

KINDRED HEALTHCARE, INC  
 Form 4  
 January 11, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 BERZIN ANN C

2. Issuer Name and Ticker or Trading Symbol  
 KINDRED HEALTHCARE, INC  
 [KND]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 941 PARK AVENUE 8/9C  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/10/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

NEW YORK, NY 10028

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) <sup>(1)</sup>	\$ 25.38	01/10/2007			A		5,000		01/10/2008 <sup>(2)</sup>	01/10/2017	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BERZIN ANN C 941 PARK AVENUE 8/9C NEW YORK, NY 10028		X		

## Signatures

Ann C. Berzin                      01/11/2007  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This option was granted pursuant to the Kindred Healthcare, Inc. 2001 Stock Option Plan for Non-Employee Directors (Amended and Restated).
- (2) This option is exercisable in cumulative equal annual installments over four years commencing on 1/10/08.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. TD>

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.



**Table of Contents****PRICE RANGE OF COMMON STOCK**

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

	<b>Price Range of Common Stock</b>	
	<b>High</b>	<b>Low</b>
<b>Year ended December 31, 2015</b>		
First quarter	\$ 171.00	126.94
Second quarter	147.77	113.47
Third quarter	134.78	97.37
Fourth quarter	141.97	94.52
<b>Year ending December 31, 2016</b>		
First quarter	\$ 120.09	73.33
Second quarter	83.57	66.12
Third quarter	104.73	69.78
Fourth quarter	128.10	92.80
<b>Year ending December 31, 2017</b>		
First quarter (through January 26, 2017)	\$ 126.60	109.55

The last reported sale price of our common stock on NASDAQ on January 26, 2017 was \$111.15 per share. As of January 26, 2017, there were approximately 57,922 holders of our 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. See Risk Factors Risks Related to the Offering and Our Common Stock Our common stock will rank junior to the Mandatory Convertible Preferred Stock with respect to dividends and accounts payable in the event of our liquidation and ranks junior to our indebtedness.

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.

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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 910,000 shares of our common stock in this offering (but not the application of the net proceeds therefrom) at the public offering price of \$110.00 per share, less the underwriting discounts and estimated offering expenses;

on an as further adjusted basis to also give effect to the issuance and sale of 1,000,000 shares of Mandatory Convertible Preferred Stock in the Concurrent Offering (but not the application of the net proceeds therefrom) at the public offering price of \$100.00 per share of Mandatory Convertible Preferred Stock, less the underwriting discounts and estimated 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).

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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.

	<b>As of September 30, 2016</b>			
	<b>Actual</b>	<b>As Adjusted for this Offering</b>	<b>As Further Adjusted for the Concurrent Offering</b>	<b>Pro Forma for the RidgeWorth Acquisition</b>
	(in thousands, except share data)			
Cash and Cash Equivalents (1)(2)	\$ 165,421	\$ 260,516	\$ 357,016	\$ 150,188
Long-term debt:	\$	\$	\$	\$
Existing revolving credit facility (2)				
New revolving credit facility				
New term loan facility (net of issuance costs)				257,713
Total long-term debt (2)				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 and an as adjusted basis; 1,000,000 shares issued and outstanding on an as further adjusted basis and pro forma basis:			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; 8,519,753 shares issued and outstanding on an as adjusted and an as further adjusted basis; 8,747,026 shares issued and outstanding on a pro forma basis				
(2)(3)	91	100	100	102
Additional paid-in capital	1,089,350	1,184,436	1,184,436	1,209,434
Accumulated deficit	(436,705)	(436,705)	(436,705)	(446,537)

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Accumulated other comprehensive loss	(235)	(235)	(235)	(235)
Treasury stock, at cost, 1,502,299 shares as of September 30, 2016 (2)	(182,702)	(182,702)	(182,702)	(182,702)
Total equity attributable to stockholders Noncontrolling interest	469,799	564,894	661,394	676,562
Total stockholders equity	469,799	564,894	661,394	676,562
Total capitalization	\$ 500,100	\$ 595,195	\$ 691,695	\$ 964,576

- (1) Excludes balances of consolidated investment products.
- (2) As of December 31, 2016, our cash and cash equivalents totaled \$64,588 and our long term debt was \$30,000 under the existing 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 debt facility is required to be paid in full and is expected to be repaid with cash on hand.
- (3) 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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**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, 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.



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.

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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 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 debt facility is required to be paid in full and is expected to be repaid with cash on hand.

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## Virtus Investment Partners, Inc.

## Unaudited Pro Forma Condensed Combined Statement of Operations

Nine Months Ended September 30, 2016

	Historical Virtus	Historical RidgeWorld	Reclassification Reference	Acquisition & Note Financing Adjustments Reference	Note Reference	Pro Forma Combined	
<i>(\$ in thousands, except per share data)</i>							
<b>Revenues</b>							
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	
<b>Total revenues</b>	<b>242,704</b>	<b>106,387</b>				<b>349,091</b>	
<b>Operating Expenses</b>							
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
<b>Total operating expenses</b>	<b>204,673</b>	<b>81,093</b>			<b>11,988</b>		<b>297,754</b>
<b>Operating Income</b>	<b>38,031</b>	<b>25,294</b>			<b>(11,988)</b>		<b>51,337</b>
<b>Other Income</b>							
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
<b>Total other income, net</b>	<b>13,935</b>	<b>1,256</b>			<b>15,191</b>
<b>Interest Income (Expense)</b>					
Interest expense	(389)	(5,031)		(8,667)	(3)
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
<b>Total interest income, net</b>	<b>5,392</b>	<b>200</b>		<b>(8,667)</b>	<b>(3,075)</b>
<b>Income Before Income Taxes</b>					
	57,358	26,750		(20,655)	63,453
Income tax expense	20,512			2,402	(4)
<b>Net Income</b>	<b>36,846</b>	<b>26,750</b>		<b>(23,057)</b>	<b>40,539</b>
Noncontrolling interests	(770)				(770)
<b>Net Income Attributable to Stockholders</b>					
	\$ 36,076	\$ 26,750	\$	\$ (23,057)	\$ 39,769
Preferred stock dividends				5,438	(5)
<b>Net Income Attributable to Common Stockholders</b>					
	\$ 36,076	\$ 26,750	\$	\$ (28,495)	\$ 34,331
<b>Earnings per Share-Basic</b>	\$ 4.47	\$	\$	\$	\$ 3.73
<b>Earnings per Share-Diluted</b>	\$ 4.39	\$	\$	\$	\$ 3.65
<b>Cash Dividends Declared per Share</b>	\$ 1.35	\$	\$	\$	\$ 1.35
<b>Weighted Average Shares Outstanding-Basic (in thousands)</b>					
	8,062			1,137	(6)

**Weighted Average Shares  
Outstanding-Diluted (in  
thousands)**

8,223

1,177

(6)

9,400

(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

	Historical Virtus	Historical RidgeWor	Reclassification (b)	Note Differences (a)	Acquisition & Financing Adjustments (c)	Note Differences (d)	Pro Forma Combined
<i>(\$ in thousands, except per share data)</i>							
<b>Revenues</b>							
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
<b>Total revenues</b>	<b>381,977</b>	<b>165,326</b>					<b>547,303</b>
<b>Operating Expenses</b>							
Employment expenses	137,095	74,185			2,146	(1)	213,426
Distribution and other asset-based expenses	89,731	7,564					97,295
Other operating expenses	63,901	34,526					98,427
Other operating expenses of consolidated sponsored investment products	4,134						4,134
Other operating expenses of consolidated investment products, net		7,920					7,920
Depreciation and other amortization	3,443	1,172					4,615
Amortization expense	3,295	4,400			12,235	(2)	19,930
<b>Total operating expenses</b>	<b>301,599</b>	<b>129,767</b>			<b>14,381</b>		<b>445,747</b>
<b>Operating Income</b>	<b>80,378</b>	<b>35,559</b>			<b>(14,381)</b>		<b>101,556</b>
<b>Other Income (Expense)</b>							
Realized and unrealized (loss) gain on investments, net	(862)	454	(1,069)	(b)			(1,477)
Realized and unrealized (loss) on investments of consolidated sponsored investment products, net	(23,181)						(23,181)

Realized and unrealized (loss) gain on investments of consolidated investment products, net	(3,505)	4,895			1,390
Other income (loss), net	898	(6)	1,069	(b)	1,961
Total other (expense) income, net	(26,650)	5,343			(21,307)
<b>Interest Income (Expense)</b>					
Interest expense	(523)	(6,888)		(11,372)	(3) (18,783)
Interest and dividend income	1,261	892			2,153
Interest and dividend income of investments of consolidated sponsored investment products	11,504				11,504
Interest income of investments of consolidated investment products, net	1,673	2,694			4,367
Total interest income (expense), net	13,915	(3,302)		(11,372)	(759)
<b>Income Before Income Taxes</b>					
Income tax expense	67,643	37,600		(25,753)	79,490
Income tax expense	36,972	14		4,624	(4) 41,610
<b>Net Income</b>	30,671	37,586		(30,377)	37,880
Noncontrolling interests	4,435				4,435
<b>Net Income Attributable to Stockholders</b>	\$ 35,106	\$ 37,586	\$	\$ (30,377)	\$ 42,315
Preferred stock dividends				7,250	(5) 7,250
<b>Net Income Attributable to Common Stockholders</b>	\$ 35,106	\$ 37,586		\$ (37,627)	\$ 35,065
Earnings per Share-Basic	\$ 3.99	\$	\$	\$	\$ 3.53
Earnings per Share-Diluted	\$ 3.92	\$	\$	\$	\$ 3.47
Cash Dividends Declared per Share	\$ 1.80	\$	\$	\$	\$ 1.80
<b>Weighted Average Shares Outstanding-Basic (in thousands)</b>	8,797			1,137	(6) 9,934
	8,960			1,149	(6) 10,109

Weighted Average Shares  
Outstanding-Diluted (in  
thousands)

(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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**Table of Contents****Virtus Investment Partners, Inc.****Unaudited Pro Forma Condensed Combined Balance Sheet****As of September 30, 2016**

	<b>Historical Virtus</b>	<b>Historical RidgeWorth(1)</b>	<b>Acquisition &amp; Financing Adjustments(2)</b>	<b>Note References</b>	<b>Pro Forma Combined</b>
<i>(\$ in thousands, except per share data)</i>					
<b>Assets:</b>					
Cash and cash equivalents	\$ 165,421	\$ 85,615	\$ (100,848)	(7)	\$ 150,188
Investments	95,174	7,491			102,665
Accounts receivable, net	36,867	19,696			56,563
Assets of consolidated sponsored investment products					
Cash of consolidated sponsored investment products	1,149				1,149
Cash pledged or on deposit of consolidated sponsored investment products	944				944
Investments of consolidated sponsored investment products	137,140				137,140
Other assets of consolidated sponsored investment products	2,560				2,560
Assets of consolidated investment products					
Cash equivalents of consolidated investment products	12,703	45,290			57,993
Investments of consolidated investment products	360,210	477,780			837,990
Other assets of consolidated investment products	4,628	1,227			5,855
Furniture, equipment and leasehold improvements, net	7,864	6,361		(8)	14,225
Intangible assets, net	39,030	165,136	79,664	(2)	283,830
Goodwill	6,788	42,726	157,757	(9)	207,271
Deferred taxes, net	44,623				44,623
Other assets	14,463	3,053	(1,253)	(10)	16,263
<b>Total assets</b>	<b>\$ 929,564</b>	<b>\$ 854,375</b>	<b>\$ 135,320</b>		<b>\$ 1,919,259</b>
<b>Liabilities and Equity</b>					
<b>Liabilities:</b>					
Accrued compensation and benefits	\$ 37,813	\$ 24,693	\$		\$ 62,506

