

Virtus Introduces a Dynamic Approach to Equity Investing

AlphaSector™ Rotation Strategy Available in Two Funds

PRNewswire
HARTFORD, Conn.
(NASDAQ-NMS:VRTS)

HARTFORD, Conn., Oct. 5 /[PRNewswire-FirstCall](#)/ -- [Virtus Investment Partners](#) (NASDAQ: VRTS), which operates a multi-manager asset management business with \$22.4 billion under management as of June 30, 2009, has selected [F-Squared Investments Inc.](#), a quantitatively-based, boutique investment firm, as subadviser to the [Virtus AlphaSector™ Rotation Fund](#) (Class A: PWBAX) and the [Virtus AlphaSector™ Allocation Fund](#) (Class A: PSWAX). Virtus also offers F-Squared's AlphaSector Rotation Strategy in separate account form.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20090105/NEM020LOGO>)

"The recent market turmoil has reminded investors that controlling the risk in their portfolios is more important than ever," said Frank Waltman, executive vice president, product management at Virtus. "AlphaSector Index-based funds offer an uncomplicated approach to equity investing that is designed to control risk in down markets, while participating or outperforming in up markets."

The Virtus AlphaSector Rotation Fund will track F-Squared Investments' AlphaSector™ Rotation Index (ASRX), while 75 percent of the Virtus AlphaSector Allocation Fund will track that same index, with the remaining 25 percent allocated to a Virtus enhanced core fixed income strategy.

AlphaSector is an "active index" that is constructed exclusively from the nine Select Sector SPDR exchange-traded funds, which represent the sectors of the S&P 500, plus an ETF that tracks short-term Treasuries. The strategy is designed to make longer-term allocations among the S&P 500 sectors but, in periods of market weakness, to dynamically allocate to the short-term Treasury ETF.

"Data shows that avoiding the market's worst down days is meaningfully more beneficial than the penalty that comes from missing the best days," explained F-Squared's President and Chief Executive Officer, Howard Present. "This is market participation without the drama."

The Index is based on the monthly signals generated by F-Squared's proprietary quantitative model that identifies which sector(s) may be a drag on future performance. Those sectors are then omitted from the Index and the assets are allocated equally to the remaining sectors. If three or fewer sectors remain in the Index, the short-term Treasury ETF is used as the default asset class.

"We believe that the AlphaSector strategy is a powerful investment solution for the times," said Dan Santanello, senior vice president of Boston-based wealth management firm Winslow, Evans & Crocker. "We have adopted it as a separately managed account and are very pleased it is available as a mutual fund."

About F-Squared Investments, Inc.

F-Squared Investments is an SEC-registered investment advisor. The firm creates investment solutions with the goal of generating repeatable, consistently high investment value-add. For more information, visit www.f-squaredinvestments.com.

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.

Investors should carefully consider the investment objectives, risks, charges and expenses of any Virtus Mutual Fund before investing. The prospectus contains this and other information about a fund. Please contact your financial representative, call 1-800-243-4361, or visit www.virtus.com to obtain a current prospectus. You should read the prospectus carefully before you invest or send money.

Lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio, or that diversification among different asset classes reduces risk. Because the funds hold a limited number of securities, they will be impacted by each security's performance more than funds with a larger number of holdings. The guarantee on U.S. government securities applies only to the underlying securities of the fund's portfolio, and not to the value of the fund's shares.

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