

# Virtus Introduces KAR International Small-Mid Cap Fund Managed by Kayne Anderson Rudnick

New strategy leverages KAR's international equity capabilities

HARTFORD, Conn., Oct. 2, 2019 /PRNewswire/ -- [Virtus Investment Partners](#) (NASDAQ: VRTS), which operates a multi-boutique asset management business, and affiliated manager Kayne Anderson Rudnick Investment Management (KAR) today introduced the Virtus KAR International Small-Mid Cap Fund (A Shares: VKIAX; C Shares: VKICX; I Shares: VKIIX; R6 Shares: VKIRX), a new fund that offers investors exposure to equity investments in small- and mid-cap companies located outside the U.S.

Portfolio managers Craig Thrasher, CFA, and Hyung Kim use KAR's disciplined, quality-focused investment process to identify companies with business models that possess enduring competitive advantages and control over their markets. The managers expect to invest in companies with attractive valuations that they believe have low business risk, as identified by certain financial characteristics, including consistent and profitable growth, high returns on capital, and a low organic need for external financing.

"At KAR, we look for unique business models that generate strong free cash flow and returns on capital, and with management teams that are good stewards of capital," said Doug Foreman, chief investment officer. "Our approach allows us to maintain a competitive edge with rigorous, fundamental research, filtering out low-quality companies in favor of ones that we believe have potential to create and grow their businesses."

Benchmarked to the MSCI All Country World ex US SMID Cap Index, the fund is designed to be a high-conviction, concentrated portfolio of approximately 30-60 holdings.

"This strategy is a natural extension for KAR, which is respected for its deep fundamental research and ability to identify high-quality companies that dominate their markets," said Frank Waltman, executive vice president, product management for Virtus. "The Virtus KAR International Small-Mid Cap Fund can be a valuable addition to an investor's portfolio to help them diversify to different countries, particularly during volatile periods."

Waltman noted that the fund expands the product offerings managed by KAR. "As with all affiliates, we look to leverage strong performing strategies in a variety of product structures." KAR manages domestic and international equity strategies in core, value and growth styles across all market capitalizations, with an emphasis on small- and mid-cap companies, and offers its strategies in open- and closed-end mutual funds, variable insurance funds, and separate accounts for high-net-worth and institutional 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 \$29.4 billion in assets under management as of June 30, 2019. 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 more than 30 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](#), its affiliates include [Ceredex Value Advisors](#), [Duff & Phelps Investment Management](#), [Newfleet Asset Management](#), [Rampart Investment Management](#), [Seix Investment Advisors](#), [Silvant Capital Management](#), [Sustainable Growth Advisers](#), and [Virtus ETF Solutions](#). Additional information is available at [virtus.com](#).

#### **Fund Risks:**

**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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Limited number of investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets.

**Please carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus Mutual Fund, contact your financial representative, call 1-800-243-4361, or visit [virtus.com](#) for a prospectus or summary prospectus. Read it carefully before investing.**

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For further information: Joe Fazzino, Media Relations, (860) 263-4725, [joe.fazzino@virtus.com](mailto:joe.fazzino@virtus.com); Jaime Doyle, Media Relations, (973) 944-8105, [jdoyle@jconnelly.com](mailto:jdoyle@jconnelly.com)

