VIRTUS INVESTMENT PARTNERS, INC.
Form 424B5
January 25, 2017
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated January 25, 2017

Prospectus Supplement to Prospectus dated January 23, 2017

$100,000,000

Virtus Investment Partners, Inc.

of

% Series D Mandatory Convertible Preferred Stock

Virtus Investment Partners, Inc., or Virtus or the Company , is offering 1,000,000 shares of our % Series D Mandatory Convertible Preferred Stock, par value $0.01 per share, or the Mandatory Convertible Preferred Stock .

Dividends on our Mandatory Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by our board of directors, or an authorized committee of our board of directors, at an annual rate of % of the liquidation preference of $100.00 per share. We may pay declared dividends in cash or, subject to certain limitations, in shares of our common stock, or in any combination of cash and shares of our common stock on February 1, May 1, August 1 and November 1 of each year, commencing on May 1, 2017 and ending on, and including, February 1, 2020.

Each share of our Mandatory Convertible Preferred Stock has a liquidation preference of $100.00. Each share of Mandatory Convertible Preferred Stock will automatically convert on the third business day immediately following the last trading day (as defined herein) of the Settlement Period (as defined herein) into between and shares of our common stock (respectively, the Minimum Conversion Rate and Maximum

Conversion Rate), each subject to anti-dilution adjustments. The number of shares of our common stock issuable on conversion of the Mandatory Convertible Preferred Stock will be determined based on the Average VWAP (as defined herein) per share of our common stock over the 20 consecutive trading day period commencing on, and including, the 22nd scheduled trading day immediately preceding February 1, 2020. At any time prior to February 1, 2020, holders may elect to convert each share of Mandatory Convertible Preferred Stock into shares of common stock at the Minimum Conversion Rate of shares of our common stock per share of Mandatory Convertible Preferred Stock, subject to anti-dilution adjustments. If you elect to convert any shares of the Mandatory Convertible Preferred Stock during a specified period beginning on the effective date of a Fundamental Change (as defined herein), such shares of the Mandatory Convertible Preferred Stock will be converted into shares of our common stock at the Fundamental Change Conversion Rate (as defined herein), and you will also be entitled to receive a Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount (each as defined herein).

Concurrently with this offering, we are making a public offering of our common stock, which we refer to herein as the Concurrent Offering , pursuant to a separate prospectus supplement. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities being offered in the Concurrent Offering. We cannot assure you that the Concurrent Offering will be completed or, if completed, on what terms it will be completed. See Summary Financing Transactions Common Stock Offering.

We intend to use the net proceeds of this offering, together with the net proceeds of the Concurrent Offering, cash on hand, proceeds from the sale of investments, borrowings pursuant to our committed debt financing and deferred cash and common stock consideration payable to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity to finance our pending acquisition, the RidgeWorth Acquisition , of RidgeWorth Holdings, LLC, or RidgeWorth , and to pay related fees and expenses. See Summary Financing Transactions and Use of Proceeds.

The completion of this offering is not contingent on the closing of the Concurrent Offering (nor is the completion of the Concurrent Offering contingent on the closing of this offering) or the completion of the RidgeWorth Acquisition, which, if completed, will occur subsequent to the closing of this offering.

We will have the option to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at the redemption price set forth herein if on September 30, 2017 (i) the consummation of the RidgeWorth Acquisition has not occurred, or (ii) prior to such date an Acquisition Termination Event (as defined herein) occurs. If we do not complete the RidgeWorth Acquisition, we may decide not to exercise our acquisition termination redemption option, in which case the net proceeds from this offering would be available for general corporate purposes. Accordingly, if you decide to purchase Mandatory Convertible Preferred Stock in this offering, you should be willing to do so whether or not we complete the Concurrent Offering or the RidgeWorth Acquisition.

Prior to this offering, there has been no public market for our Mandatory Convertible Preferred Stock. We intend to apply to list the Mandatory Convertible Preferred Stock on the NASDAQ Global Market, or NASDAQ , under the symbol VRTSP. Our common stock is listed on NASDAQ under the symbol VRTS. The last reported sale price of our common stock on NASDAQ on January 24, 2017 was $125.00 per share.

See Risk Factors on page S-22 of this prospectus supplement and page 5 of the accompanying prospectus to read about factors you should consider before buying shares of the Mandatory Convertible Preferred Stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	**Total**
Public offering price	$	$
Underwriting discounts	$	$
Proceeds, before expenses	$	$

We have granted the underwriters the option to purchase up to an additional 150,000 shares of Mandatory Convertible Preferred Stock from us at the public offering price less the underwriting discounts within 30 days from the date of this prospectus supplement.

The underwriters expect to deliver the shares of Mandatory Convertible Preferred Stock against payment therefor in New York, New York on , 2017.

Joint Book-Running Managers

Barclays **Morgan Stanley**

J.P. Morgan **BofA Merrill Lynch**

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this Mandatory Convertible Preferred Stock offering and also adds to and updates information contained in the accompanying prospectus dated January 23, 2017 and the documents incorporated by reference herein and therein. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus or any document incorporated by reference herein or therein filed prior to the date of this prospectus supplement, you should rely on the information contained in this prospectus supplement.

However, if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement. You should rely only on the information contained in or incorporated by reference into this prospectus supplement or contained in or incorporated by reference into the accompanying prospectus to which we or the underwriters have

referred you. We and the underwriters have not authorized anyone to provide you with information that is different. The information contained in, or incorporated by reference into, this prospectus supplement and contained in, or incorporated by reference into, the accompanying prospectus is accurate only as of the respective dates thereof, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of Mandatory Convertible Preferred Stock. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, in their entirety before making your investment decision. You should also read and consider the information in the documents to which we have referred you under the captions Documents Incorporated by Reference in this prospectus supplement and Documents Incorporated by Reference and Where You Can Find More Information in the accompanying prospectus.

We are offering to sell, and are seeking offers to buy, the Mandatory Convertible Preferred Stock only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Mandatory Convertible Preferred Stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the Mandatory Convertible Preferred Stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This prospectus supplement, the accompanying prospectus and the information incorporated herein and therein by reference includes trademarks, service marks and trade names owned by us or others. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

The representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference in this prospectus supplement and the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our Mandatory Convertible Preferred Stock. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors sections contained in this prospectus supplement, in the accompanying prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016, and September 30, 2016 and our consolidated financial statements and the related notes, our condensed consolidated financial statements and the related notes and the other documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein to we, us, our, Virtus, and the Company, or similar terms are to Virtus Investment Partners, Inc., a Delaware corporation, and its subsidiaries.

Our Business

We are a provider of investment management and related services to individuals and institutions. We use a multi-manager, multi-style approach, offering investment strategies from affiliated managers and select unaffiliated subadvisers, each having its own distinct investment style, autonomous investment process and individual brand. By offering a broad array of products, we believe we can appeal to a greater number of investors, which allows us to have opportunities across market cycles and through changes in investor preferences.

Our earnings are primarily driven by asset-based fees charged for services relating to these various products including investment management, fund administration, distribution and shareholder services. These fees are based on a percentage of assets under management, or AUM , and are calculated using daily or weekly average assets or assets at the end of the preceding quarter. As of December 31, 2016 our total AUM was $45.4 billion.

Our Investment Products

We provide our products in a number of forms and through multiple distribution channels. Our retail products include open-end mutual funds, closed-end funds, exchange traded funds, variable insurance funds, Undertakings for Collective Investments in Transferable Securities, or UCITS , and separately managed accounts. Our open-end mutual funds and exchange traded funds are distributed through financial intermediaries. Our closed-end funds trade on the New York Stock Exchange and our exchange traded funds are traded on either the New York Stock Exchange or NASDAQ. Our variable insurance funds are available as investment options in variable annuities and life insurance products distributed by life insurance companies. Separately managed accounts are comprised of intermediary programs, sponsored and distributed by unaffiliated brokerage firms and private client accounts which are offered to the high net-worth clients of one of our affiliated managers. We also manage institutional accounts for corporations, multi-employer retirement funds, public employee retirement systems, foundations, endowments and as a subadviser to unaffiliated mutual funds.

Our Investment Managers

Our investment management services are provided by investment managers who are registered investment advisers under the Investment Advisers Act of 1940, as amended, or the Advisers Act. The investment managers are responsible for portfolio management activities for our retail and institutional products operating under advisory or subadvisory agreements. We provide our affiliated managers with distribution, operational and administrative support, thereby allowing each affiliated manager to focus primarily on investment management.

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We also engage select unaffiliated subadvisers for certain of our open-end mutual funds and exchange traded funds. We monitor the quality of our managers services by assessing their performance, style, consistency and the discipline with which they apply their investment process.

Our Distribution

We distribute our open-end mutual funds and exchange traded funds through financial intermediaries. We have broad access in the retail market, with distribution partners that include national and regional broker-dealers and independent financial advisory firms. Our sales efforts are supported by regional sales professionals, a national account relationship group and separate teams for the retirement and insurance products.

Our separately managed accounts are distributed through financial intermediaries and directly by teams at our affiliated managers. Our institutional distribution strategy is an affiliate-centric model. Through relationships with consultants, they target key market segments, including foundations and endowments, corporate, public and private pension plans and subadvisory accounts.

Our Strategy

We believe we will continue to enhance stockholder value by building upon our strengths and effectively executing the following strategies:

Maintain and expand our high quality investment strategies. Our primary objective is to provide clients with a diverse offering of investment capabilities from high quality managers. We offer investment solutions to institutional and individual investors from affiliated managers (companies in which we have an ownership interest) and to individual investors from unaffiliated subadvisers (companies in which we have no ownership interest) whose strategies are not typically available to retail mutual fund customers. We believe that we can appeal to a greater number of clients and participate in growth opportunities across different market cycles by offering products from a variety of boutique investment managers in a diverse range of styles and disciplines. To allow us to continue to offer current and prospective clients distinctive strategies, we plan to: (a) leverage the capabilities of current managers by introducing new strategies; (b) make existing strategies available in other product structures and for additional markets or channels; and (c) broaden our capabilities with new strategies by partnering with additional subadvisers, investment management teams or affiliated managers.

Capture greater market share by generating higher sales through our current distribution and expanding into other channels. Our investment capabilities are available in both the retail and institutional channels. Our mutual funds benefit from our broad distribution reach among financial intermediaries, and from our differentiated value proposition that allows us to offer financial advisors a single point of access to the distinctive investment philosophies and strategies of our affiliated and unaffiliated boutique managers. We plan to: (a) increase our market share in traditional retail channels by leveraging our strong wirehouse presence to distribute existing and new products, and expanding our efforts and resources in the independent and registered investment advisor channels; (b) deepen our presence in the retirement and institutional channels by broadening our sales and marketing efforts that target those clients; and (c) expand into non-U.S. distribution channels by providing foreign investors with access to our existing strategies and partnering with new offshore distribution relationships.

Leverage the benefits of our operating model by enhancing our shared administration and distribution services. In our model, our investment managers focus primarily on managing client assets because they benefit from shared distribution access, marketing and operational support. This model allows us to provide high-quality services to our managers and to take full advantage of the scale of our business, so we can cost effectively add new strategies, teams and affiliated or unaffiliated

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subadvisers. We plan to continue to: (a) enhance the efficiency and flexibility of our shared support services; and (b) leverage our shared distribution and operational support across more managers and strategies as we add incremental assets to our platform.

Maintain adequate capital to invest in the future growth of the business. Our approach is to maintain an appropriate level of capital to manage current operations, ensure business flexibility, continue to fund our multiple growth opportunities, service outstanding debt, and provide an appropriate return to stockholders. We plan to: (a) maintain a working capital balance that is appropriate for a company of our size and our plans for growth; (b) seed new investment strategies and mutual funds to ensure a strong pipeline of future saleable products; (c) invest in our organic growth opportunities in distribution efforts and product introductions; (d) pursue selective acquisition opportunities; and (e) provide an appropriate return to stockholders.