Accounts payable and accrued liabilities	21,429	2,668	7,482	(11)	31,579
Dividends payable	4,117				4,117
Debt		109,308	148,405	(3)	257,713
Other liabilities	13,619	3,070	1,960	(12)	18,649
Liabilities of consolidated sponsored investment products	2,930				2,930
Liabilities of consolidated investment products					
Notes payable of consolidated investment products	323,852	453,823			777,675
Securities purchased payable and other liabilities of consolidated investment products	25,704	31,523			57,227
<b>Total liabilities</b>	<b>429,464</b>	<b>625,085</b>	<b>157,847</b>		<b>1,212,396</b>
<b>Commitments and Contingencies</b>					
Redeemable noncontrolling interests	30,301				30,301
<b>Equity:</b>					
Equity attributable to stockholders:					
Preferred stock			96,500	(13)	96,500
Common stock	91		11	(13)	102
Additional paid-in capital	1,089,350		120,084	(13)	1,209,434
Accumulated deficit	(436,705)		(9,832)	(13)	(446,537)
Accumulated other comprehensive loss	(235)				(235)
Treasury stock	(182,702)				(182,702)
Members equity		229,290	(229,290)	(13)	
<b>Total equity attributable to stockholders</b>	<b>469,799</b>	<b>229,290</b>	<b>(22,527)</b>		<b>676,562</b>
<b>Total equity</b>	<b>469,799</b>	<b>229,290</b>	<b>(22,527)</b>		<b>676,562</b>
<b>Total liabilities and equity</b>	<b>\$ 929,564</b>	<b>\$ 854,375</b>	<b>\$ 135,320</b>		<b>\$ 1,919,259</b>

(1) The RidgeWorth Condensed Balance Sheet has been reclassified from the amounts previously reported to align with the Virtus presentation

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

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**Virtus Investment Partners, Inc.**

**Notes To Pro Forma Condensed Combined Financial Statements**

**(Unaudited)**

**Note 1 Description of Proposed Acquisition**

On December 16, 2016, Virtus Investment Partners, Inc. ( Virtus or the Company ) entered into an agreement (the Merger Agreement ) to acquire RidgeWorth Holdings LLC ( RidgeWorth ). The purchase price for the Company s acquisition of RidgeWorth (the Proposed Acquisition ) equals (x) \$472.0 million plus (y) the fair market value of certain of RidgeWorth s investments at the effective date of the Proposed Acquisition (the Closing ), with the final purchase price subject to adjustments for working capital and client consents (the Purchase Price ). Based on the fair market value of the investments, the total consideration was estimated to be \$513.0 million at December 16, 2016. The Proposed Acquisition is expected to close in mid-2017, subject to the satisfaction or waiver of various conditions; however, there can be no assurance that the Proposed Acquisition will close, or if it does, when the Closing will occur.

**Note 2 Basis of Presentation**

The Unaudited Pro Forma Condensed Combined Financial Statements are prepared in accordance with Article 11 of the Securities and Exchange Commission Regulation S-X. The historical financial information has been adjusted to give effect to the transactions that are (i) directly attributable to the Proposed Acquisition, (ii) factually supportable and (iii) with respect to the Unaudited Pro Forma Condensed Combined Statements of Operations, expected to have a continuing impact on the operating results of the combined company. The historical information of Virtus and RidgeWorth is presented in accordance with generally accepted accounting principles in the United States of America ( U.S. GAAP ), except that it does not contain all of the footnote disclosures normally required by U.S. GAAP.

**Note 3 Reclassifications and Conforming Accounting Policies**

The Unaudited Pro Forma Condensed Combined Statements of Operations reflect the following reclassifications in order to conform the presentation of RidgeWorth s financial results to that of Virtus:

- (a) An adjustment to conform the presentation of severance expenses as a component of Employment expenses to Virtus presentation as Restructuring and severance.
- (b) An adjustment to conform the presentation of income from equity method investments from Realized and unrealized (loss) gain on investments, net to Virtus presentation as Other income, net.

At this time, Virtus is not aware of any additional differences that would have a material impact on the Unaudited Pro Forma Condensed Combined Financial Statements. Following the Proposed Acquisition, Virtus will conduct a review of RidgeWorth s accounting policies in an effort to determine if any further differences require reclassification of RidgeWorth s results of operations or reclassification of assets or liabilities to conform to Virtus accounting policies and classifications. As a result of that review, Virtus may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on these Unaudited Pro Forma Condensed Combined Financial Statements.

**Note 4 Calculation of Preliminary Estimated Purchase Price and Transaction Financing**

The Proposed Acquisition is expected to be financed with net proceeds from this offering, together with the net proceeds of the Concurrent Offering, cash on hand and proceeds from the sale of investments, borrowings pursuant to our committed debt financing and deferred cash and common stock to be paid or issued as consideration to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity, as described below. The final composition of the financing is subject to multiple factors including market conditions. On December 16, 2016, Virtus entered into a commitment to receive a \$575.0 million Committed Loan Facility (the Loan Facility ) with nationally recognized credit institutions to fund the Proposed

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Acquisition. The Loan Facility consists of a \$475.0 million Term Loan and a \$100.0 million Revolving Credit Facility. The maturities of the Term Loan and Revolving Credit Facility are seven and five years, respectively. The Loan Facility has customary market-based financial and operating covenants. For purposes of the Unaudited Pro Forma Condensed Combined Financial Statements the Company has assumed the \$513.0 million of total estimated consideration will be financed from the following sources: approximately \$33.8 million of cash, \$5.0 million of deferred cash and \$25.0 million of common stock (each to be paid or issued as consideration to certain RidgeWorth employees in exchange for a portion of their RidgeWorth equity), \$95.1 million of net proceeds from this offering, \$96.5 million of net proceeds from the Concurrent Offering, and \$257.7 million of debt under the Loan Facility (net of issuance costs). The preferred stock is a mandatory convertible preferred security that would automatically convert into common stock after three years based on a minimum and maximum conversion rate and would bear a market-based dividend yield.

The preliminary estimated composition of the transaction financing is as follows (in thousands):

Cash on hand	\$ 33,692
Deferred cash consideration to RidgeWorth employees for their RidgeWorth equity	5,000
Preferred stock, net of issuance costs	96,500
Common stock, net of issuance costs *	95,095
Common stock consideration to RidgeWorth employees for their RidgeWorth equity**	25,000
Debt, net of issuance costs	257,713
<b>Total consideration</b>	<b>\$ 513,000</b>

\* Calculated using a share price of \$110.00, which is the public offering price of our common stock, and results in 910,000 shares.

\*\* Assumes a share price of \$110.00, which is the public offering price of our common stock, and results in 227,273 shares.

**Note 5 Preliminary Estimated Purchase Price Allocation**

Under the acquisition method of accounting, the total purchase price is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the acquisition.

The Company has performed a preliminary valuation analysis of the fair market value of RidgeWorth's tangible and intangible assets and liabilities.

The table below represents a preliminary estimated allocation of the total estimated consideration to RidgeWorth's tangible and intangible assets and liabilities as of September 30, 2016 based on the Company's preliminary estimate of their respective fair values (in thousands):

<b>Total consideration</b>	<b>\$ 513,000</b>
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Tangible net assets acquired	(67,717)
Identifiable intangible assets acquired	(244,800)
Consideration allocated to goodwill	\$ 200,483

This preliminary estimated purchase price allocation has been used to prepare pro forma adjustments in these Unaudited Pro Forma Condensed Combined Financial Statements. Upon completion of the fair value assessment after the Closing, it is anticipated that the ultimate purchase price allocation will differ from the preliminary assessment outlined above. Any changes to the initial estimates of the fair value of assets and liabilities that are made within the measurement period, which will not exceed one year from the Closing, will be recorded as adjustments to those assets and liabilities and residual amounts will be allocated to goodwill.

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The Unaudited Pro Forma Condensed Combined Statements of Operations do not include any material non-recurring charges directly attributable to the Proposed Acquisition that will arise in subsequent periods. In addition, the Unaudited Pro Forma Condensed Combined Financial Statements do not reflect the costs of any integration activities including any benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies expected to result from the Proposed Acquisition. The Unaudited Pro Forma Condensed Combined Financial Statements reflect the following adjustments:

**(1) Employment Expenses**

A transaction related stock incentive program will be established upon Closing for certain RidgeWorth employees in order to align interests, provide participation in future growth and economically replace incentives that were in place prior to the Proposed Acquisition. The incentive program will provide for two grants of Virtus restricted stock units, each of which will be comprised time and performance based elements. The first grant to be made on the Closing date and the second grant, made on first anniversary of the Closing, will both be subject to vesting over a 4 year period. Each grant will have a fair value of approximately \$10.0 million at the time of grant. The impact of the stock incentive awards in the Unaudited Pro Forma Statement of Operations for the nine months ended September 30, 2016 and year ended December 31, 2015 is estimated at \$3.8 million and \$2.5 million, respectively. Separately, to align annual incentive plans with Virtus, certain RidgeWorth annual incentive plans upon Closing will be modified to allocate a percentage of the annual incentive to Virtus restricted stock units or mutual fund investments that will vest over a 3 year period. The impact of the modification to certain annual incentive plans for the Unaudited Pro Forma Statement of Operations for the nine months ended September 30, 2016 and year ended December 31, 2015 is estimated at (\$1.2) million and (\$0.9) million, respectively. Additionally, after the Proposed Acquisition, the employment status of certain RidgeWorth staff will convert from partners to employees resulting in incremental payroll taxes. The impact of the incremental payroll taxes for the Unaudited Pro Forma Statement of Operations for the nine months ended September 30, 2016 and year ended December 31, 2015 is estimated at \$0.4 million and \$0.6 million, respectively.

**(2) Intangible Assets**

The preliminary valuation analysis identified intangible assets consisting of investment contracts and trademarks/tradenames. The fair value of acquired investment contracts, which was determined using the multi-period excess earnings method under the income approach, was estimated at \$233.4 million. The fair value of the acquired trademarks/tradenames, which was determined using the Relief from Royalty Method, was estimated at \$11.4 million. The calculation of these fair values is preliminary and subject to change.

The following table summarizes the estimated fair values of RidgeWorth's identifiable intangible assets and their estimated useful lives and uses a straight line method of amortization (in thousands):

	Estimated Fair Value	Estimated Useful Life in Years	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
Investment contracts	\$ 233,400	8-16	\$ 12,386	\$ 16,515
Trademarks/tradenames	11,400	10-Indefinite	90	120

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Total	\$ 244,800	12,476	16,635
Historical amortization expense		(3,490)	(4,400)
Pro forma adjustments		\$ 8,986	\$ 12,235

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Adjustments to intangible assets in the Unaudited Pro Forma Condensed Combined Balance Sheet consist of the following (in thousands):

Intangible assets	\$ 244,800
Elimination of RidgeWorth's pre-acquisition intangible assets	(165,136)
Net adjustment to intangible assets	\$ 79,664

**(3) Debt and Interest Expense**

At the Closing of the Proposed Acquisition, existing debt of RidgeWorth will be retired and an estimated \$257.7 million of new Term Loan debt (net of issuance costs) under the Loan Facility to finance the transaction will be incurred which are reflected as adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as follows (in thousands):

<b>Debt</b>	
RidgeWorth debt repaid at closing	\$ (109,308)
Increase for issuance of term loan portion of the Loan Facility (net of issuance costs)	257,713
Pro forma adjustments to debt	\$ 148,405

The Loan Facility is expected to bear interest at a floating market rate based on LIBOR. The Loan Facility consists of a Term Loan of up to \$475.0 million and Revolving Credit Facility of \$100.0 million. If the Company sells equity securities or equity-linked securities prior to the Closing (including pursuant to this offering and the Concurrent Offering), the amount of the Term Loan would be reduced by the lesser of the net cash proceeds from any such sale and \$275.0 million. The Revolving Credit Facility is expected to be undrawn at the Closing. These assumptions are subject to change based on market conditions at the time the Loan Facility is consummated.

