

## Virtus Investment Partners Announces Agreement to Acquire Westchester Capital Management

*Leading manager of event-driven alternative strategies including The Merger Fund*

**HARTFORD, CT, February 1, 2021** – [Virtus Investment Partners, Inc.](#) (NASDAQ: VRTS), which operates a multi-boutique asset management business, today announced it has entered into a definitive agreement to acquire Westchester Capital Management, a leading manager of global event-driven investment strategies with approximately \$4.3 billion<sup>1</sup> of assets under management, including \$3.6 billion in The Merger Fund<sup>®</sup>, which was launched in 1989.

The acquisition would expand Virtus' offerings of alternative investment strategies by adding Westchester Capital's differentiated, non-correlated strategies that invest in publicly announced events such as mergers, acquisitions, takeovers, spin-offs and other corporate reorganizations.

Under the agreement, Virtus would purchase all of the equity of Westchester Capital. Managing partners and portfolio managers, Roy Behren and Michael Shannon, have entered into long-term employment agreements and are reinvesting a significant portion of the transaction proceeds into the firm's investment strategies.

"Roy, Michael and their team have built Westchester Capital into the premier provider of event-driven strategies with a long, proven track record of attractive investment performance," said George R. Aylward, president and chief executive officer of Virtus. "This agreement gives us the opportunity to partner with a well-respected team and make their strategies available to a greater number of clients through our broad distribution platform. We are particularly pleased that The Merger Fund, which is a leader in non-correlated strategies as the first mutual fund devoted exclusively to merger arbitrage, will become one of the many distinctive funds we offer to the retail market."

Behren and Shannon said that affiliating with Virtus will allow the firm to further invest in its growth while retaining autonomy over its investment process and maintaining its independent team, culture, and brand identity.

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<sup>1</sup> Assets as of December 31, 2020

“Becoming an affiliate of Virtus will be a seamless and smooth transition, giving us access to Virtus’ scale, resources and efficiencies. This will immediately benefit investors in our strategies as well as our company as the industry continues to evolve. Virtus’ multi-boutique model is the perfect environment to allow our portfolio team to focus exclusively on investment management and also allow our product specialist team to continue providing the information flow and manager access that our investors have enjoyed over the past three decades. On behalf of our partners at Lincoln Peak Capital and ourselves, we are gratified to be given the opportunity to collaborate with such an extraordinarily high-quality institution.”

The transaction is expected to close in the second half of the year, subject to customary closing conditions and approvals by each fund’s board and shareholders.

Virtus will discuss the transaction in connection with its quarterly investor conference call scheduled for 10:00 a.m. Eastern, Tuesday, February 2.

UBS acted as financial advisor and Goodwin Procter LLP was the legal advisor to Virtus on the transaction. Piper Sandler & Co. acted as financial advisor and Berkowitz, Trager & Trager, LLC and Morgan, Lewis & Bockius LLP were the legal advisors to Westchester Capital Management and its shareholders.

### **About Westchester Capital Management**

With a history spanning more than three decades, [Westchester Capital](#) has endeavored to deliver consistent, absolute returns through the disciplined execution of event-driven alternative investment strategies. Through an array of investment portfolios, including its flagship fund, The Merger Fund, it provides investors with strategies to invest in publicly announced events such as mergers, acquisitions, takeovers, spin-offs, and other corporate reorganizations, with the goal of profiting from the timely completion of these transactions.

### **About Virtus Investment Partners, Inc.**

[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. Its affiliates include [Ceredex Value Advisors](#), [Duff & Phelps Investment Management](#), [Kayne Anderson Rudnick Investment Management](#), [Newfleet Asset Management](#), [NFJ Investment Group](#), [Seix Investment Advisors](#),

[Silvant Capital Management](#), and [Sustainable Growth Advisers](#). Additional information is available at [virtus.com](http://virtus.com).

### About Lincoln Peak Capital

[Lincoln Peak Capital](#) is a private strategic equity partner for boutique asset management firms, providing capital and expertise to help firms realize their long-term potential. Lincoln Peak Capital's partner firms manage in excess of \$90 billion of assets.

### Contacts

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**An investor should consider the investment objectives, risks, charges, and expenses of the Funds carefully before investing. The current prospectuses contain this and other information about the Funds. To obtain a prospectus, please visit the Documents page of [www.mergerfund.com](http://www.mergerfund.com) or call (800) 343-8959. Please read the prospectus carefully before investing.**

The Merger Fund is distributed by Compass Distributors, LLC, which is not affiliated with the advisor or any of its affiliates.

Mutual fund investing involves risk. Principal loss is possible.

#### Forward-Looking Information

This press release contains statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995, as amended. These statements may be identified by such forward-looking terminology as "expect," "estimate," "intent," "plan," "intend," "believe," "anticipate," "may," "will," "should," "could," "continue," "project," "opportunity," "predict," "would," "potential," "future," "forecast," "guarantee," "assume," "likely," "target" or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about the company and the markets in which we operate, are not guarantees of future results or performance, and involve substantial risks and uncertainty including assumptions and projections concerning our assets under management, net asset inflows and outflows, operating cash flows, business plans and ability to borrow, for all future periods. All forward-looking statements are as of the date of this release only. The company can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2019 Annual Report on Form 10-K and as supplemented by any subsequent Quarterly Report on Form 10-Q, as well as the following risks and uncertainties resulting from: (i) the on-going effects of the COVID-19 pandemic and associated global economic disruption; (ii) general domestic and global economic, political and pandemic conditions; (iii) any reduction in our assets under management; (iv) withdrawal, renegotiation or termination of investment advisory agreements; (v) damage to our reputation; (vi) failure to comply with investment guidelines or other contractual requirements; (vii) inability to satisfy financial covenants and payments related to our indebtedness; (viii) inability to attract and retain key personnel; (ix) challenges from the competition we face in our business; (x) adverse regulatory and legal developments; (xi) unfavorable changes in tax laws or limitations; (xii) adverse developments related to unaffiliated subadvisers; (xiii) negative implications of changes in key distribution relationships; (xiv) interruptions in or failure to provide critical technological service by us or third parties; (xv) volatility associated with our common stock; (xvi) adverse civil litigation and government investigations or proceedings; (xvii) risk of loss on our investments; (xviii) inability to make quarterly common stock dividends; (xix) lack of sufficient capital on satisfactory terms; (xx) losses or costs not covered by insurance; (xxi) impairment of goodwill or intangible assets; (xxii) inability to achieve expected acquisition-related benefits; and other risks and uncertainties. Any occurrence of, or any material adverse change in, one or more risk factors or risks and uncertainties referred to above, in our 2019 Annual Report on Form 10-K, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and our other periodic reports filed with the Securities and Exchange Commission (the "SEC") could materially and adversely affect our operations, financial results, cash flows, prospects and liquidity.

Certain other factors that may impact our continuing operations, prospects, financial results and liquidity, or that may cause actual results to differ from such forward-looking statements, are discussed or included in the company's periodic reports filed with the SEC and are available on our website at [www.virtus.com](http://www.virtus.com) under "Investor Relations." You are urged to carefully consider all such factors.

The company does not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections, or other circumstances occurring after the date of this release, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. If there are any future public statements or disclosures by us that modify or affect any of the forward-looking statements contained in or accompanying this release, such statements or disclosures will be deemed to modify or supersede such statements in this release.