Recent Developments

Virtus Unaudited Results for the Three Months Ended December 31, 2016

For the three months ended December 31, 2016, Virtus reported U.S. GAAP net income attributable to common stockholders of $12.4 million and earnings per diluted common share of $1.87. Net income attributable to common stockholders and earnings per share increased 87% and 146%, respectively, compared to the prior year, primarily due to lower operating expenses, a lower effective tax rate and a 24% decline in diluted shares that was partially offset by a 7% decrease in total revenues due to lower average AUM. Fourth quarter 2016 earnings per share included a $0.65 benefit from the release of a deferred tax asset valuation allowance related to realized capital losses, ($0.49) of unrealized losses on investments, and ($0.31) of acquisition-related costs. See table below for a summary of quarterly financial results:

(Dollars in millions, except per share data or as noted)

	Three Months Ended December 31,			Three Months Ended September 30,	
	2016	2015	Change	2016	Change
Revenues	$ 79.9	$ 86.1	(7%)	$ 82.3	(3%)
Operating expenses	$ 67.1	$ 69.6	(4%)	$ 65.8	2%
Operating income	$ 12.8	$ 16.5	(23%)	$ 16.5	(23%)
Operating margin	16.0%	19.2%		20.1%	
Net income attributable to common stockholders	$ 12.4	$ 6.6	87%	$ 15.6	(20%)
Earnings per share - diluted	$ 1.87	$ 0.76	146%	$ 1.99	(6%)

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Virtus Unaudited Results for the Year Ended December 31, 2016

For the twelve months ended December 31, 2016, Virtus reported U.S. GAAP net income attributable to common stockholders of $48.5 million and earnings per diluted common share of $6.20. Net income attributable to common stockholders and earnings per share increased 38% and 58%, respectively, compared to the prior year, primarily due to lower operating expenses, higher non-operating income due to improved performance of marketable securities, a lower effective tax rate and a 13% decline in diluted shares that more than offset a 16% decline in total revenues due to lower average AUM. See table below for a summary of annual financial results:

(Dollars in millions, except per share data or as noted)

	Twelve Months Ended December 31,		
	2016	2015	Change
Revenues	$ 322.6	$ 382.0	(16%)
Operating expenses	$ 271.7	$ 301.6	(10%)
Operating income	$ 50.8	$ 80.4	(37%)
Operating margin	15.8%	21.0%	
Net income attributable to common stockholders	$ 48.5	$ 35.1	38%
Earnings per share - diluted	$ 6.20	$ 3.92	58%

Virtus Unaudited Select Balance Sheet Items at December 31, 2016

During the fourth quarter 2016, Virtus repurchased 1.7 million shares of its common stock held by Bank of Montreal Holdings Inc. at a price of $93.50 per share for a total purchase price of $161.5 million using $131.5 million of cash and cash equivalents and $30.0 million drawn from its existing revolving credit facility. The repurchase returned $161.5 million of capital to stockholders and reduced ending shares outstanding by 22.7%. At December 31, 2016, Virtus had working capital of $27.7 million, a decrease of $44.1 million or 61% from December 31, 2015. In addition, at December 31, 2016, Virtus had $180.1 million of seed capital investments and $120.0 million of credit available on its $150.0 million revolving credit facility. See table below for a summary of select balance sheet items:

(Dollars in millions)

	As of December 31,			As of September 30,	
	2016	2015	Change	2016	Change
Cash and cash equivalents	$ 64.6	$ 87.6	(26%)	$ 165.4	(61%)
Seed capital investments (1)	180.1	273.7	(34%)	179.1	1%
Investments - other (2)	29.1	60.2	(52%)	38.4	(24%)
Total - cash and investments	$ 273.8	$ 421.5	(35%)	$ 382.9	(28%)
Deferred taxes, net	$ 47.5	$ 54.1	(12%)	$ 44.6	7%
Dividends payable	$ 3.5	$ 4.2	(17%)	$ 4.1	(15%)
Debt	$ 30.0	$	N/M	$	N/M
Total equity attributable to stockholders	$ 321.7	$ 509.6	(37%)	$ 469.8	(32%)

Working capital (3)	$ 27.7	$ 71.8	(61%)	$ 150.4	(82%)
Ending shares outstanding	5.889	8.399	(30%)	7.610	(23%)

N/M - Not Meaningful

(1) Represents the Company s investments in sponsored investment products including the Company s investment in consolidated sponsored investment products, or CSIPs , net of noncontrolling interests. For the periods ending December 31, 2016, December 31, 2015, and September 30, 2016, net assets of CSIPs represent $150.0 million, $343.5 million, and $141.8 million of total assets, $4.1 million, $15.4 million, and

$2.9 million of total liabilities, and $37.3 million, $73.9 million, and $30.3 million of redeemable noncontrolling interests, respectively.

(2) Investments that are not related to the Company s seed investments, including mutual funds and an investment in a Company-managed CLO, which is a consolidated investment product. For the periods ended December 31, 2016 and September 30, 2016, the investment in the consolidated investment product consisted of $367.0 million and $377.0 million of total assets and $341.3 million and $349.6 million of total liabilities, respectively.

(3) Defined as cash and investments plus accounts receivable, net, less seed capital investments, a Company-managed CLO, accrued compensation and benefits, accounts payable and accrued liabilities, and dividends payable.

Virtus Assets Under Management at December 31, 2016

At December 31, 2016, Virtus had $45.4 billion of AUM comprised of $23.4 billion of open-end mutual funds, $6.8 billion of closed-end funds, $0.6 billion of exchange traded funds, $8.5 billion of separately managed accounts and $6.1 billion of institutional accounts. For the three months ended December 31, 2016, AUM decreased $1.1 billion, or 3%, primarily due to market depreciation of $0.6 billion and net outflows of $0.4 billion. For the twelve months ended December 31, 2016, AUM decreased $2.0 billion or 4%, primarily due to net outflows of $4.7 billion and mutual fund dividends distributed, net of reinvestments of $0.5 billion that were partially offset by market appreciation of $3.2 billion. See table below for a summary of assets under management:

(Dollars in billions)

	Three Months Ended December 31,			Three Months Ended September 30,	
	2016	**2015**	**Change**	**2016**	**Change**
Ending assets under management	$ 45.4	$ 47.4	(4%)	$ 46.5	(3%)
Average assets under management	$ 45.3	$ 48.5	(7%)	$ 45.5	(1%)
Gross sales	$ 2.6	$ 3.2	(17%)	$ 3.1	(15%)
Net flows	$ (0.4)	$ (1.1)	67%	$ 0.5	N/M

N/M - Not Meaningful

RidgeWorth AUM at December 31, 2016

At December 31, 2016, RidgeWorth had $40.2 billion of AUM composed of $16.7 billion of mutual funds, $3.0 billion of separately managed accounts and $20.5 billion of institutional accounts. For the three months ended December 31, 2016, AUM increased $0.1 billion, or less than 1%, due to market appreciation of $0.8 billion that was partially offset by net outflows of $0.4 billion and a net change in liquidity strategies of $0.3 billion. For the twelve months ended December 31, 2016, AUM increased $2.5 billion or 7% due to market appreciation of $3.6 billion and a net change in liquidity strategies of $2.2 billion that was partially offset by net outflows of $3.3 billion.

Pending Acquisition of RidgeWorth

On December 16, 2016, the Company entered into a merger agreement to acquire RidgeWorth, a multi-boutique asset management firm with $40.2 billion (as of December 31, 2016) in assets managed by affiliated investment managers and unaffiliated subadvisers. Under the merger agreement, a wholly owned subsidiary of the Company will (subject to the satisfaction or waiver of the closing conditions in the merger agreement) merge with and into RidgeWorth with RidgeWorth continuing as the surviving company and becoming a wholly owned subsidiary of the Company.

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The purchase price for the RidgeWorth Acquisition equals (x) $472 million, plus (y) the fair market value of certain of RidgeWorth s investments at the effective time of the RidgeWorth Acquisition, with the final purchase price subject to adjustments for working capital and client consents. The purchase price was estimated as of December 16, 2016 to be $513 million, which is expected to be financed from the following sources: cash on hand and proceeds from the sale of investments, deferred cash and common stock consideration payable to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity net proceeds from this offering and the Concurrent Offering and borrowings under our committed debt facility. See Summary Financing Transactions and Use of Proceeds.

The closing of the RidgeWorth Acquisition is subject to (a) the receipt of client consents required by the merger agreement representing revenues that are not less than 77.5% of the baseline revenue amount; (b) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (c) the absence of any material adverse effect (as defined in the merger agreement) on the business of RidgeWorth and its subsidiaries; and (d) other customary closing conditions. The RidgeWorth Acquisition is expected to close in mid-2017, subject to the satisfaction or waiver of such conditions; however, there can be no assurance that the RidgeWorth Acquisition will close, or if it does, when the closing will occur.

The merger agreement contains customary termination rights for the Company and RidgeWorth, including in the event the RidgeWorth Acquisition is not consummated on or before July 16, 2017 (subject to extension to September 16, 2017 in certain specified circumstances). The merger agreement also contains customary representations, warranties, covenants and indemnification and escrow provisions.

The RidgeWorth Acquisition may not be consummated and, even if consummated, we may not realize the anticipated benefits of the RidgeWorth Acquisition. The closing of this offering is not contingent on the closing of the Concurrent Offering or the RidgeWorth Acquisition. In the event we do not consummate the RidgeWorth Acquisition for any reason, we expect to use the net proceeds of this offering for general corporate purposes if we do not exercise our right to redeem the Mandatory Convertible Preferred Stock. See Description of Mandatory Convertible Preferred Stock Acquisition Termination Redemption. Accordingly, if you decide to purchase Mandatory Convertible Preferred Stock in this offering, you should be willing to do so whether or not we complete the Concurrent Offering or the RidgeWorth Acquisition.

RidgeWorth s Business

RidgeWorth Investments, headquartered in Atlanta, provides a wide variety of fixed income and equity strategies to institutional and individual clients through separate accounts, retirement plan investment options, and mutual funds. RidgeWorth is owned by its employees and investment funds affiliated with Lightyear Capital LLC. RidgeWorth s wholly owned affiliates are:

- Seix Investment Advisors, which manages $27.6 billion in fixed income through an investment grade team focused on high-quality securities and a leveraged finance team focused on leveraged loans and high-yield credit strategies.

- Ceredex Value Advisors, which manages $10.8 billion for institutions, endowments, foundations and high-net-worth investors using a traditional value style across all market cap ranges.

Silvant Capital Management, which manages $1.3 billion, primarily in the large-cap growth style for institutional clients.

RidgeWorth also has a minority ownership interest in Zevenbergen Capital Investments, a growth equity boutique that is a subadviser to a RidgeWorth mutual fund. Two unaffiliated investment managers, WCM Investment Management and Capital Innovations, also serve as subadvisers to certain RidgeWorth funds.

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Strategic Rationale for the RidgeWorth Acquisition

We believe the RidgeWorth Acquisition is a strategically compelling and financially sound transaction that will: (a) diversify our asset mix across strategies, asset classes and client bases; (b) enhance and expand our distribution capabilities; (c) increase the Company s scale and profitability; and (d) provide growth opportunities.

The addition of RidgeWorth s investment strategies will diversify our asset mix across strategies and asset classes and complement our retail client asset base by providing access to a broader base of potential institutional clients.

The RidgeWorth Acquisition is expected to broaden our institutional distribution capabilities by adding dedicated and experienced sales and client services resources, and enhance our retail distribution resources through greater access to the retirement, private bank and independent/RIA channels.

The combined company is expected to benefit from the increase in scale and the benefits of synergies from the elimination or consolidation of duplicative support functions. The RidgeWorth Acquisition is expected to increase the Company s total AUM to approximately $85.5 billion, expand open-end fund offerings from 58 to 87 funds with approximately $40.1 billion of AUM, and increase institutional AUM to approximately $26.6 billion.

The RidgeWorth Acquisition is expected to lead to $25.0 million of cost synergies per year once the integration is completed. The cost synergies are expected to be achieved by streamlining the corporate and business support functions with no expected changes to the affiliate investment teams. We expect to realize approximately 85% of the cost savings within twelve months of closing and will incur approximately $15.0 million of one-time costs to achieve the synergies.

The RidgeWorth Acquisition is expected to lead to approximately $420.0 million of purchased intangibles to be amortized over 15 years for tax purposes. The amortization of the purchased intangibles is expected to produce up to $10.8 million of annual tax savings, assuming a tax rate of 38.3%.

We believe the RidgeWorth Acquisition will position the Company for expanded growth opportunities by allowing us to offer our existing strategies through RidgeWorth s institutional and retail distribution resources; offer RidgeWorth s mutual funds through our broader national retail distribution; and make RidgeWorth s investment strategies available in other markets and product forms such as ETFs and UCITS.

Although the Company expects that the RidgeWorth Acquisition will result in benefits to the Company, the Company may not realize those benefits because of integration difficulties and other challenges. See Risk Factors Risks Relating to the RidgeWorth Acquisition Although the Company expects that the RidgeWorth Acquisition will result in benefits to the Company, the Company may not realize those benefits because of integration difficulties and other challenges and Cautionary Note Regarding Forward-Looking Statements.

Share Repurchase

On October 27, 2016 the Company repurchased 1,727,746 shares of its common stock from Bank of Montreal Holdings Inc. at a price of $93.50 per share for a total purchase price of $161.5 million. See Virtus Unaudited Select Balance Sheet Items at December 31, 2016.

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Financing Transactions

In addition to this offering, we expect to obtain or otherwise incur additional financing for the RidgeWorth Acquisition as described below.

Common Stock Offering

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, approximately $100.0 million in shares of common stock before underwriting discounts and expenses (or approximately $115.0 million in shares of common stock before underwriting discounts and expenses if the underwriters exercise their option to purchase additional shares in full) in a public offering.

The completion of this offering and the completion of the Concurrent Offering are not conditioned upon one another. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy the securities being offered in the Concurrent Offering.

Debt Facilities

In connection with our entering into the merger agreement to acquire RidgeWorth, on December 16, 2016, the Company entered into a debt financing commitment letter with Barclays Bank PLC and Morgan Stanley Senior Funding, Inc., together, the Initial Commitment Parties . Pursuant to the debt financing commitment letter, the Initial Commitment Parties committed to arrange and provide the Company with a senior secured credit facility composed of (i) a term loan facility of up to $475.0 million which is expected to mature seven years after the execution date and (ii) a revolving credit facility of up to $100.0 million maturing five years after the execution date. The principal amount of the term loan will be reduced by the lesser of the net cash proceeds received by the Company from an issuance or issuances of equity or equity-linked securities (including from this offering and the Concurrent Offering) and $275.0 million. The availability of borrowings under the new debt facility is subject to satisfaction of certain customary conditions, which include termination and repayment of all amounts outstanding under our existing senior unsecured revolving credit facility (using cash on hand). The senior secured credit facility will contain affirmative and negative financial and operating covenants and events of default customary for facilities of this type. The credit facility will be guaranteed by Virtus domestic subsidiaries (subject to certain exceptions) and will be secured by substantially all of our assets. We expect to close such debt financing concurrently with closing the RidgeWorth Acquisition.

Corporate Information

Virtus Investment Partners, Inc. commenced operations on November 1, 1995 through a reverse merger with Duff & Phelps Investment Management Co. We were a majority-owned subsidiary of The Phoenix Companies, Inc., or PNX , from 1995 to 2001 and a wholly-owned subsidiary from 2001 until 2008. On December 31, 2008, the Company was spun out from PNX and became an independent publicly traded company.

Our principal executive offices are located at 100 Pearl Street, Hartford, Connecticut 06103. Our telephone number is (800) 248-7971, and our internet address is *www.virtus.com*. The information found on our website and on websites linked from it is not incorporated into or a part of this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein.

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THE OFFERING

The following is a brief summary of the terms and conditions of this offering. It does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms and conditions of the offering of our Mandatory Convertible Preferred Stock, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. As used in this section, the terms us, we or our refer to Virtus Investment Partners, Inc. and not to any of its subsidiaries.