The Unaudited Pro Forma Condensed Combined Statements of Operations reflect an adjustment to interest expense (inclusive of the amortization of deferred financing costs and original issue discount) related to the Loan Facility for the nine months ended September 30, 2016 and year ended December 31, 2015 of \$14.1 million and \$18.8 million, respectively. A 12.5 basis point increase or decrease in the Loan Facility interest rate has an annual impact to interest rate expense of \$0.3 million. As a condition to entering into the new Loan Facility, the Existing Virtus Credit Facility will be terminated and repaid in full. As a result of the terminated Existing Virtus Credit Facility, there is also an adjustment to interest expense for the nine months ended September 30, 2016 and year ended December 31, 2015 of \$0.4 million and \$0.5 million, respectively, to eliminate the historical interest expense related to the Existing Virtus Credit Facility as it will no longer be an on-going cost to Virtus. It also includes an adjustment to eliminate RidgeWorth's historical interest expenses of \$5.0 million and \$6.9 million, for the nine months ended September 30, 2016 and year ended in December 31, 2015, respectively, as RidgeWorth's debt will be repaid at Closing out of the Purchase Price proceeds. Adjustments to interest expense in the Unaudited Pro Forma Condensed Combined Statement of Operations consist of the following (in thousands):

	<b>Nine Months Ended September 30, 2016</b>	<b>Year Ended December 31, 2015</b>
<b><i>Interest Expense</i></b>		
RidgeWorth debt repaid at closing	\$ 5,031	\$ 6,888
Existing Virtus Credit Facility terminated at closing	389	523
New term loan portion of the Loan Facility	(14,087)	(18,783)
Pro forma adjustments to interest expense	\$ (8,667)	\$ (11,372)

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**Table of Contents*****(4) Income Tax Expense***

Prior to the Proposed Acquisition, RidgeWorth was not required to provide for income taxes as it was treated as a pass-through entity for U.S. federal and state income tax purposes. Federal and state income taxes were assessed at the owner level and each owner was liable for its own tax payments.

The Pro Forma Unaudited Statement of Operations reflects an adjustment of \$2.4 million and \$4.6 million to income tax expense from continuing operations, respectively, for the nine months ended September 30, 2016 and the year ended December 31, 2015, respectively, based on a statutory rate of 38% as Virtus will be subject to federal and state income taxes through its ownership of RidgeWorth.

***(5) Preferred Stock Dividends***

Reflects a market-based dividend with respect to the Mandatory Convertible Preferred Stock of \$5.4 million and \$7.3 million for the nine months ended September 30, 2016 and the year ended December 31, 2015, respectively, based on the issuance of \$100 million aggregate liquidation preference of Mandatory Convertible Preferred Stock.

***(6) Earnings Per Share***

Reflects an adjustment to increase basic and diluted weighted average shares in connection with the issuance of 910,000 common shares to be issued in this offering and 227,273 common shares representing consideration to be paid to certain RidgeWorth employees in exchange for a portion of the RidgeWorth equity that they hold as described in Note 4. In addition, represents the dilutive impact of the transaction related stock incentive plan that is estimated to be 40,000 and 12,000 shares for the nine months ended September 30, 2016 and the year ended December 31, 2015, respectively. Diluted earnings per share also reflects the decrease to net income attributable to stockholders for preferred stock dividends of \$5.4 million and \$7.3 million for the nine months ended September 30, 2016 and the year ended December 31, 2015, respectively, under the if converted method.

***(7) Cash***

Represents adjustments to cash to reflect cash receipts and payments related to the Proposed Acquisition, as follows (in thousands):

**Receipts:**

Issuance of debt, net of issuance costs	\$ 257,713
Issuance of preferred stock, net of issuance costs	96,500
Issuance of common stock to investors, net of issuance costs	95,095

**Payments:**

Cash consideration for acquisition	(483,000)
RidgeWorth cash distributed to its equity holders and not assumed	(67,156)

Net pro forma adjustments to cash and cash equivalents	\$ (100,848)
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***(8) Furniture, Equipment and Leasehold Improvements, net***

The useful lives of RidgeWorth's furniture, equipment and leasehold improvements, net is consistent with Virtus's useful lives and its fair value is not expected to materially differ from its carrying value. Final appraisals will be completed upon Closing.

***(9) Goodwill***

Reflects an adjustment to remove RidgeWorth's historical goodwill of \$42.7 million and record the estimated goodwill associated with the Proposed Acquisition of \$200.5 million as shown in Note 5.

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Goodwill is not amortized, but rather is assessed for impairment at least annually or more frequently whenever events or circumstances indicate that goodwill might be impaired. Adjustments to goodwill consist of the following (in thousands):

Goodwill (as determined in Note 5)	\$ 200,483
Elimination of RidgeWorth's pre-acquisition goodwill	(42,726)
Net adjustment to goodwill	\$ 157,757

***(10) Other Assets***

Reflects an adjustment of \$1.3 million to remove historical deferred financing costs related to the Existing Virtus Credit Facility which will be terminated upon Closing.

***(11) Accounts Payable and Accrued Liabilities***

Reflects an adjustment of \$3.3 million to reflect transaction costs incurred through December 31, 2016 and an adjustment of \$5.3 million related to contractual severance obligations that will be triggered upon Closing. In addition, reflects an adjustment of (\$1.1) million for an incentive plan liability that will not be assumed by Virtus upon Closing.

***(12) Other Liabilities***

Reflects the \$5.0 million obligation related to the deferred cash consideration that will be paid following the expiration of a period of time following Closing. The deferred cash consideration is transaction consideration and does not contain an employee service requirement. In addition, there is an adjustment to decrease other liabilities by \$3.0 million to reflect the purchase accounting adjustments related to RidgeWorth's deferred rent liabilities related to leased office space.

***(13) Stockholders' Equity***

Reflects the issuance of \$96.5 million of preferred stock and an aggregate of \$120.1 million of common stock for this offering and the issuance to RidgeWorth employees, as further discussed in Note 4 - Calculation of Preliminary Estimated Purchase Price and Transaction Financing. Accumulated deficit reflects \$3.3 million of transaction costs incurred through December 31, 2016, the write-off of \$1.3 million of deferred financing costs on the Existing Virtus Credit Facility and \$5.3 million in contractual severance obligations. Additionally, reflects the elimination of the historical members' equity of RidgeWorth of \$229.3 million at Closing.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS**

The following is a discussion of the material U.S. federal income tax consequences of the purchase, ownership, and disposition of our common stock by a non-U.S. holder as of the date hereof. This summary deals only with our common stock that is held as a capital asset by a non-U.S. holder.

A non-U.S. holder means a person (other than a partnership or any other entity treated as a partnership for U.S. federal income tax purposes) that is not for U.S. federal income tax purposes any of the following:

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if it (a) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations, or Treasury Regulations , to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code , Treasury Regulations, rulings, and judicial decisions as of the date hereof. Those authorities may be changed, potentially retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxation, nor does it address any other U.S. federal tax consequences (e.g., estate or gift tax) or any foreign, state, local, or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances. In addition, this summary does not represent a detailed description of the U.S. federal income tax consequences applicable to holders that are subject to special treatment under the U.S. federal income tax laws (including a holder that is a U.S. expatriate, a controlled foreign corporation, a passive foreign investment company, or a partnership or other pass-through entity for U.S. federal income tax purposes). We cannot provide assurance that a change in law will not alter significantly the tax considerations that are described in this summary.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Non-U.S. holders that are partners of a partnership holding our common stock should consult their tax advisors.

**Non-U.S. holders considering the purchase of our common stock should consult their own tax advisors concerning the particular U.S. federal income tax consequences of the ownership of our common stock, as well as the consequences arising under the laws of any other taxing jurisdiction.**

**Dividends**

If distributions are paid on our common stock, they will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted basis of a non-U.S. holder's common stock, and to the extent the amount of the distribution exceeds a non-U.S. holder's adjusted tax basis in our common stock, the excess will be treated as gain from the disposition of our common stock (the tax treatment of which is discussed below under "Gain on Disposition of Common Stock").

Dividends paid to a non-U.S. holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder

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within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the non-U.S. holder) are not subject to withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the Code. In addition, any such effectively connected dividends received by a foreign corporation may be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder of our common stock who wishes to claim the benefit of an applicable treaty rate for dividends will generally be required (a) to complete Internal Revenue Service, or IRS, Form W-8BEN or W-8BEN-E (or any successor form) and certify under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy certain relevant certification requirements set forth under applicable Treasury Regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

**Gain on Disposition of Common Stock**

Subject to the discussion of backup withholding and FATCA below, any gain realized on the disposition of our common stock by a non-U.S. holder generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of the disposition or such non-U.S. holder's holding period for our common stock.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the disposition in the same manner as if it were a United States person as defined under the Code. A non-U.S. holder described in the first bullet point immediately above that is a foreign corporation may also be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% tax on the gain derived from the disposition, which may be offset by U.S.-source capital losses, even though the individual is not considered a resident of the United States.

We believe we have not been and are not currently a United States real property holding corporation for U.S. federal income tax purposes, and we do not anticipate becoming one in the future. However, no assurance can be given that we will not become one in the future. If we are, or become, a United States real property holding corporation, so long



as our common stock continues to be regularly traded on an established securities market, only a non-U.S. holder that has held (at any time during the shorter of the five-year period ending on the date of the disposition of our common stock or such non-U.S. holder's holding period for our common stock) more than 5% of our common stock will be subject to U.S. federal income tax on the disposition of our common stock. Non-U.S. holders should consult their own tax advisors about the consequences that could result if we are, or become, a United States real property holding corporation.

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**Information Reporting and Backup Withholding**

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

**Additional Withholding Requirements**

Under the Foreign Account Tax Compliance Act, or "FATCA", withholding is generally required at a rate of 30% on payments of dividends on, or gross proceeds from the sale or other dispositions of, our common stock paid to certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to certain shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain United States persons or by certain foreign entities that are wholly or partially owned by United States persons. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Under applicable U.S. Treasury regulations, withholding under FATCA currently applies to payments of dividends on our common stock, but will only apply to payments of gross proceeds from a sale or other disposition of our common stock made after December 31, 2018. Similarly, after December 31, 2018, gross proceeds from the sale of shares of common stock held by a non-financial foreign entity will be subject to withholding at a rate of 30%, unless such entity either (a) certifies to us that such entity does not have any substantial U.S. owners or (b) provides certain information regarding the entity's substantial U.S. owners, which we will in turn provide to the Secretary of the Treasury.

Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of this withholding tax. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our common stock and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

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**Table of Contents****CERTAIN ERISA CONSIDERATIONS**

The Employee Retirement Income Security Act of 1974, as amended, or ERISA, and Section 4975 of the Code impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include assets of a plan described in (a) or (b) by reason of such plan's investment in such entities, including without limitation, an insurance company general account (each of (a), (b) and (c) is referred to herein as a Plan) and (d) persons who have certain specified relationships to Plans (parties in interest under ERISA and disqualified persons under the Code). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and the Code prohibit certain transactions between a Plan and parties in interest or disqualified persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code. Governmental plans, certain church plans and non-U.S. plans, collectively referred to herein as non-ERISA Plans, while not subject to Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to similar laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, collectively referred to herein as Similar Laws.

