

Virtus Introduces Virtus AlphaSimplex Managed Futures ETF

ASMF leverages AlphaSimplex's expertise in systematic alternative investment strategies

NEW YORK, NY, May 17, 2024 – [Virtus Investment Partners, Inc.](#) (NYSE: VRTS) has expanded its offerings of distinctive, actively managed exchange-traded funds with the introduction of the [Virtus AlphaSimplex Managed Futures ETF](#) (NYSE: ASMF), the first ETF strategy managed by [AlphaSimplex Group, LLC](#).

The Virtus AlphaSimplex Managed Futures ETF utilizes AlphaSimplex's proprietary research and dynamic risk management systems to analyze market behavior and adapt to changing market dynamics. The firm's risk models are designed to detect changes in portfolio risk and adjust to varying levels of market volatility, allowing for daily monitoring and management of portfolio positions.

ASMF aims to deliver diversification to traditional long-only portfolios by seeking positive risk-adjusted returns with low long-term correlations to traditional asset classes. The ETF is designed to target the risk/return characteristics of the 20 largest managed futures funds in the world, as measured by the SG CTA Index. It can offer long or short exposure to global equities, fixed income, currencies, and commodities through exchange-traded futures contracts.

"Incorporating diversified sources of return within investment portfolios is widely accepted as a core tenet of asset allocation. Managed futures have historically generated positive long-term absolute returns independent of overall market direction, providing a differentiated source and pattern of returns compared to traditional stock and bond portfolios," said AlphaSimplex chief investment officer and portfolio manager Alexander D. Healy, Ph.D., who manages ASMF with Kathryn M. Kaminski, Ph.D., CAIA, chief research strategist and portfolio manager. "With ASMF, we have combined our experience in managed futures investing with our expertise in replicating hedge fund returns to create an innovative product designed to bring this diversifying industry exposure to a wide range of investors."

Virtus' multi-manager ETF platform, [Virtus ETF Solutions](#), now offers 18 actively managed and index-based ETFs across multiple asset classes. These include the Virtus Terranova U.S. Quality

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Momentum ETF (JOET) as well as ETFs managed by other Virtus affiliated managers, Duff & Phelps Investment Management Co., Newfleet Asset Management, Seix Investment Advisors, and Stone Harbor Investment Partners.

“AlphaSimplex has been redefining systematic strategies for 25 years,” said William J. Smalley, executive managing director, Virtus ETF Solutions. “ASMF addresses the limitations of traditional strategies by employing a hybrid approach, combining aspects of top-down and bottom-up techniques, aiming to improve risk-adjusted returns while reducing tracking error relative to the index. It seeks to deliver ‘enhanced beta’ exposure to the index with daily liquidity in an efficient and transparent ETF wrapper.”

About AlphaSimplex

[AlphaSimplex](#) is a registered investment adviser and affiliated manager of Virtus Investment Partners that seeks to expand the way the world invests with the power of diversification. The firm specializes in researching and analyzing markets and behaviors, including volatility and risk. AlphaSimplex develops systematic investment strategies that are designed to adapt to changing market dynamics, using primarily liquid futures and forward contracts. The firm seeks to deliver investment success and positively impact clients and colleagues by embracing a thoughtful culture of innovation, collaboration, and excellence.

About Virtus ETF Solutions

[Virtus ETF Solutions](#) is a multi-manager ETF sponsor that offers actively managed and index-based investment capabilities across multiple asset classes, seeking to deliver a family of complementary ETFs that provide investors access to differentiated investment capabilities from select subadvisers.

About Virtus Investment Partners, Inc.

[Virtus Investment Partners](#) (NYSE: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. We provide investment management products and services from our [affiliated managers](#), each with a distinct investment style and autonomous investment process, as well as select subadvisers. Investment solutions are available across multiple disciplines and product types to meet a wide array of investor needs. Additional information about our firm, investment partners, and strategies is available at [virtus.com](#).

Risk Considerations

Exchange-Traded Funds (ETF): The value of an ETF may be more volatile than the underlying portfolio of securities it is designed to track. The costs to the portfolio of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **Derivatives:** 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 attempt to increase returns. Investments in derivatives may result in increased volatility and the portfolio may incur a loss greater than its principal investment. **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Interest Rate:** The values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. **Credit Risk:** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline. **Currency Rate:** Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares. **Commodity and Commodity-Linked Instruments:** Commodity and commodity-linked instruments may experience a return different than the commodity they attempt to track and may also be exposed to counterparty risk. **Foreign & Emerging Markets:** Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **Leverage:** When a portfolio is leveraged, the value of its securities may be more volatile and all other risks may be compounded. **Financial Concentration:** Because the portfolio is presently heavily weighted in the financial sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **Portfolio Turnover:** The portfolio's principal investment strategies may result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the portfolio is held in a taxable account. **Quantitative Model:** Investments selected using quantitative models may perform differently from the market as a whole or from their expected performance. There can be no assurance that use of a quantitative model will enable the portfolio to achieve positive returns or outperform the market. **Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as

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war, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

Prospectus: For additional information on risks, please see the fund's prospectus.

The SG CTA Index is designed to represent the performance of the 20 largest Trend Following commodity trading advisors (CTA) programs in the managed futures space. To qualify for inclusion in the index, a program must be open to new investment, report returns on a daily basis, be an industry recognized trend follower as determined at the discretion of the SG Index Committee, and must exhibit significant correlation to trend following peers and the SG Trend Indicator. The index is equally weighted, and rebalanced and reconstituted annually. AlphaSimplex Group, LLC is a part of the SG CTA Index.

Please consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. Contact us at 1-800-243-4361 or visit virtus.com for a copy of the fund's prospectus. Read the prospectus carefully before you invest or send money.

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