Issuer	Virtus Investment Partners, Inc.
Securities Offered	1,000,000 shares of our % Series D Mandatory Convertible Preferred Stock, par value $0.01 per share, or the Mandatory Convertible Preferred Stock .
Underwriters Option to Purchase Additional Shares	Up to 150,000 shares
Public Offering Price	$100.00 per share of Mandatory Convertible Preferred Stock
Liquidation Preference	$100.00 per share of the Mandatory Convertible Preferred Stock
Dividends	% of the liquidation preference of $100.00 per share of the Mandatory Convertible Preferred Stock per year.
	Dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the first original issue date of the Mandatory Convertible Preferred Stock, and, to the extent our board of directors, or an authorized committee thereof, declares (out of funds legally available for payment in the case of dividends paid in cash and shares of common stock legally permitted to be issued in the case of dividends paid in common stock) a dividend payable with respect to the Mandatory Convertible Preferred Stock, we will pay such dividend in cash, by delivery of shares of our common stock or through any combination of cash and shares of our common stock, as determined by us in our sole discretion (subject to certain limitations); provided that any unpaid dividends will continue to accumulate.

If declared, dividends will be payable on the dividend payment dates (as described below) to holders of record at the close of business on the January 15, April 15, July 15 or October 15, as the case may be, immediately preceding the relevant dividend payment date (each a Regular Record Date), whether or not such holders early convert their shares of Mandatory Convertible Preferred Stock, or such shares of Mandatory Convertible Preferred Stock are automatically converted, after a Regular Record Date and on or prior to the immediately succeeding dividend payment date. The expected dividend payable on the first dividend payment date is approximately $ per share of the Mandatory Convertible Preferred Stock. Each subsequent dividend is expected to be $ per share of the Mandatory Convertible Preferred Stock. See Description of Mandatory Convertible Preferred Stock Dividends.

	We will make each payment of a declared dividend on the Mandatory Convertible Preferred Stock in cash, except to the extent we elect to make all or any portion of such payment in shares of our common stock. If we elect to make any payment of a declared dividend, or any portion thereof, in shares of our common stock, such shares shall be valued for such purpose at the Average VWAP per share (as defined under Description of Mandatory Convertible Preferred Stock Mandatory Conversion Definitions), of our common stock over the five consecutive trading day period beginning on, and including, the seventh scheduled trading day prior to the applicable dividend payment date, or the Average Price , multiplied by 97%. Notwithstanding the foregoing, in no event will the number of shares of our common stock delivered in connection with any declared dividend, including any declared dividend payable in connection with a conversion, exceed a number equal to the declared dividend divided by $, which amount represents approximately 35% of the Initial Price (as defined below) (subject to adjustment in a manner inversely proportional to any anti-dilution adjustment to each Fixed Conversion Rate as described below) (such dollar amount, as adjusted, the Floor Price). To the extent that the amount of the declared dividend exceeds the product of the number of shares of our common stock delivered in connection with such declared dividend and 97% of the Average Price, we will, if we are able to do so under applicable law and in compliance with our indebtedness, notwithstanding any notice by us to the contrary, pay such excess amount in cash.
	The Initial Price is calculated by dividing $100.00 by the Maximum Conversion Rate of shares of common stock, which initially equals approximately $, which is the per share public offering price of our common stock in the Concurrent Offering.
Dividend Payment Dates	February 1, May 1, August 1 and November 1 of each year, commencing on May 1, 2017 and ending on, and including, February 1, 2020.
Acquisition Termination Redemption	If the RidgeWorth Acquisition has not closed on or prior to 5:00 p.m., New York City time, on September 30, 2017 or if an Acquisition Termination Event (as defined herein) occurs, we may, at our option, give notice of acquisition termination redemption to the holders of the shares of Mandatory Convertible Preferred Stock. If we provide such notice, then, on the Acquisition Termination Redemption Date (as defined herein), we will redeem the shares of Mandatory Convertible Preferred Stock, in whole but not in part, at a redemption amount per share of mandatory convertible preferred stock equal to the Acquisition Termination Make-whole Amount (as described herein).

If redeemed, we will pay the Acquisition Termination Make-whole Amount in cash unless the Acquisition Termination Share Price described herein is greater than the Initial Price. If the Acquisition Termination Share Price is greater than the Initial Price, we will pay the Acquisition Termination Make-whole Amount in shares of our

	common stock and cash, unless we elect, subject to certain limitations, to pay cash or deliver shares of common stock in lieu of these amounts. See Description of Mandatory Convertible Preferred Stock Acquisition Termination Redemption .
	Other than pursuant to the acquisition termination redemption provisions described in this prospectus supplement, the Mandatory Convertible Preferred Stock will not be redeemable by us.
Mandatory Conversion Date	The third business day immediately following the last trading day of the Settlement Period (as defined herein).
Mandatory Conversion	On the Mandatory Conversion Date, each outstanding share of the Mandatory Convertible Preferred Stock, unless previously converted or redeemed, will automatically convert into a number of shares of our common stock equal to the conversion rate as described below.
	If we declare a dividend for the dividend period ending on February 1, 2020, we will pay such dividend to the holders of record as of the immediately preceding Regular Record Date. If, on or prior to February 1, 2020 we have not declared all or any portion of the accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock, the conversion rate will be adjusted so that holders receive an additional number of shares of our common stock equal to (i) the amount of such accumulated and unpaid dividends that have not been declared (such amount, the Additional Conversion Amount), divided by (ii) the greater of (A) the Floor Price and (B) 97% of the Average Price. To the extent that the Additional Conversion Amount exceeds the product of the number of additional shares and 97% of the Average Price, we will, if we are able to do so under applicable law and in compliance with our indebtedness, declare and pay such excess amount in cash pro rata to the holders of the Mandatory Convertible Preferred Stock.
Conversion Rate	Upon conversion on the Mandatory Conversion Date, the conversion rate for each share of the Mandatory Convertible Preferred Stock will be not more than shares of our common stock, or the Maximum Conversion Rate , and not less than shares of our common stock, or the Minimum Conversion Rate , depending on the Applicable Market Value of our common stock, as described below and subject to certain anti-dilution adjustments.

The Applicable Market Value of our common stock is the Average VWAP per share of our common stock over the 20 consecutive trading day period commencing on, and including, the 22nd scheduled trading day immediately preceding February 1, 2020, or the Settlement Period . The conversion rate will be calculated as described under Description of Mandatory Convertible Preferred Stock Mandatory Conversion, and the following table illustrates the conversion rate per share of the Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments.

Assumed Applicable Market Value of our common stock	Conversion rate (number of shares of our common stock to be received upon conversion of each share of the Mandatory Convertible Preferred Stock)
Greater than the Threshold Appreciation Price	shares of common stock
Equal to or less than the Threshold Appreciation Price but greater than or equal to the Initial Price	Between and shares of common stock, determined by dividing $100.00 by the Applicable Market Value
Less than the Initial Price	shares of common stock

The Threshold Appreciation Price is calculated by dividing $100.00 by the Minimum Conversion Rate of shares of common stock, which is equal to approximately $, and represents an approximately % appreciation over the Initial Price.

Early Conversion at the Option of the Holder	Other than during a Fundamental Change Conversion Period (as defined herein), at any time prior to February 1, 2020, holders of the Mandatory Convertible Preferred Stock have the right to elect to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock), at the Minimum Conversion Rate of shares of our common stock per share of Mandatory Convertible Preferred Stock as described under Description of Mandatory Convertible Preferred Stock Early Conversion at the Option of the Holder . This Minimum Conversion Rate is subject to certain anti-dilution adjustments.

If, as of the conversion date of any early conversion, or the Early Conversion Date , we have not declared all or any portion of the accumulated and unpaid dividends for all full dividend periods ending on or before the dividend payment date prior to such Early Conversion Date, the conversion rate for such early conversion will be adjusted so that holders converting their Mandatory Convertible Preferred Stock at such time receive an additional number of shares of our common stock equal to such amount of accumulated and unpaid dividends that have not been declared for such full dividend periods, or the Early Conversion

Additional Conversion Amount, divided by the greater of (i) the Floor Price and (ii) the Average VWAP per share of our common stock over the 20 consecutive trading day period commencing on and including the 22nd scheduled trading day immediately preceding the Early Conversion Date, or the Early Conversion Average Price. To the extent that the Early Conversion Additional Conversion Amount exceeds the product of such number of additional shares and the Early Conversion Average Price, we will not have any obligation to pay the shortfall in cash.

Conversion at the Option of the Holder Upon a Fundamental Change; Fundamental Change Dividend Make-whole Amount	If a Fundamental Change (as defined under Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) occurs on or prior to February 1, 2020, holders of the Mandatory Convertible Preferred Stock will have the right during the Fundamental Change Conversion Period (as defined under Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of the Mandatory Convertible Preferred Stock), into shares of our common stock (or units of exchange property as described in Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) at the Fundamental Change Conversion Rate . The Fundamental Change Conversion Rate will be determined based on the effective date of the Fundamental Change and the price paid (or deemed paid) per share of our common stock in such Fundamental Change.
	Holders who convert their Mandatory Convertible Preferred Stock during the Fundamental Change Conversion Period will also receive a Fundamental Change Dividend Make-whole Amount equal to the present value (computed using a discount rate of % per annum) of all remaining dividend payments on their shares of Mandatory Convertible Preferred Stock (excluding any Accumulated Dividend Amount (as defined under Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount)) from and including such effective date to, but excluding, the Mandatory Conversion Date. If we elect to pay the Fundamental Change Dividend Make-whole Amount in shares of our common stock in lieu of cash, the number of shares of our common stock that we will deliver will equal (x) the Fundamental Change Dividend Make-whole Amount divided by (y) the greater of the Floor Price and 97% of the price paid, or deemed paid, per share of our common stock in the Fundamental Change.
	In addition, to the extent that the Accumulated Dividend Amount exists as of the effective date of the Fundamental Change, holders who convert their Mandatory Convertible Preferred Stock within the Fundamental Change Conversion Period will be entitled to receive such Accumulated Dividend Amount in cash (to the extent we are legally permitted to do so) or shares of our common stock or any combination thereof, at our election, upon conversion. If we elect to pay the Accumulated Dividend Amount in shares of our common stock (or units of exchange property)

in lieu of cash, the number of shares of our common stock that we will deliver will equal (x) the

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	Accumulated Dividend Amount divided by (y) the greater of the Floor Price and 97% of the price paid, or deemed paid, per share of our common stock in the transaction resulting in such Fundamental Change.
	To the extent that the sum of the Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount or any portion thereof paid in shares of our common stock exceeds the product of the number of additional shares we deliver in respect thereof and 97% of the price paid or deemed paid, we will, if we are legally able to do so, pay such excess amount in cash.
	In addition, if we are prohibited from paying or delivering, as the case may be, the Fundamental Change Dividend Make-whole Amount (whether in cash or in shares of our common stock), in whole or in part, due to limitations of applicable Delaware law, the Fundamental Change Conversion Rate will instead be increased by a number of shares of common stock equal to the cash amount of the aggregate unpaid and undelivered Fundamental Change Dividend Make-whole Amount, divided by the greater of (i) the Floor Price and (ii) 97% of the price paid (or deemed paid) per share of our common stock in the Fundamental Change. To the extent that the cash amount of the aggregate unpaid and undelivered Fundamental Change Dividend Make-whole Amount exceeds the product of such number of additional shares and 97% of the price paid (or deemed paid) per share of our common stock in the Fundamental Change, we will not have any obligation to pay the shortfall in cash.
	See Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount.
Voting Rights	Except as specifically required by Delaware corporate law or by our certificate of incorporation from time to time, the holders of Mandatory Convertible Preferred Stock will have no voting rights.
	Whenever dividends on any shares of Mandatory Convertible Preferred Stock have not been declared and paid for the equivalent of six or more dividend periods (including, for the avoidance of doubt, the dividend period beginning on, and including, the initial issue date of the Mandatory Convertible Preferred Stock and ending on, but excluding, May 1, 2017), whether or not for consecutive dividend periods, the holders of the Mandatory Convertible Preferred Stock, voting together as

a single class with holders of any and all other series of preferred stock ranking equally with the Mandatory Convertible Preferred Stock and having similar voting rights, will be entitled, at our next annual meeting of stockholders or at a special meeting of stockholders, to vote for the election of a total of two additional members of our board of directors, subject to certain limitations.

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	So long as any shares of Mandatory Convertible Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds in voting power of the outstanding shares of Mandatory Convertible Preferred Stock and all other series of preferred stock ranking equally with the Mandatory Convertible Preferred Stock and having similar voting rights, voting together as a single class (i) amend or alter the provisions of our certificate of incorporation so as to authorize or create, or increase the authorized amount of, any specific class or series of stock ranking senior to the Mandatory Convertible Preferred Stock, (ii) amend, alter or repeal the provisions of our certificate of incorporation or the certificate of designations so as to adversely affect the special rights, preferences, privileges or voting powers of the Mandatory Convertible Preferred Stock; or (iii) consummate a binding share exchange or reclassification involving the Mandatory Convertible Preferred Stock or a merger or consolidation of us with another entity unless the Mandatory Convertible Preferred Stock remains outstanding or are converted into or exchanged for preference securities with terms not materially less favorable to holders, taken as a whole, in each case subject to certain limitations. See Description of Mandatory Convertible Preferred Stock Voting Rights.
Ranking	The Mandatory Convertible Preferred Stock, with respect to dividend rights and/or distribution rights upon our liquidation, winding-up or dissolution, as applicable, will rank: senior to our common stock and each other class or series of our capital stock established in the future unless the terms of such stock expressly provide that it will rank senior to, or on parity with, the Mandatory Convertible Preferred Stock; on parity with any class or series of our capital stock established in the future the terms of which expressly provide that it will rank on parity with the Mandatory Convertible Preferred Stock; junior to each class or series of our capital stock established in the future the terms of which expressly provide that it will rank senior to the Mandatory Convertible Preferred Stock, or Senior Stock ; and junior to our existing and future indebtedness.

