Virtus Investment Partners Announces Investment in Sustainable Growth Advisers

New growth equity affiliate would diversify strategies, broaden client base

HARTFORD, Conn., Feb. 2, 2018 /PRNewswire/ -- Virtus Investment Partners, Inc. (NASDAQ: VRTS), which operates as a multi-boutique asset manager, today announced it has entered into an agreement to acquire a majority interest in Sustainable Growth Advisers (SGA), an investment manager specializing in high-conviction U.S. and global growth equity portfolios. The transaction would expand Virtus' offerings of investment strategies from its affiliated managers and diversify its client base, particularly among institutional investors and international clients.

Virtus would purchase the equity interest currently held by Estancia Capital Management, a private equity firm, as well as a portion of the equity held by SGA's partners, including its three co-founders. Key investment professionals will retain the remaining equity in the company, enter into long-term employment agreements, and reinvest a meaningful portion of their after-tax proceeds from the transaction into the company's investment strategies.

SGA manages $11.6 billion in assets[1] in U.S., global and international growth equity strategies using a team-oriented approach and a consistent investment philosophy that is based on fundamental research and investing in equities of sustainable growth companies. SGA primarily manages assets in institutional separate accounts and subadvisory mandates for clients in the U.S., Europe, Middle East, and Asia-Pacific.

As a Virtus affiliated boutique, SGA will retain autonomy over its investment process and maintain its independent structure, culture, brand identity, and control over day-to-day activities. SGA also will benefit from access to Virtus' distribution and shared business support capabilities.

"George Fraise, Gordon Marchand, and Rob Rohn, the co-founders of SGA, have created an exceptional business by focusing on meeting their clients' objectives by providing a distinctive investment approach that concentrates on investing in companies with differentiated businesses and predictable and sustainable growth," said George R. Aylward, president and chief executive officer of Virtus. "We are very pleased to partner with SGA and support the current and future leaders of the company as they provide continuity for their clients and continue to leverage their distinguished research and decision-making process to construct high conviction, growth-equity portfolios."

"We firmly believe that the quality of our research and our focus on one distinct approach is positively correlated with long-term success for our clients," said Robert Rohn, founding principal, analyst and portfolio manager at SGA. "We knew we wanted a partner that shares our client-focused vision and would help us ensure continuity of our investment approach and company culture."

The transaction is expected to close in mid-2018, subject to customary closing conditions and client approvals. Virtus expects to finance the transaction using balance sheet resources and available capacity on its credit facility, or may seek additional sources of debt financing, depending on market conditions.

Virtus will discuss the transaction in connection with its quarterly investor conference call scheduled for 10:00 a.m. Eastern time on Friday, February 2, 2018.

Sandler O'Neill & Partners, L.P. acted as financial advisor to Virtus and Morgan, Lewis & Bockius LLP was the legal advisor on the transaction. Broadhaven Capital Partners, LLC acted as financial advisor and Schulte Roth & Zabel LLP was the legal advisor to SGA.

[1] As of December 31, 2017

About Sustainable Growth Advisers

Sustainable Growth Advisers (SGA) is a growth equity manager focused on providing high conviction U.S., global, and international portfolios primarily for institutional clients. Its approach is designed to generate attractive absolute and relative returns over time by aligning client objectives with differentiated global businesses that offer predictable, sustainable growth and have the ability to generate meaningful wealth.

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. Its affiliates include Ceredex Value Advisors, Duff & Phelps Investment Management, Kayne Anderson Rudnick Investment Management, Newfleet Asset Management, Rampart Investment Management, Seix Investment Advisors, Silvant Capital Management, and Virtus ETF Solutions. Additional information can be found at virtus.com.

Forward-Looking Information

This press release contains statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements may be identified by such forward-looking terminology as "expect," "estimate," "plan," "intend," "believe," "anticipate," "may," "will," "should," "could," "continue," "project," or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about our company, are not guarantees of future results or performance, and involve substantial risks and uncertainty, including assumptions and projections concerning our assets under management, cash inflows and outflows, operating cash flows, our ability to expand distribution and product offerings, and our ability to complete and integrate potential acquisitions and obtain future credit facilities, for all forward periods. All of our forward-looking statements are as of the date of this release only. The company can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2016 Annual Report on Form 10-K, as well as the following risks and uncertainties: (a) any reduction in our assets under management; (b) the withdrawal, renegotiation or termination of investment advisory agreements; (c) damage to our reputation; (d) failure to comply with investment guidelines or other contractual requirements; (e) the inability to attract and retain key personnel; (f) challenges from the competition we face in our business; (g) adverse regulatory and legal developments; (h) unfavorable changes in tax laws or limitations; (i) adverse developments related to unaffiliated subadvisers; (j) negative implications of changes in key distribution relationships; (k) interruptions in or failure to provide service by third-parties; (l) volatility associated with our common stock; (m) adverse civil litigation and government investigations or proceedings; (n) the risk of loss on our investments; (o) the inability to make quarterly distributions; (p) the lack of sufficient capital on satisfactory terms; (q) liabilities and losses not covered by insurance; (r) the inability to satisfy financial covenants; (s)

the inability to achieve expected acquisition-related financial benefits and synergies; and other risks and uncertainties described in our 2016 Annual Report on Form 10-K or in any of our filings with the Securities and Exchange Commission ("SEC").

Certain other factors which may impact our continuing operations, prospects, financial results and liquidity or which may cause actual results to differ from such forward-looking statements are discussed or included in the company's periodic reports filed with the SEC and are available on our website at www.virtus.com under "Investor Relations." You are urged to carefully consider all such factors.

The company does not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates, or projections, or other circumstances occurring after the date of this release, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. If there are any future public statements or disclosures by us which modify or impact any of the forward-looking statements contained in or accompanying this release, such statements or disclosures will be deemed to modify or supersede such statements in this release.

SOURCE Virtus Investment Partners, Inc.

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