



NEWS RELEASE

For Immediate Release

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Virtus Launches Premium AlphaSector™ Fund

Extension of AlphaSector Suite Determines Allocations on Weekly Basis

Hartford, CT, July 12, 2010 – [Virtus Investment Partners](#) (NASDAQ: VRTS), which operates a multi-manager asset management business, has launched the [Virtus Premium AlphaSector Fund](#) (Class A: VAPAX), an extension of Virtus' AlphaSector™ product suite that is subadvised by quantitatively-based investment firm [F-Squared Investments, Inc.](#)

Similar to the Virtus [AlphaSector Allocation Fund](#) (Class A: PSWAX) and the [AlphaSector Rotation Fund](#) (Class A: PWBAX), introduced by Virtus in late 2009, the Virtus Premium AlphaSector Fund is constructed exclusively from the nine Select Sector SPDR exchange-traded funds plus a short-term Treasury ETF. The principal distinction between the strategies is that the Premium AlphaSector Fund has the ability to reallocate weekly, rather than monthly.

“Financial advisors recognize that our AlphaSector strategies provide clients what they are looking for in a post-2008 investment era – the flexibility to allocate to cash in downward trending markets while remaining invested in upward trending markets,” said Frank Waltman, Virtus' executive vice president, product management.

“The Premium AlphaSector Fund offers advisors a way to better manage the impact of down markets which, in turn, increases the likelihood their clients can achieve their retirement or investment goals.”

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Virtus Launches Premium AlphaSector Fund - 2

The Premium AlphaSector Fund's weekly reallocation signals are generated by F-Squared's proprietary quantitative model that identifies which sector(s) may weigh down future performance. Those sectors are then omitted from the portfolio and the assets are allocated equally to the remaining sectors. When three or fewer sectors are represented, the portfolio will begin building a position in cash equivalents, up to 100% of the portfolio.

"The introduction of the Virtus AlphaSector Funds last year proved the power and importance of a strategy that is designed to avoid significant losses, yet is still able to participate and even outperform when the market is heading up," said F-Squared's president and chief executive officer, Howard Present. "With the launch of the Premium AlphaSector Fund, we are able to offer financial advisors a more dynamic approach to managing market volatility with the objective of outperforming the S&P 500®."

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](http://NASDAQ:VRTS)) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. The company, which had \$25.6 billion under management as of March 31, 2010, 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.

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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.

Virtus Launches Premium AlphaSector Fund - 3

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 larger numbers 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.

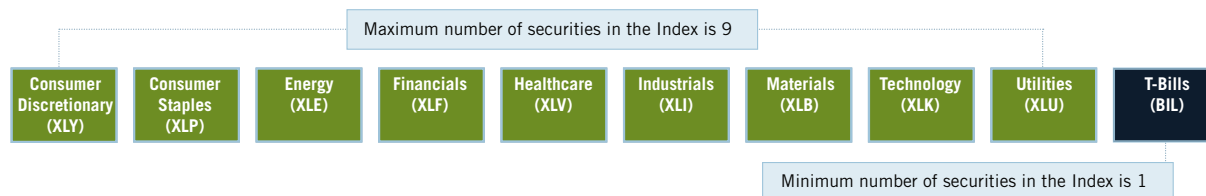
Active Index Solutions, LLC is the source and owner of the trademarks, service marks and copyrights related to the AlphaSector Index. AlphaSector is a trademark of Active Index Solutions, LLC.

Mutual Funds distributed by **VP Distributors, Inc.**

The Virtus Premium AlphaSector™ strategy was designed to meet the real needs of individual investors by providing risk controls in down markets and enhanced alpha in up markets.

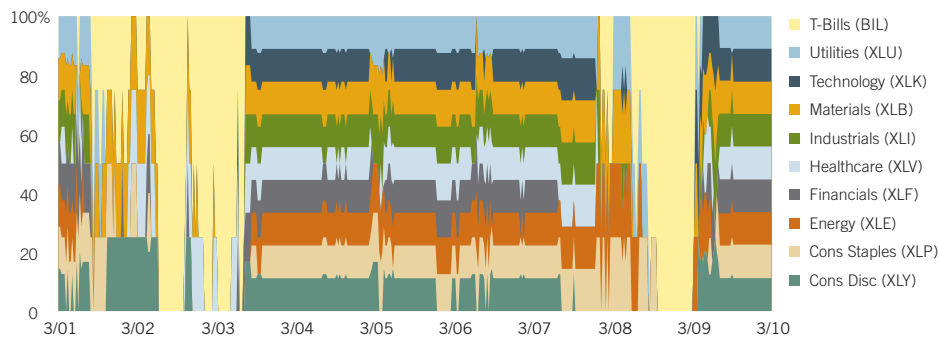
Portfolio Construction

- > Comprised of the nine Select Sector SPDR exchange traded funds (ETFs), which represent the primary sectors of the S&P 500® Index, plus an ETF that represents short-term Treasuries.
- > Flexibility to invest in any combination of the nine sector ETFs, a combination of sector ETFs and short-term Treasuries, or 100% in short-term Treasuries.



