

Kayne Anderson Rudnick Named 2012 Small-Cap Equity SMA Manager of the Year

LOS ANGELES, April 25, 2012 /PRNewswire/ -- [Kayne Anderson Rudnick Investment Management](#), an affiliated manager of [Virtus Investment Partners](#) (NASDAQ: VRTS), has been named a 2012 Separately Managed Account (SMA) Manager of the Year in the eighth annual SMA Awards sponsored by *Investment Advisor* magazine and research firm Prima Capital.

(Logo: <http://photos.prnewswire.com/prnh/20090105/NEM020LOGO>)

Kayne Anderson Rudnick's Small Cap Sustainable Growth portfolio captured the "best in class" honor in the Small Cap Equity category. Co-managed by portfolio managers Jon Christensen, Todd Beiley, and Bob Schwarzkopf, and supported by a six-member equity research team, it is one of three small-cap SMA portfolios managed by Kayne Anderson Rudnick. A profile of Christensen is featured in the April 2012 edition of *Investment Advisor* as part of an [article](#) on the 2012 SMA Manager of the Year Awards.

"We are pleased with this recognition and are proud of the strong results put forth by the team," said Doug Foreman, director of equities, Kayne Anderson Rudnick. "The investment team works extremely hard at finding high-quality businesses for our portfolios and having that work recognized is rewarding."

For Kayne Anderson Rudnick's small cap portfolios, the managers invest only in stocks of small cap companies they consider to be "the next generation of blue chips" – high-quality, well-run companies that dominate their markets and offer a competitive advantage. Companies must have strong balance sheets with low to no debt, strong and predictable earnings growth, and high free cash flow. The portfolios are concentrated, with low annual turnover; exhibit reduced volatility, as measured by standard deviation; and have better downside capture ratios relative to their respective small cap peers.

"We couldn't be prouder that Kayne Anderson Rudnick's high quality investment approach is being honored in this way," said Frank Waltman, executive vice president, product management, Virtus Investment Partners. "Kayne Anderson Rudnick's portfolio managers have consistently adhered to their discipline to produce historically strong relative returns during some of the most challenging markets and deliver on their commitment to investors."

Kayne Anderson Rudnick's Small Cap Sustainable Growth portfolio generated a return of 18.40 percent gross (15.13 percent net) for the year ended December 31, 2011, compared to -2.91 percent for its benchmark, the Russell 2000[®] Growth Index.(1) For the trailing 3-, 5-, and 10-year periods, the portfolio produced respective gross returns of 23.95 percent, 4.64 percent, and 6.04 percent on an annualized basis, outperforming the benchmark index in each period.(2)

To be eligible for an SMA Manager of the Year award, asset managers must meet strict criteria: at least \$200

million in firm assets; lead-manager tenure of three years or more; wide distribution and availability to investment advisors and wealth managers; and rate highly according to Prima's 13-factor due diligence process that combines quantitative and qualitative criteria such as: performance, firm, people, process, style, customer service, tax efficiency, and composite. The 2012 awards were determined based on year-end 2011 data.

About Kayne Anderson Rudnick Investment Management

[Kayne Anderson Rudnick Investment Management](#) is a registered investment advisor based in Los Angeles with more than \$5 billion in assets under management, as of December 31, 2011. The firm manages a range of portfolios having a common disciplined, high-quality investment philosophy for its clients which include affluent individuals, endowments, foundations, corporations, public funds, and pension plans. It is an affiliated manager of Virtus Investment Partners.

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. Additional information can be found at www.virtus.com.

(1) The **Russell 2000[®] Growth Index** is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged and not available for direct investment.

(2) Kayne Anderson Rudnick's Small Cap Sustainable Growth SMA Composite realized net annualized returns of 21.20 percent, 2.54 percent, and 3.50 percent for the respective 3-, 5-, and 10-year periods ended December 31, 2011, compared to the Russell 2000 Growth Index, which produced returns of 19.00 percent, 2.09 percent, and 4.48 percent for the same periods.

SOURCE Virtus Investment Partners