**General Fiduciary Matters**

In considering an investment in shares of our common stock of a portion of the assets of any Plan or non-ERISA Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan or non-ERISA Plan, as applicable, and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan or non-ERISA Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

**Prohibited Transactions**

The issuer, the trustee, the underwriters or certain affiliates thereof may be parties in interest or disqualified persons with respect to a number of Plans. Accordingly, investment in shares of our common stock by a Plan that has such a relationship could be deemed to constitute a transaction prohibited under Title I of ERISA or Section 4975 of the Code (e.g., an extension of credit to a party in interest). Such transactions may, however, be subject to one or more statutory or administrative exemptions such as: Section 408(b)(17) of ERISA, which exempts certain transactions between a Plan and a non-fiduciary service provider to such Plan; Prohibited Transaction Class Exemption, or PTCE, 90-1, which exempts certain transactions involving insurance company separate accounts; PTCE 91-38, which exempts certain transactions involving bank collective investment funds; PTCE 84-14, which exempts certain transactions effected on behalf of a Plan by a qualified professional asset manager; PTCE 95-60, which exempts certain transactions involving insurance company general accounts; or PTCE 96-23, which exempts certain transactions effected on behalf of a Plan by an in-house asset manager; or another available exemption. Such exemptions may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with a Plan's investment. If a purchase or transfer were to result in a non-exempt prohibited transaction, in addition to possible penalties, excise taxes and fiduciary liabilities, such purchase or transfer may have to be rescinded.

By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of Section 406 of ERISA or Section 4975 of the Code or a non-ERISA Plan subject to Similar Laws, or (b) its investment will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Laws.

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The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing shares of our common stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws, to such investment and whether an exemption would be applicable to the purchase and holding of shares of our common stock.

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**Table of Contents****UNDERWRITING**

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom Barclays Capital Inc. and Morgan Stanley & Co. LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

<b><u>Name</u></b>	<b>Number of Shares</b>
Barclays Capital Inc.	315,679
Morgan Stanley & Co. LLC	315,679
J.P. Morgan Securities LLC	140,322
Merrill Lynch, Pierce, Fenner & Smith Incorporated	70,070
Credit Suisse Securities (USA) LLC	34,125
Sandler O'Neill & Partners, L.P.	34,125
<b>Total</b>	<b>910,000</b>

The underwriters and the representatives are collectively referred to as the underwriters and the representatives, respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus supplement are subject to, among other things, the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus supplement if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus supplement and part of the shares of common stock to certain dealers at that price less a concession not in excess of \$2.97 per share. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 136,500 additional shares of common stock at the public offering price listed on the cover page of this prospectus supplement, less the underwriting discounts, and less an amount per share of common stock equal to any dividends or distributions that are paid or payable by us on the shares of common stock reflected in the preceding table but that are not payable on the shares of common stock purchased on exercise of that option. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to

purchase up to an additional 136,500 shares of common stock.

	<b>Per Share</b>	<b>No Exercise</b>	<b>Total Full Exercise</b>
Public offering price	\$ 110.00	\$ 100,100,000	\$ 115,115,000
Underwriting discounts	\$ 4.95	\$ 4,504,500	\$ 5,180,175
Proceeds, before expenses, to us	\$ 105.05	\$ 95,595,500	\$ 109,934,825

The Company estimates that the total expenses of the offering, excluding underwriting discounts, will be approximately \$500,000.

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We have agreed with the underwriters, subject to certain exceptions, not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any securities of the Company that are substantially similar to the shares of our common stock, including but not limited to any options or warrants to purchase shares of common stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or other agreement that transfers any of the economic consequences of ownership of the common stock, during the period from the date of this prospectus supplement continuing through the date 60 days after the date of this prospectus supplement. This agreement does not apply to, among other things, (a) the issuance of the shares of common stock under this prospectus supplement, (b) the issuance of shares of common stock upon the exercise of an option or warrant or vesting of restricted stock units or the conversion or exchange of a security outstanding on the date of this prospectus supplement, (c) the issuance of shares of common stock or the grant of options pursuant to existing benefit plans, (d) the issuance of shares of common stock to certain employees of RidgeWorth as consideration for a portion of their RidgeWorth equity interests, (e) certain securities sold to collaborators, vendors, manufacturers, distributors or customers, as well as issued in connection with strategic investments and business combination (provided that the aggregate number issued shall not exceed 10% of our common stock outstanding as of the closing of this offering), (f) any shares of common stock granted to consultants as compensation for their services or (g) the securities issued in the Concurrent Offering of the Mandatory Convertible Preferred Stock and any shares of common stock issued pursuant to the terms of the Mandatory Convertible Preferred Stock. Barclays Capital Inc. and Morgan Stanley & Co. LLC, in their sole discretion, may release or waive any of the foregoing in whole or in part at any time with or without notice.

In addition, our executive officers and directors have agreed with the underwriters, subject to certain exceptions, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of our common or stock or preferred stock, or any options or warrants to purchase any shares of our common stock or preferred stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of our common stock or preferred stock, whether now owned or hereinafter acquired, owned directly by such executive officer or director or with respect to which such executive officer or director has beneficial ownership within the rules and regulations of the SEC during the period from the date of this prospectus supplement continuing through the date 60 days after the date of this prospectus supplement. Furthermore, our executive officers and directors have agreed not to engage in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the shares of our common stock during the 60-day period even if such shares would be disposed of by someone other than our executive officers and directors. This agreement does not apply to, among other things, (i) transfers (a) as a bona fide gift or gifts, (b) to any trust for the direct or indirect benefit of such executive officer or director or his immediate family, (c) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of such executive officer or director and (d) to such executive officer's or director's affiliates or to any investment fund or other entity controlled or managed by such executive officer or director, (ii) any purchases or sales pursuant to pre-existing 10b5-1 trading plans, (iii) the exercise of stock options granted pursuant to existing equity incentive plans as in effect on the date of this prospectus supplement and as described herein (including the surrender or forfeiture of the shares of common stock to the Company to satisfy tax withholding obligations or to effect net share settlement in connection with the exercise of such stock options) and (iv) the issuance or withholding of any shares of common stock by the Company in connection with the vesting of restricted stock units or stock options held by such executive officer or director as of the date of this prospectus supplement. Barclays Capital Inc. and Morgan Stanley & Co. LLC, in their sole discretion, may release or waive any of the foregoing in whole or in part at any time with or without notice.



In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters

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under the option. The underwriters can close out a covered short sale by exercising the option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option. The underwriters may also sell shares in excess of the option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the shares of common stock in this offering if the syndicate repurchases previously distributed shares of common stock to cover syndicate short positions or to stabilize the price of the shares of common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus supplement in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, financing, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have, from time to time, provided, and may in the future provide, a variety of these services to the Company and to persons and entities with relationships with the Company, including advisory services in connection with mergers and acquisitions (including the RidgeWorth Acquisition) and sales of mutual funds sponsored by the Company, for which they received or will receive customary fees and expenses. In addition, affiliates of Barclays Capital Inc., Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are lenders under the debt financing commitment letter, the amount of which 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 million. Certain of the underwriters and/or affiliates of such underwriters are acting as underwriters of the Concurrent Offering.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of ours or our subsidiaries. Certain of the underwriters and/or their affiliates that have lending or other relationships with us or our subsidiaries may also choose to hedge their credit exposure to us or our subsidiaries, as the case may be, consistent with their customary risk management policies. Typically, those underwriters and their affiliates would hedge such exposure by entering into transactions, which may consist of either the purchase of credit default swaps or the creation of short positions in securities of ours or our subsidiaries, including potentially the shares of common stock offered hereby. Any such credit default swaps or

short positions could adversely affect future trading prices of the shares of common stock offered hereby. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

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### Selling Restrictions

#### *Canada*

This prospectus supplement constitutes an exempt offering document as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the common stock. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this prospectus supplement or on the merits of the common stock and any representation to the contrary is an offence.

**Canadian investors are advised that this prospectus supplement has been prepared in reliance on section 3A.3 of National Instrument 33-105 *Underwriting Conflicts*, or NI 33-105. Pursuant to section 3A.3 of NI 33-105, this prospectus supplement is exempt from the requirement that the Company and the underwriter(s) provide investors with certain conflicts of interest disclosure pertaining to connected issuer and/or related issuer relationships that may exist between the Company and the underwriter(s) as would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.**

#### *Resale Restrictions*

The offer and sale of the common stock in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws. Any resale of the common stock acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, pursuant to a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the common stock outside of Canada.

#### *Representations of Purchasers*

Each Canadian investor who purchases the common stock will be deemed to have represented to the Company and the underwriter(s) that the investor (i) is purchasing the common stock as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an accredited investor as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions*, or NI 45-106, or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario); and (iii) is a permitted client as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

#### *Taxation and Eligibility for Investment*

Any discussion of taxation and related matters contained in this prospectus supplement does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a Canadian investor when deciding to purchase the common stock and, in particular, does not address any Canadian tax considerations. No representation or warranty is hereby made as to the tax consequences to a resident, or deemed resident, of Canada of an investment in the common stock or with respect to the eligibility of the common stock for investment by such investor under relevant Canadian federal and provincial legislation and regulations.

#### *Rights of Action for Damages or Rescission*

Securities legislation in certain of the Canadian jurisdictions provides certain purchasers of securities pursuant to an offering memorandum (such as this prospectus supplement), including where the distribution involves an eligible foreign security as such term is defined in Ontario Securities Commission Rule 45-501 *Ontario*

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*Prospectus and Registration Exemptions* and in Multilateral Instrument 45-107 *Listing Representation and Statutory Rights of Action Disclosure Exemptions*, as applicable, with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum, or other offering document that constitutes an offering memorandum, and any amendment thereto, contains a misrepresentation as defined under applicable Canadian securities laws. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed under, and are subject to limitations and defences under, applicable Canadian securities legislation. In addition, these remedies are in addition to and without derogation from any other right or remedy available at law to the investor.

### *Language of Documents*

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur Canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of any shares of our common stock may be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any shares of our common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

In the case of any shares of our common stock being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares of our common stock acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares of our common stock to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior

consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an offer to the public in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus

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Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### ***United Kingdom***

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares of our common stock in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

### ***Switzerland***

The shares of our common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of our common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares of our common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of our common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of shares of our common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of our common stock.

### ***Dubai International Financial Centre***

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority, or the DFSA. This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.



In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

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***Japan***

The shares of our common stock have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares of our common stock nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

***Hong Kong***

The shares of our common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than to (a) professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under such Ordinance, or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of such Ordinance. No advertisement, invitation or document relating to the shares of our common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under such Ordinance.

***Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b)

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a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of our common stock pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

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- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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**LEGAL MATTERS**

The validity of the shares of common stock offered hereby will be passed upon for us by Willkie Farr & Gallagher LLP, New York, New York. Certain legal matters will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP, New York, New York. Simpson Thacher & Bartlett LLP is currently representing, and has in the past represented, us in a variety of matters.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of RidgeWorth as of December 31, 2015 and 2014 and for the two years in the period ended December 31, 2015, the 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 consolidated financial statements of RidgeWorth Capital Management, Inc. as of December 31, 2013 and for the year then ended, all appearing in Virtus Investment Partners, Inc.'s Current Report on Form 8-K dated December 22, 2016, have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their reports thereon and incorporated by reference herein. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**DOCUMENTS INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, except for any information that is superseded by information included directly in this prospectus supplement. Any statement contained in this prospectus supplement, the accompanying prospectus or a document incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus. We incorporate by reference the documents listed below (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act).

Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 24, 2016;

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Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016 filed with the SEC on May 3, 2016, August 9, 2016 and November 7, 2016, respectively;

Current Reports on Form 8-K filed with the SEC on May 26, 2016, June 14, 2016, August 22, 2016, October 5, 2016, October 27, 2016, December 13, 2016, December 22, 2016, December 22, 2016 and January 25, 2017;

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The portions of our definitive proxy statement on Schedule 14A filed on April 13, 2016 that are incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2015; and

The description of our common stock contained in our Registration Statement on Form 10 filed with the SEC on December 19, 2008, and any amendment or report filed for the purpose of updating such description. We also incorporate by reference all additional documents that we file with the SEC that are made after the initial filing date of this prospectus supplement, as well as between the date of this prospectus supplement and the termination of any offering of securities offered by this prospectus supplement under the terms of:

Sections 13(a) and (c) of the Exchange Act;

Section 14 of the Exchange Act; and

Section 15(d) of the Exchange Act.

We are not, however, incorporating, in each case, any documents (or portions thereof) or information that is furnished but not filed for purposes of the Exchange Act.

We will provide a copy of any and all of the information that is incorporated by reference in this prospectus supplement and the accompanying prospectus to any person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. Written requests for copies should be directed to the following address:

Virtus Investment Partners, Inc. Investor Relations

100 Pearl Street, 9<sup>th</sup> Floor

Hartford, Connecticut 06103

(800) 248-7971

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**PROSPECTUS**

**\$500,000,000**

**Common Stock, Preferred Stock, Depositary Shares, Warrants, Stock Purchase Contracts and Stock Purchase Units and Debt Securities**

**Offered by**

**Virtus Investment Partners, Inc.**

We may from time to time offer, in one or more series or classes, separately or concurrently, and in amounts, at prices and on terms to be set forth in one or more supplements to this prospectus, the following securities for an aggregate offering price of \$500,000,000:

shares of common stock, par value \$0.01 per share;

shares of preferred stock, par value \$0.01 per share;

depositary shares;

warrants to purchase shares of common stock, preferred stock or depositary shares;

stock purchase contracts and stock purchase units;

debt securities; or

any combination of these securities.



We refer to the common stock, preferred stock, depositary shares, warrants, stock purchase contracts and stock purchase units and debt securities collectively as the securities in this prospectus. We may offer and sell these securities in amounts, at initial prices and on terms determined at the time of the offering.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be set forth in the applicable prospectus supplement, if any. An applicable prospectus supplement may also contain information, where applicable, about certain U.S. federal income tax considerations relating to, and any listing on a securities exchange of, the securities covered by such prospectus supplement. It is important that you read both this prospectus and any applicable prospectus supplement before you invest in the securities.

**Investing in our securities involves risks. You should read carefully the information contained in this prospectus under the heading Risk Factors beginning on page 5 of this prospectus and the risk factors described in our Securities and Exchange Commission filings, including Item 1A Risk Factors in our most recent Annual Report on Form 10-K for the year ended December 31, 2015 and in our subsequent Quarterly Reports on Form 10-Q, before investing in our securities. We may also include additional risk factors in an applicable prospectus supplement.**

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

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, or through a combination of these methods, on a continuous or delayed basis. An applicable prospectus supplement may describe the terms of the plan of distribution, set forth the names of any agents, dealers or underwriters involved in the sale of the securities, and set forth any applicable commissions or discounts. See Plan of Distribution beginning on page 30 for more information on this topic. Our net proceeds, if applicable, from the sale of these securities may also be set forth in a prospectus supplement, if any.

Our common stock is traded on the NASDAQ Global Market under the trading symbol VRTS. On January 17, 2017, the closing sale price of our common stock was \$119.10 per share.

Our principal executive offices are located at 100 Pearl Street, 9<sup>th</sup> Floor, Hartford, CT 06103, and our telephone number is (800) 248-7971.

**The date of this prospectus is January 23, 2017.**

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**You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell, nor soliciting an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on other dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. Under the shelf registration process, we may, from time to time, sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we may provide a prospectus supplement containing specific information about the terms of the securities being offered and the specific manner in which they will be offered. Any prospectus supplement, which we may provide each time securities are offered, may provide the names of any underwriters, dealers or agents involved in the sale of the securities, and any applicable fee, commission, or discount arrangements with them. Such prospectus supplement may also add, update or change information contained in this prospectus.

This prospectus and any accompanying prospectus supplement do not contain all of the information included in the registration statement. We have omitted parts of the registration statement in accordance with the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3 of which this prospectus is a part, including its exhibits. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in Documents Incorporated by Reference and Where You Can Find More Information below. Information incorporated by reference after the date of this prospectus may add, update or change information contained in this prospectus. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in this prospectus or any earlier prospectus supplement.

As used in this prospectus and in the documents incorporated by reference herein, unless the context otherwise requires, the terms we, us, our, the Company, the Registrant and Virtus refer to all entities owned or controlled by Virtus Investment Partners, Inc.

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**INFORMATION ABOUT VIRTUS INVESTMENT PARTNERS, INC.**

**Overview**

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.

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 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 earnings are primarily driven by asset-based fees charged for services relating to these products including investment management, fund administration, distribution and shareholder services. These fees are based on a percentage of assets under management and are calculated using daily or weekly average assets, quarter-end assets or average month-end assets.

**Corporate Information**

Virtus Investment Partners, Inc. was incorporated under the laws of the State of Delaware on October 1, 2008. We commenced operations on November 1, 1995 through a reverse merger with Duff & Phelps Corporation. We were a majority-owned subsidiary of The Phoenix Companies, Inc., or PNX, from 1995 to 2001 and a wholly-owned subsidiary of PNX from 2001 until 2008. On December 31, 2008, PNX distributed 100% of Virtus common stock to PNX stockholders in a spin-off transaction.

Our principal offices are located at 100 Pearl Street, 9<sup>th</sup> Floor, Hartford, CT 06103 and our telephone number is (800) 248-7971. We maintain a website at [www.virtus.com](http://www.virtus.com). Information contained on our website is not, and should not be interpreted to be, incorporated by reference into this prospectus or used in connection with this offering. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and current reports on Form 8-K and all amendments to such reports are made available free of charge through the Investor Relations section of our website as soon as reasonably practicable after such materials have been electronically filed with, or furnished to, the SEC.

**Recent Developments**

On December 16, 2016, the Company entered into a merger agreement to acquire RidgeWorth Holdings LLC, a Delaware limited liability company. 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 a wholly owned subsidiary of the Company. We refer to this acquisition as the RidgeWorth Acquisition and to RidgeWorth Holdings LLC as RidgeWorth.

The purchase price for the Company's acquisition of RidgeWorth equals (x) \$472,000,000, plus (y) the fair market value of certain of RidgeWorth's investments at the effective time of the RidgeWorth Acquisition, with

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the final purchase price subject to adjustments for working capital and client consents. The RidgeWorth Acquisition is expected to be financed using a combination of existing balance sheet resources, debt and equity and/or equity-linked securities. In connection with the transaction, Barclays Bank PLC and Morgan Stanley Senior Funding, Inc. have committed to arrange and provide the Company with a senior secured credit facility composed of (i) a term loan facility of up to \$475 million, and (ii) a revolving credit facility of up to \$100 million. If the Company sells equity securities or equity-linked securities prior to the Closing, the amount of the term loan would be reduced by the lesser of the net cash proceeds from the offering and \$275 million.

The closing of the RidgeWorth Acquisition is subject to (1) the receipt of client consents required by the merger agreement representing revenues that are not less than 77.5% of the baseline revenue amount, (2) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the Hart-Scott-Rodino Act (3) the absence of any material adverse effect (as defined in the merger agreement) on the business of RidgeWorth and its subsidiaries and (4) 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. See Risk Factors Risks Relating to the RidgeWorth Acquisition.

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.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the documents that are incorporated by reference herein 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, are forward-looking statements. These statements may be identified by such forward-looking terminology as expect, estimate, intent, plan, intend, believe, anticipate, may, will, should, could, opportunity, predict, would, potential, future, forecast, guarantee, assume, likely, target or similar 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 and credit facilities, for all future periods. All of our forward-looking statements contained in this prospectus and the documents that are incorporated by reference herein are as of the date of this prospectus 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, 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, such statements or disclosures will be deemed to modify or supersede such statements in this prospectus.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q. Any occurrence of, or any material adverse change in, one or more risk factors or risks and uncertainties referred to in this prospectus or included in our other periodic reports filed with the SEC could materially and adversely affect our operations, financial results, cash flows, prospects and liquidity. See Where You Can Find More Information below. You are urged to carefully consider all such factors.

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**RISK FACTORS**

Investment in our securities involves a high degree of risk. You should carefully consider the following risks and the risks described in the section "Risk Factors" contained in our most recent Annual Report on Form 10-K, which is on file with the SEC and incorporated by reference herein, and any updates to those Risk Factors in our subsequent Quarterly Reports on Form 10-Q, or any applicable prospectus supplement or other offering material, in addition to the other information contained in this prospectus, before purchasing any of our securities. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. Any of these risks described could materially adversely affect our business, financial condition, results of operations, or ability to make distributions to our stockholders. In such case, you could lose all or a portion of your original investment.

**Risks Related to the RidgeWorth Acquisition**

*The RidgeWorth Acquisition is subject to 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 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 termination date (subject to extension 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, and 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 specified 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

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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.

***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 and technologies of the two companies 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 and business support functions. 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 unaudited pro forma financial data for the Company incorporated into this document 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 incorporated into this prospectus.***

The unaudited pro forma consolidated financial statements incorporated into this document are presented for illustrative purposes only and are not necessarily indicative of what the Company's actual financial position or

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results of operations would have been had the RidgeWorth Acquisition been completed on the dates indicated. The Company's actual results and financial position after the RidgeWorth Acquisition may differ materially and adversely from the unaudited pro forma financial data incorporated into this prospectus. For more information regarding unaudited pro forma consolidated financial statements, see the Company's Current Report on Form 8-K filed with the SEC on December 22, 2016, which is incorporated by reference herein.

***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.

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**USE OF PROCEEDS**

Except as described in any applicable prospectus supplement, we currently intend to use the net proceeds from the sale of securities for general corporate purposes, which may include working capital, capital expenditures, repurchases and redemptions of our securities, repayment or refinancing of indebtedness or the acquisition of complementary businesses which further our corporate strategy. We will have significant discretion in the use of any net proceeds. Investors will be relying on the judgment of our management regarding the application of the proceeds of any sale of the securities. We may invest the net proceeds temporarily until we use them for their stated purpose.

The actual amount of net proceeds we spend on a particular use will depend on many factors, including our future revenue growth, if any, our future capital expenditures and the amount of cash required by our operations. Many of these factors are beyond our control. Therefore, we will retain broad discretion in the use of the net proceeds.

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**DESCRIPTION OF COMMON STOCK**

*The following description of the terms of our common stock is only a summary. This description is subject to, and qualified in its entirety by reference to, our Certificate of Incorporation and Bylaws, each of which has previously been filed with the SEC and which we incorporate by reference as exhibits to the registration statement of which this prospectus is a part, and the General Corporation Law of the State of Delaware, or the DGCL.*

**Authorized Shares**

We are authorized to issue up to 1,000,000,000 shares of common stock. As of January 17, 2017, 5,897,013 shares of our common stock were issued and outstanding and were held by approximately 57,958 holders of record.

**Dividends**

Subject to the conditions discussed below, the owners of our common stock may receive dividends when declared by our board of directors, or the Board, from funds legally available for the payment of dividends. All decisions regarding the declaration and payment of dividends will be evaluated from time to time in light of our financial condition, earnings, growth prospects, other uses of cash, funding requirements, applicable law and other factors our Board deems relevant.

