

Virtus ETF Solutions Launches Alternative ETF

Virtus Enhanced Short U.S. Equity ETF Offers New Approach for Inverse ETFs

HARTFORD, Conn., June 28, 2017 /PRNewswire/ -- Virtus ETF Solutions, an affiliate of [Virtus Investment Partners, Inc.](#) (NASDAQ: VRTS) and multi-manager ETF sponsor, has introduced a new exchange traded fund that innovatively shorts exposure to large- and mid-cap U.S. equities without daily rebalancing and, in the process, mitigates swaps-based risks.

The Virtus Enhanced Short U.S. Equity ETF (NYSE: VESH), which is managed by Rampart Investment Management, a Virtus affiliate that specializes in disciplined, systematic, and rules-based investment strategies, may be of interest to investors who have a bearish view of the U.S. market or want to tactically hedge the U.S. equity exposure in their portfolios.

"VESH is structurally different than other 'inverse' ETFs because it does not utilize swaps, does not feature a leveraged investment objective, and does not rebalance on a daily basis," said William J. Smalley, executive managing director and head of product strategy and management, Virtus ETF Solutions. "We believe it addresses the structural issues associated with daily-rebalanced, inverse ETFs."

According to Smalley, VESH seeks to outperform (100)% of the total return of the S&P 500[®] Index by providing inverse (short) exposure to large- and mid-capitalization U.S. equities. It systematically sells (shorts) listed futures contracts based on the S&P 500 and its sectors according to a proprietary, relative strength momentum methodology that overweights short exposure to sectors that have exhibited the weakest relative strength. As such, VESH marries a classic enhanced beta technique with short selling.

VESH, which is Rampart's first ETF strategy, is managed by a team that is experienced at implementing hedged equity strategies to complement existing investment strategies and equity exposures. The team includes Warun Kumar, chief investment officer, and portfolio managers Michael Davis, Brendan R. Finneran and Robert F. Hofeman, Jr.

"VESH demonstrates our commitment to deliver innovative ETF solutions that seek to mitigate risk management challenges in investor portfolios," Smalley said.

About Virtus ETF Solutions

[Virtus ETF Solutions](#), (VES) is a New York-based, multi-manager ETF sponsor and affiliate of Virtus Investment Partners (NASDAQ: VRTS). With actively managed and index-based investment capabilities across multiple asset classes, VES offers a range of complementary exchange-traded-funds subadvised by select investment managers.

About Rampart Investment Management

[Rampart Investment Management](#), an affiliated manager of Virtus Investment Partners, specializes in disciplined, systematic, and rules-based strategies. Founded in 1983, Rampart manages client positions and portfolios using domestic equity and index options, stocks, and ETFs using proprietary analytical tools to help achieve the diverse needs of clients. By implementing hedged equity strategies that complement existing investment programs and equity exposures, Rampart's goal is to assist institutions and individuals in managing their assets effectively.

About Virtus Investment Partners

[Virtus Investment Partners](#) (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers

[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. In addition to [Virtus ETF Solutions](#) and [Rampart Investment Management](#), its affiliated managers include [Ceredex Value Advisors](#), [Duff & Phelps Investment Management](#), [Kayne Anderson Rudnick Investment Management](#), [Newfleet Asset Management](#), [Seix Investment Advisors](#), and [Silvant Capital Management](#). Additional information can be found at virtus.com

The fund is an exchange-traded fund ("ETF"). The "net asset value" (NAV) of the fund is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV of the fund is not necessarily the same as its intraday trading value. Fund investors should not expect to buy or sell shares at NAV because shares of ETFs such as the fund are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Thus, shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

Fund Risks: The Virtus Enhanced Short U.S. Equity ETF is subject to the risks of exchange traded funds and equity investing, including short sales, derivatives, industry and/or sector concentration and non-diversification risks.

Please consider the fund's objectives, risks, charges, and expenses before investing. Contact Virtus ETF Solutions at 1.888.383.0553 or visit www.rampart-im.com for a prospectus, which contains this and other information about the fund.

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