

# Virtus Strategist Joe Terranova Encourages Investors to Prepare for a Return of Market Confidence

HARTFORD, Conn., Oct. 12, 2011 /PRNewswire/ -- [Joe Terranova](#), chief market strategist at [Virtus Investment Partners](#), characterizes the extended market volatility as a "crisis of confidence" among U.S. and European policy makers that has led investors to adopt a global "cash register mentality" and sell risk assets to raise cash. While managing the downside will be critical in the fourth quarter, Terranova suggests in his [quarterly market commentary](#) that there are a number of places investors can put cash to work while waiting out the storm.

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

"Leading indicators are not consistent with an impending recession," Terranova observes, citing strong expectations for corporate earnings, resiliency in enterprise IT spending, and China's (unofficial) end to monetary tightening as potential sources of bright spots in the next few months. While he expects the S&P 500® Index will end higher on the year, Terranova cautions against assuming too much risk and advocates a defensive strategy that includes exposure to both municipal bonds and investment grade corporate bonds, as well as overweight allocations to utilities and large-cap integrated energy names.

"I want investors to be in the market but to err on the side of caution," Terranova suggests. He urges investors to consult with their advisors in the last few months of 2011 to make sure their portfolio is properly positioned for the year ahead. "There will be many places that confidence will return to the market in 2012, and I can't emphasize enough the importance of being prepared."

Terranova's commentary provides additional details about his views of what led to the recent "crisis of confidence," the asset classes he favors, and the indicators he'll be watching closely in the fourth quarter.

Terranova, a regular panelist on CNBC's [Fast Money](#), also offers market views via his [blog](#) and monthly [calendar of key economic indicators](#), both available at [www.virtus.com](#). He is the author of the upcoming book, "Buy High, Sell Higher," published by Business Plus, to be released in January 2012.

## 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](#).

*Virtus Investment Partners provides this communication as a matter of general information. The opinions stated herein are those of the author and not necessarily the opinions of Virtus, its affiliates or its subadvisers. Portfolio managers at Virtus make investment decisions in accordance with specific client guidelines and restrictions. As a result, client accounts may differ in strategy and composition from the information presented herein. Any facts and statistics quoted are from sources believed to be reliable, but they may be incomplete or condensed, and we do not guarantee their accuracy. This communication is not an offer or solicitation to purchase or sell any security, and it is not a research report. Individuals should consult with a qualified financial professional before making any investment decisions.*