**Voting Rights**

Each share of common stock is entitled to one vote in the election of directors and all other matters submitted to a stockholder vote. In general, all matters submitted to a meeting of stockholders, other than as otherwise required by law, our Certificate of Incorporation, the Bylaws or the rules or regulations of any stock exchange on which our stock is traded, shall be decided by vote of a majority of the shares of the common stock represented in person or by proxy at any meeting at which a quorum is present and entitled to vote on the matter. Directors subject to election by holders of our common stock are elected by a plurality of the shares of our common stock represented in person or by proxy at any meeting at which a quorum is present and entitled to vote on the election of directors. There are no cumulative voting rights.

The affirmative vote of the holders of 75% or more of the combined voting power of the outstanding shares entitled to vote will be necessary to approve any amendment to our Bylaws. Affirmative vote of the holders of at least 66 <sup>2</sup>/<sub>3</sub>% of the total voting power of the outstanding capital stock entitled to vote, voting together as a single class, will be necessary to approve any amendment to our Certificate of Incorporation relating to the number of and removal of directors, the classified nature of our Board, the manner of filling vacancies thereon, or the location of advance notice provisions relating to the election of directors in our Bylaws. Other amendments to our Bylaws and Certificate of Incorporation, and certain extraordinary transactions (such as a merger or consolidation involving us or a sale of all or substantially all of our assets), must be approved by a majority of our outstanding common stock entitled to vote, *provided that*, except as otherwise required by law, our common stock is not entitled to vote on any amendment of our Certificate of Incorporation or to a preferred stock certificate of designation that relates solely to one or more outstanding series of preferred stock if the holders of such series are entitled, either separately or together with the holders of one or more other series of preferred stock, to vote on that matter as a separate class pursuant to our Certificate of Incorporation or a preferred stock certificate of designation or pursuant to the DGCL as currently in effect or as the same may be amended.

**Liquidation Rights**

If we liquidate, dissolve or wind-up our business, whether voluntarily or not, our common stockholders would share equally in the distribution of all assets remaining after payment to creditors and any liquidation preference owed to any then-outstanding preferred stockholders.

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### **Preemptive Rights**

Our common stock has no preemptive or similar rights.

### **Listing**

The shares of our common stock are listed on the NASDAQ Global Market under the symbol VRTS.

### **Stockholder Liability**

Delaware law provides that no stockholder, including holders of preferred stock, shall be personally liable for our acts and obligations and that our funds and property shall be the only recourse for these acts or obligations.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc.

### **Anti-Takeover Provisions**

#### ***Certificate of Incorporation; Bylaws***

Our Certificate of Incorporation and Bylaws contain provisions that could make more difficult the acquisition of us by means of a tender offer, a proxy contest or otherwise. These provisions are summarized below.

*Classes of Preferred Stock.* Under our Certificate of Incorporation, our Board has the full authority permitted by Delaware law to determine the voting rights, if any, and designations, preferences and rights of shares of each series and the qualifications, limitations and restrictions, which may be greater than those of our common stock. The effects of the issuance of a new series or class of preferred stock might include, among other things, restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying or preventing a change in control of the Company.

*Removal of Directors; Filling Vacancies.* Our Certificate of Incorporation and Bylaws provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least a majority of the combined voting power of all the outstanding capital stock entitled to vote generally in the election of directors. Additionally, subject to the rights of the holders of any class or series of preferred stock, if any, to elect additional directors under specified circumstances, only our Board will be authorized to fix the number of directors and to fill any vacancies on our Board. These provisions could make it more difficult for a potential acquirer to gain control of our Board.

*Stockholder Action.* Our Certificate of Incorporation and Bylaws provide that stockholder action can be taken only at an annual or special meeting of stockholders and may not be taken by written consent in lieu of a meeting. Our Certificate of Incorporation and Bylaws provide that special meetings of stockholders can be called only by our Chairperson of the Board or pursuant to a resolution adopted by our Board. Stockholders are not permitted to call a special meeting or to require that the Board call a special meeting of stockholders.

*Advance Notice Procedures.* Our Bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors, or bring other business before an annual or special meeting of stockholders. This notice procedure provides that only persons who are nominated by, or at the direction of our Board, the Chairperson of the Board, or by a stockholder who has given timely written notice to our Secretary prior to the



meeting at which directors are to be elected, will be eligible for election as directors. This procedure also requires that, in order to raise matters at an annual or special meeting, those matters be raised before the meeting pursuant to the notice of meeting we deliver or by, or at the direction of, our Chairperson or by a

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stockholder who is entitled to vote at the meeting and who has given timely written notice to our Secretary of his or her intention to raise those matters at the annual meeting. If our Chairperson determines that a person was not nominated, or other business was not proposed to be brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director, or that business will not be conducted at the meeting.

*Classified Board of Directors.* Our Certificate of Incorporation provides for our Board to be divided into three classes of directors, as nearly equal in number as possible, serving staggered terms. Approximately one-third of our Board will be elected each year. Under Section 141 of the DGCL, directors serving on a classified Board can only be removed for cause. Our Board consists of eight directors. The three Class I directors have a term expiring in 2018, the two Class II directors have a term expiring in 2019 and the three Class III directors have a term expiring in 2017. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring.

The provision for a classified Board could prevent a party that acquires control of a majority of the outstanding voting stock from obtaining control of our Board until the second annual stockholders meeting following the date the acquiror obtains the controlling stock interest. The classified Board provision could have the effect of discouraging a potential acquiror from making a tender offer for our shares or otherwise attempting to obtain control of us and could increase the likelihood that our incumbent directors will retain their positions. We believe that a classified Board will help to assure the continuity and stability of our Board and our business strategies and policies as determined by our Board, because a majority of the directors at any given time will have prior experience on our Board. The classified Board provision should also help to ensure that our Board, if confronted with an unsolicited proposal from a third party that has acquired a block of our voting stock, will have sufficient time to review the proposal and appropriate alternatives and to seek the best available result for all stockholders.

*Amendments.* Our Certificate of Incorporation provides that the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the total voting power of the outstanding capital stock entitled to vote, voting together as a single class, is required to amend the provisions of our Certificate of Incorporation relating to the number and removal of our directors, the classified nature of our Board and the manner of filling vacancies thereon, or the location of advance notice provisions relating to the election of directors in our Bylaws. Our Bylaws further provide that our Bylaws may be amended by our Board or by the affirmative vote of the holders of 75% or more of the combined voting power of the outstanding shares entitled to vote.

## ***Delaware Law***

We are also subject to the provisions of Delaware law described below regarding business combinations with interested stockholders.

Section 203 of the DGCL applies to a broad range of business combinations between a Delaware corporation and an interested stockholder. The Delaware law definition of "business combination" includes mergers, sales of assets, issuances of voting stock and certain other transactions. An "interested stockholder" is defined as any person who owns, directly or indirectly, 15% or more of the outstanding voting stock of a corporation, or within the last three years owned 15% or more of a corporation's stock and is presently an affiliate or associate of that corporation.

Section 203 of the DGCL prohibits a corporation from engaging in a business combination with an interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder, unless:

the board of directors approved the business combination before the stockholder became an interested stockholder, or the board of directors approved the transaction that resulted in the stockholder becoming an interested stockholder;

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upon completion of the transaction which resulted in the stockholder becoming an interested stockholder, such stockholder owned at least 85% of the voting stock outstanding when the transaction began other than shares owned by (i) directors who are also officers and (ii) certain employee stock plans; or

the board of directors approved the business combination after the stockholder became an interested stockholder and the business combination was approved at an annual or special meeting of stockholders by at least 66  $\frac{2}{3}$ % of the outstanding voting stock not owned by such stockholder.

These limitations on business combinations with interested stockholders do not apply to a corporation that does not have a class of stock listed on a national securities exchange, authorized for quotation on an interdealer quotation system of a registered national securities association or held of record by more than 2,000 stockholders.

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**DESCRIPTION OF PREFERRED STOCK**

*The following description of the terms of our preferred stock is only a summary. The specific terms of any series of preferred stock will be described in the applicable prospectus supplement. This description and the description contained in any prospectus supplement are subject to and qualified in their entirety by reference to our Certificate of Incorporation, which will include the certificate of designation relating to each series of preferred stock, our Bylaws, and the DGCL.*

**General**

Our charter provides that we may issue up to 250,000,000 shares of preferred stock, \$0.01 par value per share. As of January 17, 2017, no shares of our preferred stock were issued and outstanding.

The following description of the preferred stock sets forth general terms and provisions of the preferred stock to which any prospectus supplement may relate. The statements below describing the preferred stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our Certificate of Incorporation and Bylaws and any applicable certificates of designation of a series of preferred stock which may differ from the terms we describe below. The issuance of preferred stock could adversely affect the voting power, dividend rights and other rights of holders of common stock.

**Terms**

Prior to issuance of shares of each class or series of preferred stock, our Board is required by the DGCL and our charter to fix the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of redemption for each class or series.

Reference is made to the applicable prospectus supplement relating to the series of preferred stock offered thereby for the specific terms thereof, including:

the title and stated value of the preferred stock;

the number of shares of the series of preferred stock, the liquidation preference per share of the preferred stock and the offering price of the preferred stock;

the dividend rate(s), period(s) and/or payment day(s) or method(s) of calculation thereof applicable to the preferred stock;

the date from which dividends on the preferred stock shall accumulate, if applicable;

the procedures for any auction and remarketing, if any, for the preferred stock;

the provision for a sinking fund, if any, for the preferred stock;

the provision for redemption, if applicable, of the preferred stock;

any listing of the preferred stock on any securities exchange;

the terms and conditions, if applicable, upon which the preferred stock may or will be convertible into our common stock, including the conversion price or manner of calculation thereof;

the relative ranking and preferences of the preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;

whether depositary shares representing the preferred stock will be offered and, if so, the fraction or multiple of a share that each depositary share will represent;

a discussion of U.S. federal income tax considerations applicable to the preferred stock; and

any other specific terms, preferences, rights, limitations or restrictions of the preferred stock.

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**Rank**

Unless otherwise specified in the applicable certificate of designation and described in the applicable prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our company, rank:

- (a) senior to all classes or series of common stock and to all capital stock issued by us the terms of which provide that the capital stock shall rank junior to the preferred stock;
- (b) on a parity with all capital stock issued by us other than those referred to in clauses (a) and (c); and
- (c) junior to all capital stock issued by us which the terms of the preferred stock provide will rank senior to it.

**Dividends**

Unless otherwise specified in the certificate of designation and described in the applicable prospectus supplement, the preferred stock will have the rights with respect to payment of dividends set forth below.

Holders of the preferred stock of each series will be entitled to receive, when, as and if authorized by our Board and declared by us, out of our assets legally available for payment, cash dividends in the amounts and on the dates as will be set forth in, or pursuant to, the certificate of designation and described in the applicable prospectus supplement. Each dividend shall be payable to holders of record as they appear on our share transfer books on the record dates as shall be fixed by our Board.

Dividends on any series of preferred stock may be cumulative or non-cumulative, as provided in the certificate of designation and described in the applicable prospectus supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the certificate of designation and described in the applicable prospectus supplement. If the Board fails to authorize a dividend payable on a dividend payment date on any series of preferred stock for which dividends are non-cumulative, then the holders of this series of preferred stock will have no right to receive a dividend in respect of the related dividend period and we will have no obligation to pay the dividend accrued for the period, whether or not dividends on this series of preferred stock are declared payable on any future dividend payment date.

If preferred stock of any series is outstanding, no full dividends will be declared and paid or declared and set apart for payment on any of our capital stock of any other series ranking, as to dividends, on a parity with or junior to the preferred stock of this series for any period unless:

if this series of preferred stock has a cumulative dividend, full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart;  
or

if this series of preferred stock does not have a cumulative dividend, full dividends for the then current dividend period have been or contemporaneously are declared and paid or declared and a sum sufficient for

the payment thereof set apart.