In addition, with respect to dividend rights and distribution rights upon our liquidation, winding-up or dissolution, the Mandatory Convertible Preferred Stock will be structurally subordinated to existing and future indebtedness and other obligations of each of our subsidiaries.

As of September 30, 2016, we had no long term debt outstanding, and, on a pro forma basis after giving effect to the RidgeWorth

	Acquisition, including the incurrence of debt under the new debt facility to partially fund the acquisition, would have had approximately $275.0 million of outstanding secured indebtedness and an additional $100.0 million of availability under our revolving credit facility, all of which would be secured indebtedness. See Unaudited Pro Forma Condensed Combined Financial Data.
Use of Proceeds	We currently intend to use the net proceeds of this offering, together with the net proceeds of the Concurrent Offering, cash on hand, proceeds from the sale of investments, borrowings pursuant to our committed debt financing and deferred cash and common stock consideration payable to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity, to finance the RidgeWorth Acquisition and to pay related fees and expenses. We may invest the net proceeds from this offering temporarily until we use them for their stated purpose. The closing of this offering is not contingent on the closing of the Concurrent Offering or the RidgeWorth Acquisition. In the event we do not consummate the RidgeWorth Acquisition for any reason, the net proceeds of this offering would be available for general corporate purposes. However, if the RidgeWorth Acquisition has not closed by September 30, 2017, the merger agreement is terminated any time prior thereto or we determine in our reasonable judgment that the RidgeWorth Acquisition will not occur, we will have the right, but not the obligation, to redeem the Mandatory Convertible Preferred Stock.
Material U.S. Federal Income Tax Considerations	The material U.S. federal income tax considerations of owning and disposing of the Mandatory Convertible Preferred Stock and any common stock received upon conversion thereof are described in Material U.S. Federal Income Tax Considerations.
Listing	We intend to apply to list the Mandatory Convertible Preferred Stock on the NASDAQ Global Market under the symbol VRTSP. Our common stock is listed on the NASDAQ Global Market under the symbol VRTS.
Concurrent Offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, approximately $100.0 million in shares of common stock before underwriting discounts and expenses (or approximately $115.0 million in shares of common stock before underwriting discounts and expenses if the underwriters exercise their option to purchase additional shares in full) in a public offering. The proceeds of the Concurrent Offering are also expected to be used to finance the RidgeWorth Acquisition and to pay related fees and expenses. The closing of this offering is not conditioned upon the closing of the Concurrent Offering, and the closing of the Concurrent Offering is

not conditioned upon the closing of this offering.

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Transfer Agent, Registrar and Conversion and Dividend Disbursing Agent	Broadridge Corporate Issuer Solutions, Inc. is the transfer agent, registrar, conversion agent and dividend disbursement agent for the Mandatory Convertible Preferred Stock.
Risk Factors	Investing in our Mandatory Convertible Preferred Stock involves a high degree of risk. See Risk Factors beginning on page S-22 of this prospectus supplement and on page 5 of the accompanying prospectus, as well as all of the other information set forth in and incorporated by reference into this prospectus supplement and the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in shares of our Mandatory Convertible Preferred Stock.

Immediately after the consummation of the Concurrent Offering, we will have shares of our common stock outstanding, based on 5,889,013 shares of our common stock outstanding as of December 31, 2016, and excluding:

- 137,157 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2016 at a weighted average exercise price of $17.77 per share;
- 302,824 shares of our common stock issuable upon vesting of restricted stock units outstanding as of December 31, 2016;
- 749,178 shares of our common stock available as of December 31, 2016 for future grant or issuance pursuant to our stock-based compensation plans;
- any shares of common stock issuable upon conversion of the $100 million aggregate liquidation preference of our Mandatory Convertible Preferred Stock (or $115 million aggregate liquidation preference if the underwriters exercise their option to purchase additional shares of our Mandatory Convertible Preferred Stock in full) or any shares of common stock that may be issued in payment of a dividend or issued in connection with an acquisition termination redemption on such Mandatory Convertible Preferred Stock; and
- $25 million in shares of our common stock issuable as consideration to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) the option we have granted to the underwriters in the Concurrent Offering to purchase additional shares of common stock and the option we have granted to the underwriters in this offering to purchase 150,000 additional shares of Mandatory Convertible Preferred Stock, in each case, are not exercised, (2) the Mandatory Convertible Preferred Stock will not be redeemed if the RidgeWorth Acquisition is not consummated and (3) we elect to pay any and all dividends with respect to the Mandatory Convertible Preferred Stock in cash.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF VIRTUS

The following summary consolidated financial data as of and for the years ended December 31, 2015, 2014 and 2013 are derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. The following unaudited summary condensed consolidated financial data as of September 30, 2016 and for each of the nine months in the periods ended September 30, 2016 and 2015 are derived from our unaudited condensed consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. Operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the full year. The data should be read in conjunction with our audited consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations that are incorporated by reference into this prospectus supplement from our Annual Report on Form 10-K for the year ended December 31, 2015 and our unaudited condensed consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations that are incorporated by reference into this prospectus supplement from our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016.

	Year Ended December 31,			Nine Months Ended September 30,	
	2015	2014	2013	2016	2015
	(in thousands, except per share data)				
Results of Operations					
Total revenues	$ 381,977	$ 450,598	$ 389,215	$ 242,704	$ 295,862
Total operating expenses	301,599	319,878	275,711	204,673	231,990
Operating income	80,378	130,720	113,504	38,031	63,872
Income tax expense	36,972	39,349	44,778	20,512	28,360
Net income	30,671	96,965	77,130	36,846	25,034
Net income attributable to common stockholders	35,106	97,700	75,190	36,076	28,470
Earnings per share basic	3.99	10.75	9.18	4.47	3.21
Earnings per share diluted	3.92	10.51	8.92	4.39	3.15
Cash dividends declared per share	1.80	1.35		1.35	1.35

	As of December 31,			As of September 30,	
	2015	2014	2013	2016	2015
	(in thousands)				
Balance Sheet Data					
Cash and cash equivalents	$ 87,754	$ 202,847	$ 271,014	$ 165,421	$ 126,470
Investments	56,738	63,448	37,258	95,174	55,225
Investments of consolidated sponsored investment products	323,335	236,652	139,054	137,140	311,429
Investments of consolidated investment product	199,485			360,210	131,882
Total assets	859,729	698,773	644,954	929,564	826,763
Accrued compensation and benefits	49,617	54,815	53,140	37,813	38,206
Debt					
Notes payable of consolidated investment product	152,597			323,852	9,140
Total liabilities	276,408	112,350	109,900	429,464	237,538
Redeemable noncontrolling interests	73,864	23,071	42,186	30,301	49,895

Total equity	509,457	563,352	492,868	469,799	539,330

	As of December 31,			As of September 30,	
	2015	2014	2013	2016	2015
			(in thousands)		
Assets Under Management					
Total assets under management	$ 47,385	$ 56,702	$ 57,740	$ 46,540	$ 47,938

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF RIDGEWORTH

The following summary historical consolidated financial data of RidgeWorth as of and for the years ended December 31, 2015 and 2014 and as of and for the period January 1, 2014 to May 30, 2014 are derived from the audited historical consolidated financial statements of RidgeWorth and for the periods ending on or before May 30, 2014, RidgeWorth Capital Management LLC, incorporated by reference into this prospectus supplement and the accompanying prospectus. The following unaudited summary consolidated financial data of RidgeWorth as of September 30, 2016 and for each of the nine months in the periods ended September 30, 2016 and September 30, 2015 are derived from the unaudited consolidated financial statements of RidgeWorth incorporated by reference into this prospectus supplement and the accompanying prospectus. Operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the full year. The data should be read in conjunction with the audited and unaudited consolidated financial statements of RidgeWorth and related notes that are incorporated by reference into this prospectus supplement from our Current Report on Form 8-K filed on December 22, 2016. References to Successor refer to RidgeWorth after May 31, 2014, after giving effect to the acquisition of RidgeWorth by Lightyear Capital LLC. References to Predecessor refer to RidgeWorth on or prior to May 31, 2014.

	Successor Year Ended December 31,		Predecessor		Successor Nine Months Ended September 30,	
			Five Months Ended May 31,	Year Ended December 31,		
	2015	2014[2]	2014	2013	2016	2015
			(in thousands)			
Results of Operations						
Total operating revenues	$ 165,326	$ 105,204	$ 77,776	$ 178,667	$ 106,387	$ 125,140
Total operating expenses	129,767	77,513	65,839	130,366	81,093	93,018
Operating income	35,559	27,691	11,937	48,301	25,294	32,122
Income tax expense	14		5,226	22,007		8
Net income	37,586	24,252	10,655	35,003	26,750	28,161
Total comprehensive income	37,586	24,252	10,655	35,003	26,750	28,161

	Successor As of December 31,		Predecessor		Successor
			As of May 31,	As of December 31,	As of September 30,
	2015	2014	2014	2013	2016
			(in thousands)		
Balance Sheet Data					
Cash	$ 95,873	$ 68,333	$ 38,485	$ 20,267	$ 85,615
Loans held for sale of consolidated investment products at fair value	383,419			261,072	477,780
Intangible assets, net	168,626	173,026	8,883	9,992	165,136
Total assets	752,821	319,106	240,221	740,965	854,375
Accrued compensation	36,509	44,137	20,341	43,727	24,481
Long term debt, net of deferred financing costs	110,043	111,343			107,093

Long term debt from consolidated investment products, at fair value	370,488			285,465	453,823
Total liabilities	546,016	162,721	35,974	359,858	625,083
Total equity	206,805	156,385	204,247	381,107	229,292

[2] Results of operations for the year ended December 31, 2014 are for the seven months then ended.

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	Successor		Predecessor	Successor	
	As of December 31,			As of September 30,	
	2015	2014	2013	2016	2015
			(in thousands)		
Assets Under Management					
Total assets under management	$ 37,690	$ 45,639	$ 50,336	$ 40,083	$ 40,316

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SUMMARY PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following summary pro forma financial information of the Company is based on the historical financial statements of the Company and RidgeWorth as of September 30, 2016 and for the nine months then ended, and for the year ended December 31, 2015, each of which is incorporated by reference herein, adjusted to give effect to the RidgeWorth Acquisition and related financing as described under Unaudited Pro Forma Condensed Combined Financial Statements included in this prospectus supplement. This pro forma financial information is being presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the results that may be expected following the RidgeWorth Acquisition. The following summary pro forma financial information has been updated from the pro forma financial information filed on our Current Report on Form 8-K on December 22, 2016 to reflect this offering and the Concurrent Offering, as reflected in our Current Report on Form 8-K/A filed on January 25, 2017.

	Year Ended December 31, 2015	Nine Months Ended September 30, 2016
	(in thousands, except per share data)	
Results of Operations		
Total revenues	$ 547,303	$ 349,091
Total operating expenses	445,747	297,754
Operating income	101,556	51,337
Income tax expense	41,610	22,914
Net income	37,880	40,539
Net income attributable to stockholders	42,315	39,769
Preferred stock dividends	7,250	5,438
Net income attributable to common stockholders	35,065	34,331
Earnings per share basic	3.58	3.79
Earnings per share diluted	3.52	3.71
Cash dividends declared per share	1.80	1.35

	As of September 30, 2016 (in thousands)
Balance Sheet Data	
Cash and cash equivalents	$ 150,093
Investments	102,665
Investments of consolidated sponsored investment products	137,140
Investments of consolidated investment products	837,990
Intangible assets, net	283,830
Goodwill	207,271
Total assets	1,919,164
Accrued compensation and benefits	62,506

Debt (net of issuance costs)	257,713
Notes payable of consolidated investment products	777,675
Total liabilities	1,212,396
Redeemable noncontrolling interests	30,301
Total equity	676,467

	As of December 31, 2015	As of September 30, 2016
	(in thousands)	
Assets Under Management		
Total assets under management	$ 85,075	$ 86,622

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RISK FACTORS

Any investment in our Mandatory Convertible Preferred Stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this prospectus supplement and the accompanying prospectus before deciding whether to purchase our Mandatory Convertible Preferred Stock. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, and other documents that we subsequently file with the Securities and Exchange Commission, or the SEC , all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described below, and beginning on page 5 in the accompanying prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016 are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any such risks actually occur, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock and our Mandatory Convertible Preferred Stock could decline, and you may lose all or part of your investment in our Mandatory Convertible Preferred Stock.

Risks Relating to the RidgeWorth Acquisition

The RidgeWorth Acquisition is subject to closing conditions, including certain conditions that may not be satisfied, and it may not be completed on a timely basis, or at all. Failure to complete the RidgeWorth Acquisition could have material and adverse effects on the Company.

On December 16, 2016, the Company entered into a merger agreement in connection with the RidgeWorth Acquisition. The completion of the RidgeWorth Acquisition is subject to a number of closing conditions, including the receipt of a specified level of required consents from RidgeWorth clients and anti-trust clearance under the Hart-Scott-Rodino Act, which make both the completion and the timing of completion of the RidgeWorth Acquisition uncertain. Also, either RidgeWorth or the Company may terminate the merger agreement if the RidgeWorth Acquisition has not been completed by the July 16, 2017 termination date (subject to extension to September 16, 2017 under certain circumstances), unless the failure of the RidgeWorth Acquisition to be completed has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

If the RidgeWorth Acquisition is not completed on a timely basis, or at all, the Company s ongoing business may be adversely affected. Additionally, in the event the RidgeWorth Acquisition is not completed, the Company will be subject to a number of risks without realizing any of the benefits of having completed the RidgeWorth Acquisition, including the following:

- the Company will be required to pay its costs relating to the RidgeWorth Acquisition, such as legal, accounting and financial advisory fees, whether or not the RidgeWorth Acquisition is completed;
- time and resources committed by the Company s management to matters relating to the RidgeWorth Acquisition could otherwise have been devoted to pursuing other beneficial opportunities; and

the market price of the Company s securities could decline to the extent that the current market price reflects a market assumption that the RidgeWorth Acquisition will be completed, or to the extent that the RidgeWorth Acquisition is fundamental to the Company s business strategy.