- > Utilizes a proprietary quantitative model that seeks to evaluate “true” price trends within each sector, while eliminating market noise.
- > The model features an innovative, dynamic volatility factor that heightens the sensitivity of the model signals in periods of rising or high volatility.
- > Sectors are equally weighted, with a maximum allocation of 25% per sector at time of rebalancing.
- > When three or fewer sectors are represented, the remainder is allocated to cash equivalents, up to 100%.
- > Uses a binary model for determining sector allocations on a weekly basis, with sectors either included in the portfolio or entirely excluded.

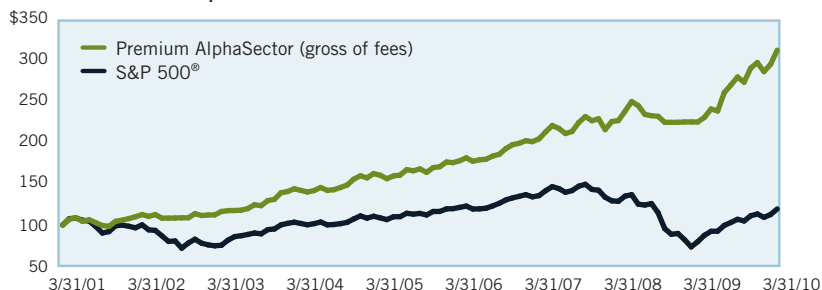
Sector Allocations



Performance¹

As of 3/31/10	Premium AlphaSector (net)	S&P 500® (gross)	S&P 500®
Cumulative Return	139.5%	213.0%	19.6%
Annualized Return	10.2	13.5	2.0
3 Yr Return (Annualized)	11.8	15.1	-4.2
5 Yr Return (Annualized)	10.9	14.3	1.9
Standard Deviation	9.6	9.6	15.8
Maximum Drawdown	-12.2	-10.1	-51.0

Growth of \$100



Statistics¹

As of 3/31/10	Premium AlphaSector
Annual Excess Return	11.5
Alpha	12.5
R-Squared	45%
Beta	0.4
5 Yr Up Capture Ratio	88%
5 Yr Down Capture Ratio	37%

¹April 2001 - March 2010 (unless otherwise indicated)
Source: Zephyr StyleADVISOR

Important Information

This material has been prepared solely for information purposes. The information contained herein has been obtained from sources we believe to be reliable, but its accuracy and completeness cannot be guaranteed. It is available on an “as is” basis without warranty.

Virtus Premium AlphaSector is a new strategy that attempts to track an index known as the AlphaSector Premium Index, owned and published by Active Index Solutions, LLC. AlphaSector Premium is a quantitatively driven index that applies a weekly trading protocol to nine Select Sector SPDRs and an exchange traded fund (ETF) representing 1-3 month Treasuries. The index has the potential to be invested in any combination of the nine SPDRs, including all nine at the same time, a combination of sector SPDRs and the Treasury ETF, or 100% in the Treasury ETF.

There is no guarantee that the adviser will be successful in achieving returns similar to the AlphaSector Premium Index. Client returns will be significantly lower than the index returns after fees are taken into account, including management fees, brokerage or transaction costs, or other administrative or custodian fees a client may incur.

One cannot directly invest in an index. Index returns represent past performance and are not a guarantee of future results or indicative of any specific investment.

The index returns shown reflect hypothetical model performance an investor would have obtained had it invested in the manner shown and does not represent returns that any investor actually attained. Hypothetical model performance has inherent limitations. For example, it does not involve financial risk, and there is no actual funded trading record. It may not reflect the impact that material economic and market factors might have had on the adviser’s decision making if the adviser were actually managing client money. The index returns shown are adjusted to reflect the reinvestment of dividends.

Gross annual returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Net annual returns are calculated after the deduction of an assumed annual wrap fee of 3%. The ETFs invested in the model portfolio have their own expenses that are included in the gross and net returns presented.

Investment in securities involves risk, including the potential for loss of principal. Sector ETFs are subject to sector risk and non-diversification risks, which may result in greater price fluctuation than the overall market. Sector ETFs that sample their target indexes to comply with tax diversification rules may experience a greater degree of tracking error than other ETFs.

The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged and not available for direct investment.

***Alpha:** The excess return of the portfolio relative to the return of the benchmark index. **Beta:** A quantitative measure of the volatility of a given portfolio to the overall market. Higher beta suggests higher volatility. **Maximum Drawdown:** The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough. **Standard Deviation:** Measures variability of returns around the average return for an investment fund. Higher standard deviation suggests greater risk. **R²:** A measurement of how closely a portfolio’s performance correlates with the performance of a benchmark index. **Up and Down Capture Ratios:** Measure how well a manager was able to replicate or improve on phases of positive benchmark returns and how badly the manager was affected by phases of negative benchmark returns.*

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