When dividends are not paid in full or a sum sufficient for the full payment is not so set apart upon preferred stock of any series and the shares of any other series of preferred stock ranking on a parity as to dividends with the preferred stock of this series, all dividends declared upon the preferred stock of this series and any other series of preferred stock ranking on a parity as to dividends with the preferred stock shall be declared pro rata so that the amount of dividends declared per share of preferred stock of this series and the other series of preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the preferred stock of this series and the other series of preferred stock, which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock does not have a cumulative dividend, bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on preferred stock of this series which may be in arrears.



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Except as provided in the immediately preceding paragraph, unless (a) if this series of preferred stock has a cumulative dividend, full cumulative dividends on the preferred stock of this series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods, and (b) if this series of preferred stock does not have a cumulative dividend, full dividends on the preferred stock of this series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no dividends, other than in shares of common stock or other capital stock ranking junior to the preferred stock of this series as to dividends and upon liquidation, shall be declared and paid or declared and set aside for payment or other distribution shall be declared and made upon the common stock, or any of our other capital stock ranking junior to or on a parity with the preferred stock of this series as to dividends or upon liquidation, nor shall any shares of common stock, or any other of our capital stock ranking junior to or on a parity with the preferred stock of this series as to dividends or upon liquidation, be redeemed, purchased or otherwise acquired for any consideration or any moneys be paid to or made available for a sinking fund for the redemption of any of the shares by us except by conversion into or exchange for other of our capital stock ranking junior to the preferred stock of this series as to dividends and upon liquidation.

## **Redemption**

The terms on which any series of preferred stock may be redeemed will be described in the applicable prospectus supplement. All shares of preferred stock that we redeem, purchase or acquire, including shares surrendered for conversion or exchange, will be cancelled and restored to the status of authorized but unissued shares of preferred stock unless otherwise provided in the certificate of designation creating the class or series of preferred stock.

## **Liquidation Preference**

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, before any distribution or payment shall be made to the holders of any common stock or any other class or series of our capital stock ranking junior to the preferred stock of this series, the holders of the preferred stock shall be entitled to receive out of our assets of our company legally available for distribution to stockholders liquidating distributions in the amount of the liquidation preference per share that is set forth in the certificate of designation and described in the applicable prospectus supplement, plus an amount equal to all dividends accumulated and unpaid thereon, which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock does not have a cumulative dividend. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of preferred stock will have no rights or claim to any of our remaining assets. In the event that, upon any voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding preferred stock of this series and the corresponding amounts payable on all shares of other classes or series of capital stock of our company ranking on a parity with the preferred stock in the distribution of assets, then the holders of the preferred stock and all other classes or series of capital stock shall share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

## **Voting Rights**

Holders of preferred stock will not have any voting rights, except as from time to time as required by law, or as otherwise provided in the certificate of designation or the resolutions establishing such series and as described in the applicable prospectus supplement.

## **Conversion Rights**

The terms and conditions, if any, upon which any series of preferred stock is convertible into shares of common stock will be set forth in the certificate of designation and described in the applicable prospectus supplement. The

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terms will include the number of shares of common stock into which the shares of preferred stock are convertible, the conversion price, or manner of calculation thereof, the conversion period, provisions as to whether conversion will be at the option of the holders of our preferred stock or us, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of the preferred stock.

**Stockholder Liability**

Delaware law provides that no stockholder, including holders of preferred stock, shall be personally liable for our acts and obligations and that our funds and property shall be the only recourse for these acts or obligations.

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**DESCRIPTION OF DEPOSITARY SHARES**

*The following description of the terms of the depositary shares is only a summary. This description is subject to, and qualified in its entirety by reference to, the provisions of the deposit agreement, our charter and the form of certificate of designation for the applicable series of preferred stock, which will be described in the applicable prospectus supplement and may differ from the terms we describe below.*

**General**

We may, at our option, elect to offer depositary shares rather than full shares of preferred stock. In the event such option is exercised, each of the depositary shares will represent ownership of and entitlement to all rights and preferences of a fraction of a share of preferred stock of a specified series (including dividend, voting, redemption and liquidation rights). The applicable fraction will be specified in the applicable prospectus supplement. The shares of preferred stock represented by the depositary shares will be deposited with a depositary named in the applicable prospectus supplement, under a deposit agreement among our company, the depositary and the holders of the certificates evidencing depositary shares, or depositary receipts. Depositary receipts will be delivered to those persons purchasing depositary shares in the offering. The depositary will be the transfer agent, registrar and dividend disbursing agent for the depositary shares. Holders of depositary receipts agree to be bound by the deposit agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

The summary of terms of the depositary shares contained in this prospectus does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the deposit agreement and the form of the certificate of designation for the applicable series of preferred stock which will be described in the applicable prospectus supplement and may differ from the terms we describe below.

**Dividends**

The depositary will distribute all cash dividends or other cash distributions received in respect of the series of preferred stock represented by the depositary shares to the record holders of depositary receipts in proportion to the number of depositary shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by our company for the applicable series of preferred stock. The depositary, however, will distribute only such amount as can be distributed without attributing to any depositary share a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary receipts then outstanding.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of depositary shares owned by such holders on the relevant record date, unless the depositary determines (after consultation with our company) that it is not feasible to make such distribution, in which case the depositary may (with the approval of our company) adopt any other method for such distribution as it deems equitable and appropriate, including the sale of such property (at such place or places and upon such terms as it may deem equitable and appropriate) and distribution of the net proceeds from such sale to such holders.

No distribution will be made in respect of any depositary share to the extent that it represents any preferred stock converted into excess stock.

**Liquidation Preference**

In the event of the liquidation, dissolution or winding up of the affairs of our company, whether voluntary or involuntary, the holders of each depositary share will be entitled to the fraction of the liquidation preference accorded each share of the applicable series of preferred stock as described in the applicable prospectus supplement.

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### **Redemption**

If the series of preferred stock represented by the applicable series of depositary shares is redeemable, such depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of preferred stock held by the depositary. Whenever we redeem any preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the preferred stock so redeemed. The depositary will mail the notice of redemption promptly upon receipt of such notice from us and not less than 30 nor more than 60 days prior to the date fixed for redemption of the preferred stock and the depositary shares to the record holders of the depositary receipts.

### **Voting**

Promptly upon receipt of notice of any meeting at which the holders of the series of preferred stock represented by the applicable series of depositary shares are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary receipts as of the record date for such meeting. Each such record holder of depositary receipts will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of shares of preferred stock represented by such record holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote such preferred stock represented by such depositary shares in accordance with such instructions, and we will agree to take all action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will abstain from voting any of the preferred stock to the extent that it does not receive specific instructions from the holders of such depositary receipts.

### **Withdrawal of Preferred Stock**

Upon surrender of depositary receipts at the principal office of the depositary and payment of any unpaid amount due the depositary, and subject to the terms of the deposit agreement, the owner of the depositary shares evidenced thereby is entitled to delivery of the number of whole shares of preferred stock and all money and other property, if any, represented by such depositary shares. Partial shares of preferred stock will not be issued. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of preferred stock to be withdrawn, the depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares. Holders of preferred stock thus withdrawn will not thereafter be entitled to deposit such shares under the deposit agreement or to receive depositary receipts evidencing depositary shares therefor.

### **Amendment and Termination of Deposit Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time and from time to time be amended by agreement between our company and the depositary. However, any amendment which materially and adversely alters the rights of the holders (other than any change in fees) of depositary shares will not be effective unless such amendment has been approved by at least a majority of the depositary shares then outstanding. No such amendment may impair the right, subject to the terms of the deposit agreement, of any owner of any depositary shares to surrender the depositary receipt evidencing such depositary shares with instructions to the depositary to deliver to the holder of the depositary receipts all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law.

The deposit agreement will be permitted to be terminated by our company upon not less than 30 days' prior written notice to the applicable depositary if a majority of each series of preferred stock affected by such termination consents to such termination. Upon such termination, the depositary will be required to deliver or make available to each holder

of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional shares of preferred stock as are represented by the depositary shares evidenced by such depositary receipts together with any other property held by such depositary with respect to

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such depositary receipts. In addition, the deposit agreement will automatically terminate if (i) all outstanding depositary shares thereunder shall have been redeemed, (ii) there shall have been a final distribution in respect of the related preferred stock in connection with any liquidation, dissolution or winding-up of our company and such distribution shall have been distributed to the holders of depositary receipts evidencing the depositary shares representing such preferred stock or (iii) each share of the related preferred stock shall have been converted into stock of our company not so represented by depositary shares.

## **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with the initial deposit of the preferred stock and initial issuance of the depositary shares, and redemption of the preferred stock and all withdrawals of preferred stock by owners of depositary shares. Holders of depositary receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the deposit agreement. In certain circumstances, the depositary may refuse to transfer depositary shares, may withhold dividends and distributions, and may sell the depositary shares of certain holders of depositary receipts if such charges are not paid by such holders.

## **Miscellaneous**

The depositary will forward to the holders of depositary receipts all reports and communications from us which are delivered to the depositary and which we are required to furnish to the holders of the preferred stock. In addition, the depositary will make available for inspection by holders of depositary receipts at the principal office of the depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from us which are received by the depositary as the holder of preferred stock.

Neither the depositary nor our company assumes any obligation or will be subject to any liability under the deposit agreement to holders of depositary receipts other than for its negligence or willful misconduct. Neither the depositary nor our company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the deposit agreement. The obligations of our company and the depositary under the deposit agreement will be limited to performance in good faith of their duties thereunder, and they will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. Our company and the depositary may rely on written advice of counsel or accountants, on information provided by holders of the depositary receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties.

In the event the depositary shall receive conflicting claims, requests or instructions from any holders of depositary receipts, on the one hand, and our company, on the other hand, the depositary shall be entitled to act on such claims, requests or instructions received from our company.

## **Resignation and Removal of Depositary**

The depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the depositary. Any such resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of such appointment. Such successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$50,000,000.





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**DESCRIPTION OF WARRANTS**

*The following description of the terms of the warrants is only a summary. This description is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement and warrants which will be described in the applicable prospectus supplement.*

We may issue warrants for the purchase of common stock, preferred stock or depositary shares and may issue warrants independently or concurrently with common stock, preferred stock or depositary shares. We may issue each series of warrants directly to purchasers or under a separate warrant agreement between us and a warrant agent, as specified in the applicable prospectus supplement.

The warrant agent will act solely as our agent in connection with the warrants and will not act for or on behalf of warrant holders. The following sets forth certain general terms and provisions of the warrants that may be offered under this registration statement. Further terms of the warrants and the applicable warrant agreement will be set forth in the applicable prospectus supplement.

The applicable prospectus supplement will describe the terms of the warrants in respect of which this prospectus is being delivered, including, where applicable, the following:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the type and number of securities purchasable upon exercise of such warrants;

the date, if any, on and after which such warrants and the related securities will be separately transferable;

the price at which each security purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

the minimum or maximum amount of such warrants that may be exercised at any one time;

information with respect to book-entry procedures, if any;

any anti-dilution protection;

a discussion of certain U.S. federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the transferability, exercise and exchange of such warrants.

Warrant certificates will be exchangeable for new warrant certificates of different denominations and warrants may be exercised at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement. Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise or to any dividend payments or voting rights as to which holders of the shares of common stock or preferred stock purchasable upon such exercise may be entitled.