Uncertainty regarding the completion of the RidgeWorth Acquisition may cause RidgeWorth clients to withdraw assets under management or to decline to place additional assets under management, may cause potential RidgeWorth clients to delay or defer decisions concerning RidgeWorth and may adversely affect RidgeWorth s ability to attract and retain key employees.

The RidgeWorth Acquisition will happen only if stated conditions are met, including, among others, the receipt of a baseline level of required consents from RidgeWorth clients and anti-trust clearance under the Hart-Scott-

Rodino Act. Many of the conditions are beyond the control of the Company. In addition, both RidgeWorth and the Company have rights to terminate the merger agreement under various circumstances. As a result, there may be uncertainty regarding the completion of the RidgeWorth Acquisition. This uncertainty, along with potential RidgeWorth client uncertainty regarding how the RidgeWorth Acquisition could affect the services offered by RidgeWorth, may cause RidgeWorth clients to withdraw assets under management or to decline to place additional assets under management, and may cause potential RidgeWorth clients to delay or defer decisions concerning entering into a relationship with RidgeWorth, which could negatively impact revenues and earnings of RidgeWorth. Similarly, uncertainty regarding the completion of the RidgeWorth Acquisition may foster uncertainty among RidgeWorth employees about their future roles. This may adversely affect the ability of RidgeWorth to attract and retain key management, portfolio management, sales, marketing, and trading personnel, which could have an adverse effect on RidgeWorth s ability to generate revenues at anticipated levels prior or subsequent to the consummation of the RidgeWorth Acquisition.

Under the U.S. Investment Company Act of 1940, as amended, or the 1940 Act , the investment advisory agreement between RidgeWorth mutual funds, an open-end management investment company registered under the 1940 Act, and RidgeWorth will terminate automatically in the event RidgeWorth undergoes a change of control as recognized under the 1940 Act and the Advisers Act, which the RidgeWorth Acquisition will constitute such a change of control. In connection with the RidgeWorth Acquisition, shareholders of RidgeWorth mutual funds will be requested to approve a reorganization of each series of RidgeWorth mutual funds into a corresponding series of Virtus Asset Trust. If shareholders of a RidgeWorth mutual fund do not approve the reorganization and the parties to the RidgeWorth Acquisition proceed to close on the RidgeWorth Acquisition, then the investment advisory agreement between such RidgeWorth mutual fund and RidgeWorth will terminate automatically and an interim advisory agreement with RidgeWorth will go into effect to permit additional time to solicit shareholder approval. In such an event, each RidgeWorth mutual fund s board of trustees may take further action as it deems to be in the best interests of such RidgeWorth mutual fund. In addition, as required by the Advisers Act, each of the investment advisory agreements for the separate accounts and private funds that RidgeWorth manages may not be assigned, as defined in the Advisers Act, without the consent of the client. The withdrawal, renegotiation or termination of any investment advisory agreement relating to a material portion of assets under management would have an adverse impact on RidgeWorth s results of operations and financial condition as well as any anticipated benefits from the RidgeWorth Acquisition.

If the RidgeWorth Acquisition does not close, we will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.

The offering will be consummated prior to the closing of the RidgeWorth Acquisition and we expect to use the net proceeds from this offering, together with the net proceeds of the Concurrent Offering, cash on hand, proceeds from the sale of investments, borrowings pursuant to our committed debt financing and deferred cash and common stock consideration payable to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity, to finance the RidgeWorth Acquisition and to pay related fees and expenses. See Use of Proceeds on page S-35. The RidgeWorth Acquisition is expected to close in mid-2017; however the closing is subject to the satisfaction or waiver of certain conditions, which make the completion and timing of the RidgeWorth Acquisition uncertain, and accordingly, there can be no assurance that all of these conditions will be satisfied, or, if they are, as to the timing of such satisfaction. As a result, the RidgeWorth Acquisition may be delayed or not close at all.

This offering and the Concurrent Offering are not conditioned on the completion of the RidgeWorth Acquisition. Accordingly, if you decide to purchase Mandatory Convertible Preferred Stock in this offering, you should be willing to do so whether or not we complete the RidgeWorth Acquisition. In the event that we fail to consummate the RidgeWorth Acquisition and do not exercise our right to redeem the Mandatory Convertible Preferred Stock, we will have issued a significant number of additional shares of common stock in the Concurrent Offering and will not have acquired the revenue generating assets that would be required to produce the earnings and cash flow we anticipated. As a result, failure to consummate the RidgeWorth Acquisition could adversely affect our earnings per share and our ability to make distributions to stockholders.

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In the event we do not consummate the RidgeWorth Acquisition for any reason and we do not exercise our right to redeem the Mandatory Convertible Preferred Stock, our management will have broad discretion as to the application of the net proceeds from this offering and could use them for purposes other than those contemplated at the time of this offering. The use of the net proceeds for the RidgeWorth Acquisition or other corporate purposes may not yield profitable results or increase our market value.

Although the Company expects that the RidgeWorth Acquisition will result in benefits to the Company, the Company may not realize those benefits because of integration difficulties and other challenges.

The success of the RidgeWorth Acquisition will depend in large part on the success of integrating the personnel, operations, strategies, technologies and other components of the two companies businesses following the completion of the acquisition. The Company may fail to realize some or all of the anticipated benefits of the RidgeWorth Acquisition if the integration process takes longer than expected or is more costly than expected. The failure of the Company to meet the challenges involved in successfully integrating the operations of RidgeWorth or to otherwise realize any of the anticipated benefits of the RidgeWorth Acquisition could impair the operations of the Company. In addition, the Company anticipates that the overall integration of RidgeWorth will be a time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt the Company s business.

Potential difficulties the combined business may encounter in the integration process include the following:

- the integration of personnel, operations, strategies, technologies and support services;
- the disruption of ongoing businesses and distraction of their respective personnel from ongoing business concerns;
- the retention of the existing clients and the retention or transition of RidgeWorth vendors;
- the retention of key intermediary distribution relationships;
- the integration of corporate cultures and maintenance of employee morale;
- the retention of key employees;
- the creation of uniform standards, controls, procedures, policies and information systems;
- the reduction of the costs associated with the combined company s operations;

- the consolidation and rationalization of information technology platforms and administrative infrastructures; and

- potential unknown liabilities associated with the RidgeWorth Acquisition.

The anticipated benefits and synergies include the elimination of duplicative personnel, realization of efficiencies in consolidating duplicative corporate, business support functions and amortization of purchased intangibles for tax purposes. However, these anticipated benefits and synergies assume a successful integration and are based on projections, which are inherently uncertain, and other assumptions. Even if integration is successful, anticipated benefits and synergies may not be achieved.

The incurrence of indebtedness to fund the RidgeWorth Acquisition may impact our financial position and subject us to additional financial and operating restrictions.

In connection with the RidgeWorth Acquisition, we expect to incur a substantial amount of additional indebtedness, which may result in substantially higher borrowing costs and a shorter maturity date than those from other anticipated financing alternatives. Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. The combined company may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

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The incurrence of indebtedness contemplated by the debt commitment letter will subject us to additional financial and operating covenants, which may limit our flexibility in responding to our business needs. If we are not able to maintain compliance with stated financial covenants or if we breach other covenants in any debt agreement, related to the new debt facility or otherwise, we could be in default under such agreement. Such a default could allow our creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

Our overall leverage and terms of our financing could, among other things:

- make it more difficult to satisfy our obligations under the terms of our indebtedness, including the new debt facility;
- limit our ability to refinance our indebtedness on terms acceptable to us or at all;
- limit our flexibility to plan for and adjust to changing business and market conditions and increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flows to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future acquisitions, working capital, business activities, and other general corporate requirements; and
- limit our ability to obtain additional financing for working capital, to fund growth or for general corporate purposes, even when necessary to maintain adequate liquidity, particularly if any ratings assigned to our debt securities by rating organizations were revised downward.

The unaudited pro forma financial data for the Company included in this prospectus supplement is preliminary, and the Company s actual financial position and operations after the RidgeWorth Acquisition may differ materially from the unaudited pro forma financial data included in this prospectus supplement.

We and RidgeWorth have operated separately and will continue to do so until the RidgeWorth Acquisition is consummated. The historical financial statements of RidgeWorth may be different from those that would have resulted had such businesses been operated as part of the Company or from those that may result in the future from these businesses being operated as a part of the Company. Furthermore the Unaudited Pro Forma Condensed Combined Financial Statements and the summary pro forma condensed combined financial information contained in this prospectus supplement are presented for illustrative purposes only and are not necessarily indicative of the operating results and financial position that would have been achieved had the RidgeWorth Acquisition occurred on the date indicated. Further, the Unaudited Pro Forma Condensed Combined Financial Statements and the summary pro forma condensed combined financial information do not purport to project the future operating results or financial position of the combined company following the RidgeWorth Acquisition. The Unaudited Pro Forma Condensed Combined Financial Statements and the summary pro forma condensed combined financial information have been derived from the audited and unaudited financial statements of the Company and RidgeWorth, and certain adjustments and assumptions have been made regarding the combined businesses after giving effect to the transaction. The Company has prepared preliminary estimates of the fair value of RidgeWorth s assets and liabilities based on discussions with RidgeWorth s management, preliminary valuation analyses and due diligence which are reflected in the Unaudited Pro Forma Condensed Combined Financial Statements and the summary pro forma consolidated financial information. Upon completion of the RidgeWorth Acquisition, final valuations will be performed. Any increases or decreases in the fair value of relevant balance sheet amounts upon completion of the final valuations will result in differences from the Unaudited Pro Forma Condensed Combined Financial Statements and the summary pro forma consolidated financial information and these differences may be material.

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The market price of the Company s securities may decline in the future as a result of the RidgeWorth Acquisition or other factors.

The market price of the Company s securities may decline in the future as a result of the RidgeWorth Acquisition for a number of reasons, including:

- the unsuccessful integration of RidgeWorth and the Company;
- the failure of the Company to achieve the perceived benefits of the RidgeWorth Acquisition, including financial results, as rapidly as or to the extent anticipated by the Company or financial or industry analysts;
- decreases in the Company s revenue or assets under management before or after the closing of the RidgeWorth Acquisition; or
- general market or economic conditions unrelated to the Company s performance.

These factors are, to some extent, beyond the control of the Company.

Risks Relating to the Mandatory Convertible Preferred Stock and Our Common Stock

You will bear the risk of a decline in the market price of our common stock between the pricing date for the Mandatory Convertible Preferred Stock and the mandatory conversion date.

The number of shares of our common stock that you will receive upon mandatory conversion of the Mandatory Convertible Preferred Stock is not fixed but instead will depend on the applicable market value of our common stock, which is the average VWAP per share of our common stock over the settlement period, which is the 20 consecutive trading day period beginning on, and including, the 22nd scheduled trading day immediately preceding February 1, 2020. The aggregate market value of the shares of our common stock that you would receive upon mandatory conversion may be less than the aggregate liquidation preference of the Mandatory Convertible Preferred Stock. Specifically, if the applicable market value of our common stock is less than the initial price, which is calculated by dividing $100.00 by the maximum conversion rate and initially equals approximately $ (which is approximately equal to the per share public offering price of our common stock in the Concurrent Offering), the market value of our common stock that you would receive upon mandatory conversion of each share of the Mandatory Convertible Preferred Stock will be less than the $100.00 liquidation preference per share of Mandatory Convertible Preferred Stock, and an investment in the Mandatory Convertible Preferred Stock would result in a loss. Accordingly, you will bear the risk of a decline in the market price of our common stock. Any such decline could be substantial.

In addition, because the number of shares delivered to you upon mandatory conversion will be based upon the applicable market value, the shares of common stock you receive upon mandatory conversion may be worth less than the shares of common stock you would have received had the applicable market value been equal to the VWAP per share of our common stock on the mandatory conversion date or the average VWAP of our common stock over a different period of days.

Purchasers of our Mandatory Convertible Preferred Stock may not realize any or all of the benefit of an increase in the market price of shares of our common stock. The opportunity for equity appreciation provided by your investment in the Mandatory Convertible Preferred Stock is less than that provided by a direct investment in our common stock.

The market value of each share of our common stock that you will receive upon mandatory conversion of each share of the Mandatory Convertible Preferred Stock on the mandatory conversion date (assuming that dividends on shares of Mandatory Convertible Preferred Stock will be declared and paid in cash) will only exceed the liquidation preference of $100.00 per share of the Mandatory Convertible Preferred Stock if the applicable market value of our common stock exceeds the threshold appreciation price, which is calculated by dividing

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$100.00 by the minimum conversion rate and initially equals approximately $. The threshold appreciation price represents an appreciation of approximately % over the initial price. If the applicable market value of our common stock is greater than the threshold appreciation price, you will receive on the mandatory conversion date approximately % (which percentage is equal to the initial price divided by the threshold appreciation price) of the value of our common stock that you would have received if you had made a direct investment in shares of our common stock on the date of this prospectus supplement. This means that the opportunity for equity appreciation provided by an investment in the Mandatory Convertible Preferred Stock is less than that provided by a direct investment in shares of our common stock.

In addition, if the market value of our common stock appreciates and the applicable market value of our common stock is equal to or greater than the initial price but less than or equal to the threshold appreciation price, the aggregate market value of our common stock that you would receive upon mandatory conversion (assuming that dividends on the shares of Mandatory Convertible Preferred Stock will be declared and paid in cash) will only be equal to the aggregate liquidation preference of the Mandatory Convertible Preferred Stock, and you will realize no equity appreciation on our common stock.

The market price of our common stock has been and could remain volatile and will directly affect the market price for our Mandatory Convertible Preferred Stock.

