

Virtus Investment Partners, Inc. (NASDAQ: VRTS) has Agreed to Acquire a Majority Interest in Sustainable Growth Advisers**Deal Value: \$129.5 million**

Sandler O'Neill acted as financial advisor to Virtus Investment Partners, Inc. in this transaction. Overall, this represents Sandler O'Neill's 200th financial services transaction since January 1, 2015, more than any other investment bank during that time period.⁽¹⁾

Hartford, CT (February 2, 2018) – Virtus Investment Partners, Inc. (NASDAQ: VRTS), which operates as a multi-boutique asset manager, today announced it has entered into an agreement to acquire a majority interest in Sustainable Growth Advisers (SGA), an investment manager specializing in high-conviction U.S. and global growth equity portfolios. The transaction would expand Virtus' offerings of investment strategies from its affiliated managers and diversify its client base, particularly among institutional investors and international clients.

Virtus would purchase the equity interest currently held by Estancia Capital Management, a private equity firm, as well as a portion of the equity held by SGA's partners, including its three co-founders. Key investment professionals will retain the remaining equity in the company, enter into long-term employment agreements, and reinvest a meaningful portion of their after-tax proceeds from the transaction into the company's investment strategies.

SGA manages \$11.6 billion in assets in U.S., global and international growth equity strategies using a team-oriented approach and a consistent investment philosophy that is based on fundamental research and investing in equities of sustainable growth companies. SGA primarily manages assets in institutional separate accounts and subadvisory mandates for clients in the U.S., Europe, Middle East, and Asia-Pacific.

As a Virtus affiliated boutique, SGA will retain autonomy over its investment process and maintain its independent structure, culture, brand identity, and control over day-to-day activities. SGA also will benefit from access to Virtus' distribution and shared business support capabilities.

"George Fraise, Gordon Marchand, and Rob Rohn, the co-founders of SGA, have created an exceptional business by focusing on meeting their clients' objectives by providing a distinctive investment approach that concentrates on investing in companies with differentiated businesses and predictable and sustainable growth," said George R. Aylward, president and chief executive officer of Virtus. "We are very pleased to partner with SGA and support the current and future leaders of the company as they provide continuity for their clients and continue to leverage their distinguished research and decision-making process to construct high conviction, growth-equity portfolios."

"We firmly believe that the quality of our research and our focus on one distinct approach is positively correlated with long-term success for our clients," said Robert Rohn, founding principal, analyst and portfolio manager at SGA. "We knew we wanted a partner that shares our client-focused vision and would help us ensure continuity of our investment approach and company culture."

The transaction is expected to close in mid-2018, subject to customary closing conditions and client approvals. Virtus expects to finance the transaction using balance sheet resources and available capacity on its credit facility, or may seek additional sources of debt financing, depending on market conditions.

(1) Source: S&P Global Market Intelligence; excludes minority transactions, terminated transactions, and/or self-advisory roles.

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