for a prospectus or summary prospectus. Read it carefully before investing. Distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

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