We expect that, generally, the market price of our common stock will affect the market price of our Mandatory Convertible Preferred Stock more than any other single factor. This may result in greater volatility in the market price of our Mandatory Convertible Preferred Stock than would be expected for nonconvertible preferred stock. As the price of our common stock on the NASDAQ Global Market constantly changes, it is impossible to predict whether the price of our common stock will rise or fall. Trading prices of our common stock will be influenced by our financial condition, operating results and prospects and by economic, financial and other factors, such as prevailing interest rates or interest rate volatility and changes in our industry and competitors. In addition, a significant percentage of our common stock is held by a limited number of stockholders. If our larger stockholders decide to liquidate their positions, it could cause significant fluctuation in the share price of our common stock. Public companies with a relatively concentrated level of institutional stockholders, such as we have, often have difficulty generating trading volume in their stock. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, could affect the price of shares of our common stock.

In addition, we expect that the market price of our Mandatory Convertible Preferred Stock will be influenced by yield and interest rates in the capital markets, the time remaining to the mandatory conversion date, our creditworthiness and the occurrence of certain events affecting us that do not require an adjustment to the fixed conversion rates. Fluctuations in yield rates in particular may give rise to arbitrage opportunities based upon changes in the relative values of our Mandatory Convertible Preferred Stock and our common stock. Any such arbitrage could, in turn, affect the market prices of our common stock and our Mandatory Convertible Preferred Stock. The market price of our common stock could also be affected by possible sales of our common stock by investors who view our Mandatory Convertible Preferred Stock as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the market price of our Mandatory Convertible Preferred Stock.

The Concurrent Offering and future sales of substantial amounts of our common stock could affect the market price of our common stock.

Concurrently with this offering, we are offering approximately $100.0 million in shares of common stock before underwriting discounts and expenses (or approximately $115.0 million in shares of common stock before underwriting discounts and expenses if the underwriters exercise their option to purchase additional shares in full) in a public offering. The completion of this offering is not contingent on the closing of the Concurrent Offering (nor is the completion of the Concurrent Offering contingent on the closing of this offering). The

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Concurrent Offering and future sales of substantial amounts of our common stock or other securities convertible or exchangeable into shares of our common stock into the public market whether by us or any of our security holders, including shares of common stock issued and delivered pursuant to the terms of the Mandatory Convertible Preferred Stock or issued upon exercise of options or warrants, or the vesting of restricted stock units, or perceptions that those sales and/or conversions or exchanges could occur, could adversely affect the prevailing market price of our common stock and our ability to raise capital in the future.

The adjustment to the conversion rate and the payment of the Fundamental Change Dividend Make-whole Amount upon the occurrence of certain Fundamental Changes may not adequately compensate you for the lost option value and lost dividends as a result of early conversion upon a Fundamental Change.

If a Fundamental Change (as defined in Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) occurs on or prior to February 1, 2020, the Fundamental Change Conversion Rate will apply to any shares of Mandatory Convertible Preferred Stock converted during the Fundamental Change Conversion Period (as defined in Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) and, with respect to those shares of Mandatory Convertible Preferred Stock converted, you will also receive, among other consideration, a Fundamental Change Dividend Make-whole Amount (subject to our right to deliver shares of common stock in lieu of all or part of such amount in cash). The Fundamental Change Conversion Rate will be determined as described in Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount.

Although this adjustment to the conversion rate and the payment of the Fundamental Change Dividend Make-whole Amount are generally designed to compensate you for the lost option value of the Mandatory Convertible Preferred Stock and lost dividends that you will suffer as a result of converting your Mandatory Convertible Preferred Stock upon a Fundamental Change, the Fundamental Change Conversion Rate and Fundamental Change Dividend Make-whole Amount are only an approximation of such lost option value and lost dividends and may not adequately compensate you for your actual loss. In addition, if the price of our common stock is less than $ per share or more than $ per share, the feature of the Fundamental Change Conversion Rate will not compensate you for any loss suffered in connection with a Fundamental Change.

In addition, the agreements governing any of our and our subsidiaries existing or future indebtedness may limit our ability to pay cash or deliver shares of our common stock, as the case may be, to converting holders upon a Fundamental Change unless we can repay or refinance the amounts outstanding under such agreements.

Furthermore, our obligation to adjust the conversion rate in connection with a Fundamental Change and pay the Fundamental Change Dividend Make-whole Amount (whether paid or delivered, as the case may be, in cash or shares of our common stock) could be considered a penalty under state law, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

The fixed conversion rates of the Mandatory Convertible Preferred Stock may not be adjusted for all dilutive events that may adversely affect the market price of the Mandatory Convertible Preferred Stock or the common stock issuable upon conversion of the Mandatory Convertible Preferred Stock.

The fixed conversion rates of the Mandatory Convertible Preferred Stock are subject to adjustment only for the issuance of certain stock dividends on our common stock, subdivisions or combinations of our common stock, the issuance of certain rights, options or warrants to holders of our common stock, distributions of capital stock, indebtedness, or assets to holders of our common stock, cash dividends, and certain issuer tender or exchange offers as described under Description of Mandatory Convertible Preferred Stock Anti-dilution Adjustments. However, other events, such as employee stock option grants, offerings of our common stock or securities convertible into common stock for cash or in connection with acquisitions, or third-party tender or exchange offers, which may adversely affect the market price of our common stock, may not result in any adjustment, even though these other events may adversely affect the market price of our common stock and, therefore, the market price of the Mandatory Convertible Preferred Stock. In addition, the terms of our Mandatory Convertible Preferred Stock do not restrict our ability to offer common stock or securities convertible into common stock in the future or to engage in other transactions that could dilute our common stock. We have no obligation to consider the specific interests of the holders of our Mandatory Convertible Preferred Stock in engaging in any such offering or transaction.

The Mandatory Convertible Preferred Stock is subject to redemption in whole, but not in part, at our option upon the occurrence of an Acquisition Termination Event or if the RidgeWorth Acquisition is not consummated on or prior to the close of business on September 30, 2017.

We will have the option to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, if (i) on or before the close of business on September 30, 2017, the consummation of the RidgeWorth Acquisition has not occurred, or (ii) an Acquisition Termination Event (as defined herein) occurs prior to such date, at a redemption price equal to $100.00 per share of Mandatory Convertible Preferred Stock plus accumulated and unpaid dividends to, but excluding, the date of redemption (whether or not declared) or, in certain circumstances, at an early redemption price that includes a make-whole adjustment. Investors will not have any rights to require us to redeem or repurchase the Mandatory Convertible Preferred Stock, whether or not an Acquisition Termination event occurs or the RidgeWorth Acquisition is not consummated by September 30, 2017. Further, investors will not have any right to require us to repurchase the Mandatory Convertible Preferred Stock if, subsequent to the completion of this offering, we or RidgeWorth experience any changes in our business or financial condition or if the terms of the RidgeWorth Acquisition or the financing thereof change.

Although the redemption price is designed to compensate you for the lost option value of your Mandatory Convertible Preferred Stock and lost dividends as a result of the acquisition termination redemption, it is only an approximation of such lost value and may not adequately compensate you for your actual loss. If we redeem the Mandatory Convertible Preferred Stock, you may not obtain your expected return and you may not be able to reinvest the proceeds from such redemption in an investment that results in a comparable return.

The proceeds of this offering will not be deposited into an escrow account in favor of holders of Mandatory Convertible Preferred Stock pending any acquisition termination redemption of the Mandatory Convertible Preferred Stock. Our ability to pay the redemption price to holders of the Mandatory Convertible Preferred Stock in connection with an acquisition termination redemption may be limited by our then-existing financial resources, and sufficient funds may not be available when necessary to make any required purchases of the Mandatory Convertible Preferred Stock following our election to redeem the Mandatory Convertible Preferred Stock.

Recent regulatory actions may adversely affect the trading price and liquidity of the Mandatory Convertible Preferred Stock.

Investors in, and potential purchasers of, the Mandatory Convertible Preferred Stock who employ, or seek to employ, a convertible arbitrage strategy with respect to the Mandatory Convertible Preferred Stock may be adversely impacted by regulatory developments that may limit or restrict such a strategy. The SEC and other regulatory and self-regulatory authorities have implemented various rules and may adopt additional rules in the future that restrict and otherwise regulate short selling and over-the-counter swaps and security-based swaps, which restrictions and regulations may adversely affect the ability of investors in, or potential purchasers of, the Mandatory Convertible Preferred Stock to conduct a convertible arbitrage strategy with respect to the Mandatory Convertible Preferred Stock. This could, in turn, adversely affect the trading price and liquidity of the Mandatory Convertible Preferred Stock.

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You will have no rights with respect to our common stock until the Mandatory Convertible Preferred Stock is converted, but you may be adversely affected by certain changes made with respect to our common stock.

You will have no rights with respect to our common stock, including voting rights, rights to respond to common stock tender offers, if any, and rights to receive dividends or other distributions on shares of our common stock, if any (other than through a conversion rate adjustment), prior to the conversion date with respect to a conversion of the Mandatory Convertible Preferred Stock, but your investment in the Mandatory Convertible Preferred Stock may be negatively affected by these events. Upon conversion, you will be entitled to exercise the rights of a holder of shares of our common stock only as to matters for which the record date occurs on or after the conversion date. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date, you will not be entitled to vote on the amendment (unless it would adversely affect the special rights, preferences, privileges and voting powers of the Mandatory Convertible Preferred Stock), although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock, even if your Mandatory Convertible Preferred Stock has been converted into shares of our common stock prior to the effective date of such change. See Description of Common Stock for further discussion of our common stock.

You will have no voting rights with respect to the Mandatory Convertible Preferred Stock except under limited circumstances.

You will have no voting rights with respect to the Mandatory Convertible Preferred Stock, except with respect to certain amendments to the terms of the Mandatory Convertible Preferred Stock, in the case of certain dividend arrearages, in certain other limited circumstances and except as specifically required by Delaware corporate law or by our certificate of incorporation. You will have no right to vote for any members of our board of directors except in the case of certain dividend arrearages.

If dividends on any Mandatory Convertible Preferred Stock have not been declared and paid for the equivalent of six or more dividend periods (including, for the avoidance of doubt, the dividend period beginning on, and including, the initial issue date of the Mandatory Convertible Preferred Stock and ending on, but excluding, May 1, 2017), whether or not for consecutive dividend periods, the holders of such Mandatory Convertible Preferred Stock, voting together as a single class with holders of all other series of preferred stock ranking equally with the Mandatory Convertible Preferred Stock and having similar voting rights, will be entitled at our next special or annual meeting of stockholders to vote for the election of a total of two additional members of our board of directors, subject to certain limitations described in Description of Mandatory Convertible Preferred Stock Voting Rights.

The Mandatory Convertible Preferred Stock will rank junior to all of our and our subsidiaries consolidated liabilities.

In the event of a bankruptcy, liquidation, dissolution or winding up, our assets will be available to pay obligations on the Mandatory Convertible Preferred Stock only after all of our consolidated liabilities have been paid. In addition, the Mandatory Convertible Preferred Stock will rank structurally junior to all existing and future liabilities of our subsidiaries. Your rights to participate in the assets of our subsidiaries upon any bankruptcy, liquidation, dissolution or winding up of any subsidiary will rank junior to the prior claims of that subsidiary s creditors. In the event of a bankruptcy, liquidation, dissolution or winding up, there may not be sufficient assets remaining, after paying our and our subsidiaries liabilities, to pay amounts due on any or all of the Mandatory Convertible Preferred Stock then outstanding.

As of September 30, 2016, we had no long term debt outstanding, and, on a pro forma basis after giving effect to the RidgeWorth Acquisition, including the incurrence of debt under the new debt facility to partially fund the acquisition, would have had approximately $275.0 million of outstanding secured indebtedness and an additional

$100.0 million of availability under our revolving credit facility, all of which would be secured indebtedness. See Unaudited Pro Forma Condensed Combined Financial Data. In addition, we have the ability to, and may incur, additional indebtedness in the future.

Our certificate of incorporation authorizes our board of directors to issue one or more series of preferred stock and set the terms of the preferred stock without seeking any further approval from our stockholders. Any preferred stock that is issued will rank ahead of our common stock in terms of dividends and liquidation rights. If we issue preferred stock, it may adversely affect the market price of our common stock. Our board of directors also has the power, without stockholder approval, subject to applicable law, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights and preferences over our common stock with respect to dividends or upon our dissolution, winding-up and liquidation and other terms. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of shares of the Mandatory Convertible Preferred Stock and our common stock or the market price of the Mandatory Convertible Preferred Stock and our common stock could be adversely affected. See Description of Preferred Stock in the accompanying prospectus.

Our ability to declare and pay dividends on the Mandatory Convertible Preferred Stock may be limited.

Our declaration and payment of dividends on the shares of Mandatory Convertible Preferred Stock in the future will be determined by our board of directors (or an authorized committee thereof) in its sole discretion and will depend on our financial condition, earnings, growth prospects, other uses of cash, funding requirements, applicable law and other factors our board of directors deems relevant.

The agreements governing any of our and our subsidiaries existing or future indebtedness may limit our ability to declare and pay cash dividends on the shares of our capital stock, including the shares of Mandatory Convertible Preferred Stock. In the event that the agreements governing any such indebtedness restrict our ability to declare and pay dividends in cash on the shares of Mandatory Convertible Preferred Stock, we may be unable to declare and pay dividends in cash on the shares of Mandatory Convertible Preferred Stock unless we can repay or refinance the amounts outstanding under such agreements.

In addition, under Delaware corporate law, our board of directors (or an authorized committee thereof) may only declare and pay dividends on shares of our capital stock out of our statutory surplus (which is defined as the amount equal to total assets minus total liabilities, in each case at fair market value, minus statutory capital), or if there is no such surplus, out of our net profits for the then current and/or immediately preceding fiscal year. Further, even if we are permitted under our contractual obligations and Delaware law to declare and pay cash dividends on the shares of Mandatory Convertible Preferred Stock, we may not have sufficient cash to declare and pay dividends in cash on the shares of Mandatory Convertible Preferred Stock.

