

# Aviva Investors and Virtus Investment Partners Announce Agreement To Offer Outcome-Oriented Strategies in U.S. Mutual Funds

**Virtus will provide Aviva Investors' strategies in U.S. funds; First offering will be Multi-Strategy Target Return Fund**

CHICAGO and HARTFORD, Conn., Jan. 22, 2015 /PRNewswire/ -- [Aviva Investors](#), the global asset management business of Aviva plc, and [Virtus Investment Partners, Inc.](#) (NASDAQ: VRTS), which operates a multi-manager asset management business, today announced they will collaborate on developing open-end mutual funds for the U.S. retail market that utilize Aviva Investors' distinctive multi-strategy and outcome-oriented investment expertise.

Virtus will provide Aviva Investors' strategies on an exclusive basis in U.S. open-end mutual funds, beginning with the Virtus Multi-Strategy Target Return Fund<sup>1</sup>, a new global tactical asset allocation fund for which Aviva Investors<sup>2</sup> will be the subadviser.

Euan Munro, Chief Executive at Aviva Investors, and George R. Aylward, President and Chief Executive Officer of Virtus, said the agreement allows the companies to leverage Aviva's extensive investment capabilities, particularly its disciplined, transparent approach to creating consistent and explainable performance, and Virtus' product development expertise and its consultative approach to partnering with financial intermediaries.

"Our companies share a similar commitment to developing and offering innovative investment options by focusing on client outcomes," Munro said. "At Aviva Investors, we begin by carefully understanding a client's investment objectives and then using a collaborative approach to develop a well-managed portfolio. The Virtus team understands and values this process, and they have been successful in the U.S. marketplace because they know how to effectively articulate sophisticated investment strategies to financial advisors and their clients."

Aylward said that when Virtus introduces new investment solutions for the mutual fund market, the company seeks differentiated strategies from high-quality investment managers. Aviva Investors' extensive investment capabilities, which include fixed income strategies, global equities, real estate, infrastructure, and multi-asset portfolios, in developed and emerging markets, makes the company uniquely qualified to manage the new multi-strategy target return fund.

"We are excited by the opportunity to provide compelling solutions for financial advisors that utilize Aviva Investors' broad outcome-oriented capabilities," Aylward said. "We are particularly pleased to work with Euan, who has been a pioneer in the development of liquid multi-strategy investment solutions." Munro, who has more than 20 years of investment experience, previously was global head of multi-asset investing and fixed income strategies for Standard Life Investments, where he led the development of the Global Absolute Return Strategies.

The first offering in the companies' relationship, the Virtus Multi-Strategy Target Return Fund, is intended to address substantial investor interest in outcome-oriented solutions. The fund will seek to achieve a long-term total return target by employing a fundamental research strategy to construct an unconstrained portfolio of global equities, bonds and derivatives, which provide efficient exposure to the target market opportunities.

Aviva Investors' asset allocation process employs a contribution-to-risk approach that utilizes both

quantitative risk modeling and a qualitative assessment to make portfolio allocations that reflect the team's view of long-term fundamental opportunities, substantial market dislocations, and opportunities to reduce overall portfolio risk.

Aviva Investors introduced the multi-strategy approach in the UK on July 1, 2014 and has since gathered more than \$700 million in assets as of December 31, 2014.

Virtus has filed a registration with the U.S. Securities and Exchange Commission for the Virtus Multi-Strategy Target Return Fund. The fund is expected to be available to investors in the second quarter of 2015, subject to regulatory approval.

## **Aviva Investors**

[Aviva Investors](#) is the global asset management business of [Aviva plc](#). The business delivers investment management solutions and services to clients worldwide. Aviva Investors operates in 15 countries in Asia Pacific, Europe, North America and the United Kingdom with assets under management of \$400 billion as of September 30, 2014.

## **Virtus Investment Partners**

[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. Virtus offers access to a variety of investment styles across multiple disciplines to meet a wide array of investor needs, and provides products and services through affiliated managers and select subadvisers, each with a distinct investment style, autonomous investment process and individual brand. Its affiliated managers include [Cliffwater Investments](#), [Duff & Phelps Investment Management](#), [Euclid Advisors](#), [Kayne Anderson Rudnick Investment Management](#), [Kleinwort Benson Investors International](#), [Newfleet Asset Management](#), [Newfound Investments](#), [Rampart Investment Management](#) and [Zweig Advisers](#).

**<sup>1</sup> A registration statement relating to the Virtus Multi-Strategy Target Return Fund has been filed with the Securities and Exchange Commission. The fund may not be sold until the registration statement becomes effective. Investors should carefully consider the investment objectives, risks, charges, and expenses of any Virtus Mutual Fund before investing. The prospectus and summary prospectus, when available, will contain this information.**

*Fund Risks. Equity Securities Risk.* The risk that events negatively affecting issuers, industries or financial markets in which the fund invests will impact the value of the stocks held by the fund and thus, the value of the fund's shares over short or extended periods. Investments in a particular style or in small or medium-sized companies may enhance that risk. *Credit Risk.* The risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. *Interest Rate Risk.* The risk that when interest rates rise, the values of the fund's debt securities, especially those with longer maturities, will fall. *Derivatives Risk.* The risk that the fund will incur a loss greater than the fund's investment in, or will experience greater share price volatility as a result of investing in, a derivative contract. Derivatives may include, among other things, futures, options, forwards and swap agreements and may be used in order to hedge portfolio risks, create leverage, or to attempt to increase yield. *Foreign Investing Risk.* The risk that the prices of foreign securities in the fund's portfolio will be more volatile than those of domestic securities, or will be negatively affected by currency fluctuations or economic, political or other developments.

Virtus Mutual Funds are distributed by **VP Distributors, LLC**, member, FINRA, and subsidiary of Virtus Investment Partners, Inc.

<sup>2</sup> The name "Aviva Investors" as used in this press release refers to the global organization of affiliated asset management businesses operating under the Aviva Investors name. Each Aviva Investors affiliate is a subsidiary of Aviva plc, a publicly-traded multi-national financial services company headquartered in the United Kingdom. Aviva Investors Americas LLC ("AIA") is the US SEC registered investment advisor and the named sub-advisor to the Virtus Multi-Strategy Target Return Fund.

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SOURCE Virtus Investment Partners, Inc.; Aviva Investors

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