

# Virtus to Become Advisor to Phoenix Edge Series Fund Under Agreement with Phoenix Companies

HARTFORD, Conn., July 28 /PRNewswire-FirstCall/ -- [The Phoenix Companies, Inc.](#) (NYSE: PNX) and [Virtus Investment Partners, Inc.](#) (Nasdaq: VRTS) today announced they have reached an agreement for Virtus to become the advisor and distributor to the Phoenix Edge Series Fund, a variable insurance trust. Virtus will rename the trust the Virtus Variable Insurance Trust and market the current and new investment strategies to other insurance and annuity companies.

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On July 26, the Edge Series board of trustees approved the appointment of Virtus as advisor and distributor of the trust and several fund mergers that, if approved by fund shareholders, should improve the scale and marketability of the trust.

The trust comprises 17 funds and \$1.6 billion in assets (at June 30, 2010) that are investment options in Phoenix's variable life and annuity products. Virtus currently serves as administrator to the trust and subadvisor to \$300 million of fund assets, and will assume subadvisory responsibilities for an additional \$500 million of fund assets. Goodwin Capital Advisers, an affiliate of Phoenix, and Aberdeen Asset Management will continue to manage \$700 million of assets under subadvisory agreements with Virtus.

Four of the funds, with approximately \$100 million of assets, will not be part of the transaction and will be merged into a third-party variable insurance trust at a later date. Phoenix has an additional \$2.2 billion of variable product assets managed by external advisors.

Philip K. Polkinghorn, Phoenix's senior executive vice president, business development, and president of the Phoenix Edge Series Fund, said the transaction is consistent with the company's recent history of strategic partnerships with organizations that can provide particular expertise and benefit Phoenix customers.

"We believe Virtus is best suited to the roles of advisor and distributor because of its track record in adopting funds and solid historical investment performance. These two attributes will help it attract more assets and allow fund shareholders to benefit from economies of scale, in addition to a refreshed portfolio with a wide range of investment options. Given Virtus' existing roles, we believe this transition will be seamless and efficient," Polkinghorn said.

George R. Aylward, president and chief executive officer of Virtus, said the transaction offers several benefits to Virtus as well. In addition to preserving the current economics from its roles as fund administrator and subadvisor, the transaction provides Virtus with an opportunity to improve scale in its business by managing the additional funds and by creating new product and distribution opportunities.

"This is an important step in Virtus' growth strategy because it increases our assets under management by \$1.2 billion and gives us a new product line that we can offer to other insurance companies as we expand our distribution reach into the variable insurance trust marketplace," Aylward said. "We look forward to building on our relationship with Phoenix customers and offering our investment management and administration expertise to other insurance companies."

Financial terms of the agreement, which is expected to close in the fourth quarter, were not disclosed, but the economics of the transaction will be based on assets under management going forward

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### **About Phoenix**

Dating to 1851, The Phoenix Companies, Inc. (NYSE: PNX) provides financial solutions using life insurance, annuities and alternative retirement solutions. In 2009, Phoenix had annual revenues of \$2.1 billion and total assets of \$24.6 billion at year end. Phoenix is a leader in the life insurance industry, with a distinguished record of industry firsts in product design and underwriting. The company also offers a complete suite of annuity products with a full spectrum of optional guarantees to help customers meet a range of retirement income needs. For more information, visit [www.phoenixwm.com](http://www.phoenixwm.com).

### **About Edge Series Fund**

The Edge Series Fund provides some of the investment options in Phoenix's variable life and annuity products. The principal underwriter of the Edge Series Fund is Phoenix Equity Planning Corporation. Member FINRA.

### **About Virtus Investment Partners**

Virtus Investment Partners (Nasdaq: VRTS), which has \$25.6 billion of assets under management as of March 31, 2010, 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. Additional information can be found at [www.virtus.com](http://www.virtus.com).

SOURCE Virtus Investment Partners, Inc.; The Phoenix Companies, Inc.