If upon mandatory conversion we have not declared all or any portion of the accumulated and unpaid dividends payable on the Mandatory Convertible Preferred Stock, the applicable conversion rate will be adjusted so that holders receive an additional number of shares of common stock having a market value generally equal to the amount of such accumulated and unpaid dividends, subject to the limitations described under Description of the Mandatory Convertible Preferred Stock Mandatory Conversion . As a result of such limitations, the market value of such additional number of shares of common stock may be less than the amount of such accumulated and unpaid dividends. To the extent that the amount of such accumulated and unpaid dividends exceeds the product of such number of additional shares and 97% of the Average Price (as defined herein), we will, if we are able to do so under applicable law and in compliance with our indebtedness, declare and pay such excess amount in cash pro rata to the holders of the

Mandatory Convertible Preferred Stock; however, to the extent we are not permitted to do so, you will not receive such dividends.

If upon an early conversion at the option of a holder (other than during a Fundamental Change), we have not declared and paid all or any portion of the accumulated dividends payable on the Mandatory Convertible Preferred Stock for all full dividend periods ending on or before the dividend payment date prior to such early conversion date, the applicable conversion rate will be adjusted so that converting holders receive an additional number of shares of our common stock having a market value generally equal to the amount of such accumulated and unpaid dividends, subject to the limitations described under Description of Mandatory Convertible Preferred Stock Early Conversion at the Option of the Holder . As a result of such limitations, the market value of such additional number of shares of common stock may be less than the amount of such accumulated and unpaid dividends. To the extent that the amount of such accumulated and unpaid dividends exceeds the product of such number of additional shares and the early conversion average price, we will not have any obligation to pay the shortfall in cash.

If upon an early conversion during the fundamental change conversion period we have not declared all or any portion of the accumulated and unpaid dividends payable on the Mandatory Convertible Preferred Stock for specified periods, we will pay the amount of such accumulated and unpaid dividends in cash, shares of our common stock (or units of exchange property) or any combination thereof, in our sole discretion (or, in certain circumstances, make a corresponding adjustment to the conversion rate), subject in each case to the limitations described under Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount. If these limitations to the delivery in shares in payment of accumulated and unpaid dividends are reached, we will pay the shortfall in cash if we are permitted to do so under applicable law and in compliance with our indebtedness; however, to the extent we are not permitted to do so, we will make an adjustment to the conversion rate; provided that we will not have an obligation to pay the shortfall in cash if these limits to the adjustment of the conversion rate are reached.

You may be subject to tax with respect to the Mandatory Convertible Preferred Stock even though you do not receive a corresponding cash distribution.

The fixed conversion rates of the Mandatory Convertible Preferred Stock are subject to adjustment in certain circumstances. See Description of Mandatory Convertible Preferred Stock Anti-dilution Adjustments. If, as a result of an adjustment (or failure to make an adjustment), your proportionate interest in our assets or earnings and profits is increased, you may be deemed to have received, for U.S. federal income tax purposes, a taxable distribution without the receipt of any cash or property. In addition, we may make distributions to holders of the Mandatory Convertible Preferred Stock that are paid in shares of our common stock. Any such distribution might be taxable to the same extent as a cash distribution of the same amount. In these circumstances and possibly others, a holder of Mandatory Convertible Preferred Stock may be subject to tax even though it has received no cash with which to pay that tax, thus giving rise to an out-of-pocket expense. See Material U.S. Federal Income Tax Considerations for a further discussion of the U.S. federal income tax considerations.

Certain rights of the holders of the Mandatory Convertible Preferred Stock could delay or prevent an otherwise beneficial takeover or takeover attempt of us and, therefore, the ability of holders of Mandatory Convertible Preferred Stock to exercise their rights associated with a potential Fundamental Change.

Certain rights of the holders of the Mandatory Convertible Preferred Stock could make it more difficult or more expensive for a third party to acquire us. For example, if a Fundamental Change were to occur on or prior to February 1, 2020, holders of the Mandatory Convertible Preferred Stock may have the right to convert their Mandatory Convertible Preferred Stock, in whole or in part, at an increased conversion rate and will also be entitled to receive a Fundamental Change Dividend Make-whole Amount equal to the present value of all remaining dividend payments on their Mandatory Convertible Preferred Stock. See Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole

Amount. These features of the Mandatory Convertible Preferred Stock could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management.

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In addition, provisions of Delaware law and our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. See Description of Common Stock and Description of Preferred Stock in the accompanying prospectus.

An active trading market for the Mandatory Convertible Preferred Stock does not exist and may not develop.

The Mandatory Convertible Preferred Stock is a new issue of securities with no established trading market. The liquidity of the trading market in the Mandatory Convertible Preferred Stock, and the market price quoted for the Mandatory Convertible Preferred Stock, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. We intend to apply to list the Mandatory Convertible Preferred Stock on the NASDAQ Global Market under the symbol VRTSP. Even if the Mandatory Convertible Preferred Stock is approved for listing on NASDAQ, such listing does not guarantee that a trading market for the Mandatory Convertible Preferred Stock will develop or, if a trading market for the Mandatory Convertible Preferred Stock does develop, the depth or liquidity of that market. If an active trading market does not develop or is not maintained, the market price and liquidity of the Mandatory Convertible Preferred Stock may be adversely affected. In that case you may not be able to sell your Mandatory Convertible Preferred Stock at a particular time or you may not be able to sell your Mandatory Convertible Preferred Stock at a favorable price. In addition, as shares of the Mandatory Convertible Preferred Stock are converted, the liquidity of the Mandatory Convertible Preferred Stock that remains outstanding may decrease.

Risks Relating to Our Business

We are subject to an extensive and complex regulatory environment, and changes in regulations or failure to comply with regulation could adversely affect our revenues and profitability.

The investment management industry in which we operate is subject to extensive and frequently changing regulation. We are regulated by the SEC under the Exchange Act, the Investment Company Act and the Investment Advisers Act, and we are subject to regulation by the Commodities Futures Trading Commission under the Commodities Exchange Act. Our Global Funds are subject to regulation by the CBI. We are also regulated by FINRA, the Department of Labor under the Employee Retirement Income Security Act of 1974, as amended (ERISA), as well as other federal and state laws and regulations.

The regulatory environment that we operate in changes often and has seen increased regulatory focus in recent years. For example, in fiscal 2015, the SEC proposed new rules addressing liquidity risk management by registered open-end funds and the use of derivatives by registered open-end and closed-end funds. If these regulations are adopted substantially as proposed, they could materially impact the provision of investment services or limit opportunities for certain funds we manage and increase our management and administration costs, with potential adverse effects on our revenues, expenses and results of operations. In addition, in April 2016, the Department of Labor issued a new fiduciary rule that will subject financial professionals who provide investment advice to certain U.S. retirement clients to a new fiduciary duty intended to address conflicts of interests. We believe that the rule could significantly impact the ability of financial professionals to provide investment advice and recommendations for retirement accounts about funds for which they receive a fee from the fund or its affiliates. This rule may impact the compensation paid to the financial intermediaries who sell our funds to their retirement clients and may negatively impact our business.

Although we spend extensive time and resources on compliance efforts designed to ensure compliance with all applicable laws and regulations, if we or our affiliates fail to timely and properly modify and update our compliance procedures in this changing and highly complex regulatory environment, we may be subject to various legal proceedings, including civil litigation, governmental investigations and enforcement actions and result in fines, penalties or suspensions of individual employees or limitations on particular business activities which could have an adverse impact on our results of operations and financial condition.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein contain statements that are, or may be considered to be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act . All statements that are not historical facts, including statements about our beliefs or expectations, the RidgeWorth Acquisition and the use of proceeds from this offering, the Concurrent Offering, and the new debt facility, are forward-looking statements. These statements may be identified by such forward-looking terminology as expect, estimate, intent, plan, intend, bel anticipate, may, will, should, could, continue, project, opportunity, predict, would, potential, 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 us 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 cash inflows and outflows, operating cash flows, business plans, credit facilities, and our ability to consummate and integrate the RidgeWorth Acquisition and the integration of RidgeWorth and any other businesses we have acquired or may acquire into our existing operations, for all future periods. All of our forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein are as of the date of this prospectus supplement or the date of the documents that are incorporated by reference herein only.

We can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially. We do 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 prospectus supplement, 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 which modify or impact any of the forward-looking statements contained in or accompanying this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein, such statements or disclosures will be deemed to modify or supersede such statements in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under Risk Factors in this prospectus supplement and the accompanying prospectus and Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016. Any occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this prospectus supplement and the accompanying prospectus or included in our periodic reports filed with the SEC could materially and adversely affect our operations, financial results, cash flows, prospects and liquidity. You are urged to carefully consider all such factors.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering will be $96.5 million (or $111.0 if the underwriters exercise their option to purchase additional shares in full), after deducting the estimated underwriting discounts and offering expenses. It is possible that, based on market conditions, we may increase or decrease the number of shares of Mandatory Convertible Preferred Stock offered hereby.

We currently intend to use the net proceeds from this offering, together with the net proceeds of the Concurrent Offering, cash on hand, proceeds from the sale of investments, borrowings pursuant to our committed debt financing and deferred cash and common stock of Virtus to be paid or issued as consideration to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity, to finance the RidgeWorth Acquisition and to pay related fees and expenses. We may invest the net proceeds temporarily until we use them for their stated purpose.

The closing of this offering will occur prior to the consummation of the RidgeWorth Acquisition. This offering is not conditioned upon the closing of the Concurrent Offering or the completion of the RidgeWorth Acquisition. In the event that the RidgeWorth Acquisition does not close for any reason, then the net proceeds from this offering would be available for general corporate purposes if we do not exercise our right to redeem the Mandatory Convertible Preferred Stock.

The following table outlines the sources and uses of funds for the RidgeWorth Acquisition. The table assumes that the RidgeWorth Acquisition, the new debt financing, the Concurrent Offering and this offering are completed simultaneously, although the Concurrent Offering and this offering are expected to close prior to the consummation of the RidgeWorth Acquisition.

All of the amounts in the following table are estimated. The actual amount of gross proceeds from this offering may be different from the amount reflected in the following table, and other actual amounts may vary from the estimated amounts set forth below.

Sources of Funds		**Uses of Funds**	
	(dollars in millions)		
Common stock offering	$ 100.0	RidgeWorth Acquisition consideration(1)	$ 513.0
Mandatory convertible preferred stock offering	100.0	Related fees and expenses(2)	25.8
Common stock consideration issued to certain RidgeWorth employees for their RidgeWorth equity	25.0		
New debt financing	275.0		
Deferred cash consideration paid to certain RidgeWorth employees for their RidgeWorth equity	5.0		
Cash on hand and proceeds from the sale of investments	33.8		
Total	$ 538.8	Total	$ 538.8

(1) Estimated purchase price as of December 16, 2016.
(2)

Includes discounts and expenses of this offering and the Concurrent Offering, expenses relating to the new debt financing and expenses relating to the RidgeWorth Acquisition.

To the extent that the aggregate gross proceeds from this offering and the Concurrent Offering are less than or greater than the aggregate amount assumed in the above table (whether due to a change in the public offering price for the common stock or number of shares of common stock or Mandatory Convertible Preferred Stock issued or sold), subject to certain limitations, the amount of debt borrowed pursuant to the new debt financing would be adjusted by such amount.

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PRICE RANGE OF COMMON STOCK

Our common stock is traded on the NASDAQ Global Market under the trading symbol VRTS. The table below sets forth the high and low sale prices of our common stock on the NASDAQ Global Market during the periods indicated.

	Price Range of Common Stock	
	High	Low
Year ended December 31, 2015		
First quarter	$ 171.00	126.94
Second quarter	147.77	113.47
Third quarter	134.78	97.37
Fourth quarter	141.97	94.52
Year ending December 31, 2016		
First quarter	$ 120.09	73.33
Second quarter	83.57	66.12
Third quarter	104.73	69.78
Fourth quarter	128.10	92.80
Year ending December 31, 2017		
First quarter (through January 24, 2017)	$ 126.55	116.53

The last reported sale price of our common stock on the NASDAQ Global Market on January 24, 2017 was $125.00 per share. As of January 24, 2017, there were approximately 57,936 holders of our common stock.

COMMON STOCK DIVIDEND POLICY

The owners of our common stock may receive dividends when declared by our board of directors from funds legally available for the payment of dividends.

The Company has paid a quarterly cash dividend of $0.45 per share of common stock since the third quarter of 2014. The declaration, payment and determination of the amount of our quarterly dividend may change at any time. In making decisions regarding our quarterly dividend, we consider general economic and business conditions, our strategic plans and prospects, our business and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions (including under the terms of the Mandatory Convertible Preferred Stock) and obligations, legal, tax, regulatory and other restrictions that may have implications on the payment of distributions by us to our common stockholders or by our subsidiaries to us, and such other factors as we may deem relevant. We cannot assure that any distributions, whether quarterly or otherwise, will be paid.

Our ability to pay dividends in excess of our current quarterly dividend will be subject to restrictions under the terms of the indebtedness contemplated by the debt commitment letter. In addition, the terms of the Mandatory Convertible Preferred Stock will provide for an adjustment to the conversion rate in the event of a cash dividend payment in excess of our current quarterly dividend.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and our consolidated capitalization as of September 30, 2016:

on an actual basis;

on an as adjusted basis to give effect to the issuance and sale of 1,000,000 shares of our Mandatory Convertible Preferred Stock in this offering (but not the application of the net proceeds therefrom) at a public offering price of $100.00 per share, less the estimated underwriting discounts and offering expenses;

on an as further adjusted basis to also give effect to the net proceeds from the Concurrent Offering (but not the application of the net proceeds therefrom) at an assumed public offering price of $125.00 per share of common stock, which is the last reported sale price of our common stock on January 24, 2017, less the estimated underwriting discounts and offering expenses; and

on a pro forma basis to give effect to the consummation of the RidgeWorth Acquisition, including the incurrence of $275.0 million of debt under the new debt facility ($257.7 million (net of issuance costs)), estimated financing related and transaction costs of $25.8 million, the application of the net proceeds from this offering and the Concurrent Offering and the issuance of $25.0 million of common stock consideration to certain RidgeWorth employees (but does not give effect to $5.0 million deferred cash consideration paid to certain RidgeWorth employees).

The information set forth below is unaudited and should be read in conjunction with, and is qualified in its entirety by reference to, Unaudited Pro Forma Condensed Combined Financial Statements and Summary Historical Consolidated Financial Data Of Virtus above and our unaudited condensed consolidated financial statements and the related notes thereto contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which is incorporated by reference into this prospectus supplement. Investors should not place undue reliance on the as further adjusted or pro forma information in this prospectus supplement because this offering is not contingent upon any of the transactions reflected in the adjustments included in the following information.

	As of September 30, 2016			
	Actual	**As Adjusted for this Offering**	**As Further Adjusted for the Concurrent Offering**	**Pro Forma for the RidgeWorth Acquisition(1)**
	(in thousands, except share data)			
Cash and Cash Equivalents (2)(3)	$ 165,421	$ 261,921	$ 356,921	$ 150,093
Long-term debt:				
Existing revolving credit facility (3)				

New term loan facility (net of issuance costs)				257,713
New revolving credit facility				
Total long-term debt (3)				257,713
Redeemable noncontrolling interests	30,301	30,301	30,301	30,301
Stockholders equity:				
Preferred Stock, par value $0.01 per share:				
250,000,000 shares authorized for issuance; no shares issued and outstanding on an actual basis;		96,500	96,500	96,500
Common stock, par value $0.01 per share:				
1,000,000,000 shares authorized for issuance, 7,609,753 shares issued and outstanding on an actual basis and on as adjusted basis; 8,409,753 shares issued and outstanding on an as further adjusted basis; 8,609,753 shares issued and outstanding on a pro forma basis (3)(4)	91	91	99	101
Additional paid-in capital	1,089,350	1,089,350	1,184,342	1,209,340
Accumulated deficit	(436,705)	(436,705)	(436,705)	(446,537)
Accumulated other comprehensive loss	(235)	(235)	(235)	(235)
Treasury stock, at cost, 1,502,299 shares as of September 30, 2016 (3)	(182,702)	(182,702)	(182,702)	(182,702)
Total equity attributable to stockholders	469,799	566,299	661,299	676,467
Noncontrolling interest				
Total stockholders equity	469,799	566,299	661,299	676,467
Total capitalization	$ 500,100	$ 596,600	$ 691,600	$ 964,481

(1) The pro forma information in the above capitalization table has been updated from the pro forma information filed on our Current Report on Form 8-K on December 22, 2016 to reflect this offering and the Concurrent Offering, as reflected in our Current Report on Form 8-K/A filed on January 25, 2017.

(2) Excludes balances of consolidated investment products.

(3) As of December 31, 2016, our cash and cash equivalents totaled $64,588 and our long term debt was $30,000 (drawn under our existing revolving credit facility). This reflects, among other things, the October 27, 2016 repurchase of 1,727,746 shares of common stock from Bank of Montreal Holding Inc. at a price of $93.50 per share for a total purchase price of $161,500. To effect this transaction, the Company used $131,500 of cash and cash equivalents and borrowed $30,000 on its senior unsecured revolving credit facility, which as a condition to the incurrence of debt under the new facility is required to be repaid in full and is expected to be repaid with cash on hand.

(4) Does not give effect to shares issuable upon the exercisable of stock options, vesting of restricted stock units, any shares reserved for future grant or issuance pursuant to our stock-based compensation plan, any shares issued in payment of a dividend on our Mandatory Convertible Preferred Stock or any shares issued pursuant to an acquisition termination redemption.

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RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

(In thousands)	Nine Months Ended September 30, 2016	Year Ended December 31, 2015	2014	2013	2012	2011
Earnings available for fixed charges:						
Earnings (1)	$ 56,144	$ 71,199	$ 136,561	$ 119,807	$ 64,702	$ 13,215
Fixed charges	1,404	1,800	1,629	1,754	1,720	1,587
Total earnings available for fixed charges	$ 54,704	$ 69,399	$ 134,932	$ 118,053	$ 62,982	$ 11,628
Fixed Charges and Preferred Dividends:						
Interest expense	$ 389	$ 523	$ 537	$ 782	$ 854	$ 782
Portion of rentals representative of interest factor (2)	1,015	1,277	1,092	972	866	805
Preferred stockholder dividends* (3)						9,482
Total fixed charges	$ 1,404	$ 1,800	$ 1,629	$ 1,754	$ 1,720	$ 11,069
Ratio of Earnings to Combined Fixed Charges and Preferred Dividends	38.99	38.56	82.83	67.30	36.62	1.05

* The Company did not have any issued and outstanding preferred shares after January 6, 2012.

(1) Earnings is derived from our consolidated statement of operations, included in our financial statements, as the Sum of: Income before income tax expense (benefit), Income (loss) from Equity method investments and Noncontrolling interests.

(2) The interest factor in rent expense is estimated as one-third of rental expense.

(3) Calculated based on the pre-tax earnings required to cover preferred stockholder dividends accrued during each respective period.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Combined Statements of Operations for the nine months ended September 30, 2016 and for the year ended December 31, 2015, combine the historical consolidated statements of operations of the Company and RidgeWorth for those periods, giving effect to the RidgeWorth Acquisition as if it had been consummated on January 1, 2015, the beginning of the full year period presented. The following Unaudited Pro Forma Condensed Combined Balance Sheet combines the consolidated balance sheets of the Company and RidgeWorth, giving effect to the RidgeWorth Acquisition as if it had been consummated on September 30, 2016. The Company and RidgeWorth have the same fiscal year ends and, as such, no adjustments are necessary to align the reporting periods.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared using the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 805, *Business Combinations*, with the Company considered as the accounting acquirer and RidgeWorth as the accounting acquiree. Accordingly, consideration paid by the Company to complete the RidgeWorth Acquisition will be allocated to identifiable assets and liabilities of RidgeWorth based on their estimated fair values as of the closing date of the RidgeWorth Acquisition.

As of the date of this prospectus supplement and the accompanying prospectus, the RidgeWorth Acquisition has not closed and the Company has not completed the detailed valuation analysis necessary to arrive at the required estimates of the fair value of RidgeWorth s assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform RidgeWorth s accounting policies to the Company s accounting policies. A final determination of the fair value of RidgeWorth s assets and liabilities, including intangible assets with both indefinite or definite lives, will be based on the actual net tangible and intangible assets and liabilities of RidgeWorth that exist as of the closing date of the RidgeWorth Acquisition and, therefore, cannot be made prior to the completion of the RidgeWorth Acquisition. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. The Company has prepared preliminary estimates of the fair value of RidgeWorth s assets and liabilities based on discussions with RidgeWorth s management, preliminary valuation analyses and due diligence which are reflected in the Unaudited Pro Forma Condensed Combined Financial Statements. Upon completion of the RidgeWorth Acquisition, final valuations will be performed. Any increases or decreases in the fair value of relevant balance sheet amounts upon completion of the final valuations will result in differences from the Unaudited Pro Forma Condensed Combined Balance Sheet and Statement of Operations and these differences may be material. In addition, an estimated effective tax rate was used in preparation of these Unaudited Pro Forma Condensed Combined Financial Statements. The actual effective tax rate may differ from this estimate.

Assumptions and estimates underlying the unaudited adjustments to the pro forma condensed combined financial information, or the pro forma adjustments , are described in the accompanying notes. The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma events that are: (1) directly attributable to the RidgeWorth Acquisition; (2) factually supportable; and (3) with respect to the Unaudited Pro Forma Condensed Combined Statements of Operations, expected to have a continuing impact on the combined results following the RidgeWorth Acquisition. The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position that would have been achieved had the RidgeWorth Acquisition occurred on the date indicated. Further, the unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of the combined company following the RidgeWorth Acquisition.

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These Unaudited Pro Forma Condensed Combined Financial Statements have been derived from, and should be read in conjunction with, the following, each of which is incorporated by reference into this prospectus supplement:

- The unaudited condensed consolidated financial statements of the Company as of and for the nine-month period ended September 30, 2016, as contained in its Quarterly Report on Form 10-Q filed on November 7, 2016.

- The audited consolidated financial statements of the Company as of and for the year ended December 31, 2015, as contained in its Annual Report on Form 10-K filed on February 24, 2016.

- The unaudited consolidated financial statements of RidgeWorth as of and for the nine-month period ended September 30, 2016, attached as an exhibit to the Company s Current Report on Form 8-K filed on December 22, 2016.

- The audited consolidated financial statements of RidgeWorth as of and for the years ended December 31, 2015 and December 31, 2014, the audited consolidated financial statements of RidgeWorth Capital Management LLC as of May 30, 2014 and for the period January 1, 2014 to May 30, 2014, and the audited consolidated financial statements of RidgeWorth Capital Management, Inc. as of and for the year ended December 31, 2013 attached as an exhibit to the Company s Current Report on Form 8-K filed on December 22, 2016.

The Unaudited Pro Forma Condensed Combined Financial Statements do not reflect the costs of any integration activities or any future cost savings from the RidgeWorth Acquisition. Although the Company believes that there will be integration costs and that cost savings will be realized following the RidgeWorth Acquisition, there can be no assurance that these costs savings will be achieved in full or at all. In addition, the Unaudited Pro Forma Condensed Combined Statements of Operations do not include other one-time costs directly attributable to the RidgeWorth Acquisition or professional fees incurred by the Company or RidgeWorth pursuant to provisions contained in the merger agreement as those costs are not considered part of the purchase price nor are they expected to have a continuing impact on the combined company.

The Unaudited Pro Forma Condensed Combined Financial Statements do not reflect the October 27, 2016 repurchase of 1,727,746 shares of the Company s common stock from Bank of Montreal Holding Inc. at a price of $93.50 per share for a total purchase price of $161.5 million. To effect this transaction, the Company used $131.5 million of cash and cash equivalents and borrowed $30.0 million on its senior unsecured revolving credit facility, which as a condition to the incurrence of debt under the new facility is required to be repaid in full and is expected to be repaid with cash on hand.

The pro forma information presented below has been updated from the pro forma information filed on the Company s Current Report on Form 8-K filed on December 22, 2016, as reflected in our Current Report on Form 8-K/A filed on January 25, 2017.

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Virtus Investment Partners, Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

Nine Months Ended September 30, 2016

($ in thousands, except per share data)	Historical Virtus	Historical RidgeWorth	Reclassifications (1)	Note References	Acquisition & Financing Adjustments (2)	Note References	Pro Forma Combined
Revenues							
Investment management fees	$ 176,234	$ 106,387	$				$ 282,621
Distribution and service fees	36,761						36,761
Administration and transfer agent fees	29,085						29,085
Other income and fees	624						624
Total revenues	242,704	106,387					349,091
Operating Expenses							
Employment expenses	102,184	50,797	(1,454)	(a)	3,002	(1)	154,529
Distribution and other asset-based expenses	52,913	4,916					57,829
Other operating expenses	34,614	20,840					55,454
Other operating expenses of consolidated sponsored investment products	2,521						2,521
Other operating expenses of consolidated investment products	3,921						3,921
Restructuring and severance	4,270		1,454	(a)			5,724
Depreciation and other amortization	2,392	1,050					3,442
Amortization expense	1,858	3,490			8,986	(2)	14,334
Total operating expenses	204,673	81,093			11,988		297,754
Operating Income	38,031	25,294			(11,988)		51,337
Other Income							
Realized and unrealized gain on investments, net	3,584	756	(395)	(b)			3,945
Realized and unrealized gain on investments of consolidated sponsored investment products, net	6,928						6,928
Realized and unrealized gain on investments of consolidated investment products, net	2,960	446					3,406
Other income, net	463	54	395	(b)			912

Total other income, net	13,935	1,256				15,191
Interest Income (Expense)						
Interest expense	(389)	(5,031)		(8,667)	(3)	(14,087)
Interest and dividend income	1,113	406				1,519
Interest and dividend income of investments consolidated sponsored investment products	6,021					6,021
Interest expense of consolidated investment products	(10,188)	(10,514)				(20,702)
Interest income of consolidated investment products	8,835	15,339				24,174
Total interest income, net	5,392	200		(8,667)		(3,075)
Income Before Income Taxes	57,358	26,750		(20,655)		63,453
Income tax expense	20,512			2,402	(4)	22,914
Net Income	36,846	26,750		(23,057)		40,539
Noncontrolling interests	(770)					(770)
Net Income Attributable to Stockholders	$ 36,076	$ 26,750	$	$ (23,057)		$ 39,769
Preferred stock dividends				5,438	(5)	5,438
Net Income Attributable to Common Stockholders	$ 36,076	$ 26,750	$	$ (28,495)		$ 34,331
Earnings per Share-Basic	$ 4.47	$	$	$		$ 3.79
Earnings per Share-Diluted	$ 4.39	$	$	$		$ 3.71
Cash Dividends Declared per Share	$ 1.35	$	$	$		$ 1.35
Weighted Average Shares Outstanding-Basic (in thousands)	8,062			1,000	(6)	9,062
Weighted Average Shares Outstanding-Diluted (in thousands)	8,223			1,035	(6)	9,258

(1) See Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements
(2) See Note 6 to the Unaudited Pro Forma Condensed Combined Financial Statements

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Virtus Investment Partners, Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

Year Ended December 31, 2015

($ in thousands, except per share data)	**Historical Virtus**	**Historical RidgeWorth**	**Reclassifications (1)**	**Note Reference**	**Acquisition & Financing Adjustments (2)**	**Note Reference**	**Pro Forma Combined**
Revenues							
Investment management fees	$ 264,865	$ 165,326	$				$ 430,191
Distribution and service fees	67,066						67,066
Administration and transfer agent fees	48,247						48,247
Other income and fees	1,799						1,799