Each warrant will entitle the holder to purchase for cash such number of shares of common stock or preferred stock, at such exercise price as shall, in each case, be set forth in, or be determinable as set forth in, the applicable prospectus supplement relating to the warrants offered thereby. Unless otherwise specified in the applicable prospectus supplement, warrants may be exercised at any time up to the expiration date set forth in the applicable prospectus supplement. After the expiration date, unexercised warrants will be void.

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Warrants may be exercised as set forth in the applicable prospectus supplement. Upon receipt of payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement, we will, as soon as practicable, forward the capital stock purchasable upon such exercise. If less than all of the warrants represented by such warrant certificate are exercised, a new warrant certificate will be issued for the remaining amount of warrants.

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**DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS**

*The following description of the terms of the stock purchase contracts and stock purchase units is only a summary. This description is subject to, and qualified in its entirety by reference to, the provisions of the stock purchase contracts and stock purchase units agreements which will be described in the applicable prospectus supplement and may be different than the terms set forth below.*

We may issue stock purchase contracts and stock purchase units for the purchase of shares of common stock or preferred stock. These stock purchase contracts and stock purchase units may be issued independently or concurrently with any other security offered hereby and may or may not be transferable by the person receiving the stock purchase contracts and stock purchase units in such offering. In connection with any offering of stock purchase contracts and stock purchase units, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase all or a portion of any securities remaining unsubscribed for after such offering.

We may issue stock purchase contracts for a specified number of shares of common stock at a future date or dates. The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula stated in the stock purchase contracts.

The stock purchase contracts may be issued separately or as part of units that we call stock purchase units. Stock purchase units consist of a stock purchase contract and either our debt securities or debt obligations of third parties, including United States treasury securities, securing the holders' obligations to purchase the common stock under the stock purchase contracts.

The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and these payments may be unsecured or refunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner.

We may enter into derivative transactions or forward sale agreements on shares of securities with third parties. In such event, we may loan or pledge the shares underlying such transactions to the counterparties under such agreements, to secure our delivery obligation. The counterparties or third parties may borrow shares of securities from us or third parties and sell such shares in a public offering. This prospectus may be delivered in conjunction with such sales. Upon settlement of such transactions, we may deliver shares of securities to the counterparties that, in turn, the counterparties may deliver to us or third parties, as the case may be, to close out the open borrowings of securities. The counterparty in such transactions will be an underwriter and will be identified in the applicable prospectus supplement.

The applicable prospectus supplement will describe the specific terms of the stock purchase contracts or stock purchase units. The descriptions in the applicable prospectus supplement will only be summaries, and you should read the stock purchase contracts and, if applicable, the collateral or depositary arrangements relating to the stock purchase contracts and stock purchase units. Material United States federal income tax considerations applicable to the stock purchase contracts and the stock purchase units will also be discussed in the applicable prospectus supplement.

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**DESCRIPTION OF DEBT SECURITIES**

*The following description of the terms of our debt securities is only a summary. The specific terms of any series of debt securities will be governed by the applicable indenture and described in the applicable prospectus supplement, which such terms may differ from those set forth below.*

We may offer any combination of senior debt securities or subordinated debt securities. We may issue the senior debt securities and the subordinated debt securities under separate indentures between us, as issuer, and the trustee or trustees identified in the applicable prospectus supplement. Further information regarding the trustee may be provided in the applicable prospectus supplement. The form for each type of indenture is filed as an exhibit to the registration statement of which this prospectus is a part. We use the term "indentures" in this prospectus to refer to both the senior indenture and the subordinated indenture. The indentures will be qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. We use the term "debenture trustee" to refer to either the trustee under the senior indenture or the trustee under the subordinated indenture, as applicable.

The following summaries of material provisions of the senior debt securities, the subordinated debt securities and the indentures are not complete and are subject to, and qualified in their entirety by reference to, all the provisions of the indenture applicable to a particular series of debt securities. The applicable prospectus supplement will describe the particular terms of any debt securities we may offer and may supplement the terms summarized below. We urge you to read the applicable prospectus supplements related to the debt securities that we may sell under this prospectus, as well as the indenture that contains the terms of the debt securities. Except as we may otherwise indicate, the terms of the senior indenture and the subordinated indenture are identical.

**General**

Within the total dollar amount of this shelf registration statement, we may issue an unlimited principal amount of debt securities in separate series. We may specify a maximum aggregate principal amount for the debt securities of any series. The debt securities will have terms that are consistent with the indentures. Senior debt securities will be unsubordinated obligations and will rank equal with all our other unsubordinated debt, other than any unsecured debt expressly designated by the holders thereof to be subordinate to its senior debt securities. Subordinated debt securities will be paid only if all payments due under our senior indebtedness, including any outstanding senior debt securities, have been made. In addition, unless otherwise specified in the applicable prospectus supplement, the debt securities will be structurally subordinated to all existing and future liabilities, including trade payables, of our subsidiaries, and the claims of creditors of those subsidiaries, including trade creditors, will have priority as to the assets and cash flows of those subsidiaries.

The indentures may or may not limit the amount of other debt that we may incur or whether that debt is senior to the debt securities offered by this prospectus, and may or may not contain financial or similar restrictive covenants. The indentures may or may not contain any provision to protect holders of debt securities against a sudden or dramatic decline in our ability to pay our debt.

The applicable prospectus supplement will describe the debt securities, the price or prices at which we will offer the debt securities and the other terms of the debt securities which may include:

the title;

the principal amount being offered, and if a series, the total amount authorized and the total amount outstanding;

any limit on the amount that may be issued;

whether or not we will issue the series of debt securities in global form, the terms and who the depository will be;

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the maturity date;

whether and under what circumstances, if any, we will pay additional amounts on any debt securities held by a person who is not a United States person for tax purposes, and whether we can redeem the debt securities if we have to pay such additional amounts;

the annual interest rate, which may be fixed or variable, or the method for determining the rate and the date interest will begin to accrue, the dates interest will be payable and the regular record dates for interest payment dates or the method for determining such dates;

whether or not the debt securities will be secured or unsecured, and the terms of any secured debt;

the terms of the subordination of any series of subordinated debt;

the place where payments will be payable;

restrictions on transfer, sale or other assignment, if any;

our right, if any, to defer payment of interest and the maximum length of any such deferral period;

the date, if any, after which, and the price at which, we may, at our option, redeem the series of debt securities pursuant to any optional or provisional redemption provisions and the terms of those redemption provisions;

the date, if any, on which, and the price at which we are obligated, pursuant to any mandatory sinking fund or analogous fund provisions or otherwise, to redeem, or at the holder's option to purchase, the series of debt securities and the currency or currency unit in which the debt securities are payable;

whether the indenture will restrict our ability or the ability of our subsidiaries to:

incur additional indebtedness;

issue additional securities;

create liens;



pay dividends or make distributions in respect of our capital stock or the capital stock of our subsidiaries;

redeem capital stock;

place restrictions on our subsidiaries' ability to pay dividends, make distributions or transfer assets;

make investments or other restricted payments;

sell or otherwise dispose of assets;

enter into sale-leaseback transactions;

engage in transactions with stockholders or affiliates;

issue or sell stock of our subsidiaries; or

effect a consolidation or merger;

whether the indenture will require us to maintain any interest coverage, fixed charge, cash flow-based, asset-based or other financial ratios;

a discussion of certain material or special United States federal income tax considerations applicable to the debt securities;

information describing any book-entry features;

whether the debt securities are to be offered at a price such that they will be deemed to be offered at an original issue discount as defined in paragraph (a) of Section 1273 of the Internal Revenue Code, or

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whether the debt securities are sold in a package with another security and the allocation of the offering price between the two securities may have the effect of offering the debt security at such an original issue discount;

the denominations in which we will issue the series of debt securities, if other than denominations of \$2,000 and any greater integral multiple of \$1,000; and

any other specific terms, preferences, rights or limitations of, or restrictions on, the debt securities, including any additional events of default or covenants provided with respect to the debt securities, and any terms that may be required by us or advisable under applicable laws or regulations.

### **Conversion or Exchange Rights**

We will set forth in the applicable prospectus supplement the terms on which a series of debt securities may be convertible into or exchangeable for our common stock or our other securities. We will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option. We may include provisions pursuant to which the number of shares of our common stock or our other securities that the holders of the series of debt securities receive would be subject to adjustment.

### **Consolidation, Merger or Sale**

The indentures do not contain any covenant that restricts our ability to merge or consolidate, or sell, convey, transfer or otherwise dispose of all or substantially all of our assets. However, any successor to or acquiror of such assets must assume all of our obligations under the indentures or the debt securities, as appropriate. If the debt securities are convertible for our other securities or securities of other entities, the person with whom we consolidate or merge or to whom we sell all of our property must make provisions for the conversion of the debt securities into securities that the holders of the debt securities would have received if they had converted the debt securities before the consolidation, merger or sale.

### **Events of Default Under the Indenture**

Unless otherwise specified in the applicable indenture and prospectus supplement, the following will be events of default under the indentures with respect to any series of debt securities that we may issue:

if we fail to pay any interest when due and payable and such failure continues for a period of 90 days and the time for payment has not been extended or deferred;

if we fail to pay the principal or any premium when due and payable and the time for payment has not been extended or delayed;

if we fail to deposit any sinking fund payment when and due and the time for payment has not been extended or delayed;

if we fail to perform or breach any other covenant or warranty contained in the debt securities or the indentures, other than a covenant or warranty included solely for the benefit of a different series of debt securities, and such failure continues for a period of 90 days after we receive a written notice from the debenture trustee or holders of at least 25% in aggregate principal amount of the outstanding debt securities of the applicable series; and

if specified events of bankruptcy, insolvency or reorganization occur with respect to us.

The applicable indenture may include, and the applicable prospectus supplement will describe, any additional events of default.

If an event of default with respect to debt securities of any series occurs and is continuing, other than an event of default specified in the last bullet point above, the debenture trustee or the holders of at least 25% in aggregate

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principal amount of the outstanding debt securities of that series, by notice to us in writing, and to the debenture trustee if notice is given by such holders, may declare the unpaid principal of, the premium on, if any, and the accrued interest, if any, on all the debt securities of such series to be due and payable immediately. If an event of default specified in the last bullet point above occurs with respect to us, the principal amount and accrued interest, if any, of each issue of debt securities then outstanding shall automatically become due and payable without any notice or other action on the part of the debenture trustee or any holder.

The holders of a majority in principal amount of the outstanding debt securities of an affected series, by a written notice to us and the debenture trustee, may waive any default or event of default with respect to such series and its consequences, except defaults or events of default regarding payment of principal of, the premium on, if any, or interest, unless we have cured the default or event of default in accordance with the indenture. Any waiver shall cure the default or event of default.

Subject to the terms of the indentures, if an event of default under an indenture shall occur and be continuing, the debenture trustee will be under no obligation to exercise any of its rights or powers under such indenture at the request or direction of any of the holders of the applicable series of debt securities, unless such holders have offered to the debenture trustee, reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the debenture trustee, or exercising any trust or power conferred on the debenture trustee, with respect to the debt securities of that series, *provided that*:

the direction so given by the holder is not in conflict with any law or the applicable indenture; and

subject to its duties under the Trust Indenture Act, the debenture trustee need not take any action that might involve it in personal liability or might be unduly prejudicial to the holders not involved in the proceeding. A holder of the debt securities of any series will only have the right to institute a proceeding under the indentures or to appoint a receiver or trustee, or to seek other remedies if:

the holder has given written notice to the debenture trustee of a continuing event of default with respect to that series;

the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made written request, and such holders have offered reasonable indemnity to the debenture trustee to institute the proceedings as trustee;

for 90 days after its receipt of such notice, request and offer of reasonable indemnity, the debenture trustee has failed to institute any such proceeding; and

the debenture trustee has not been given any direction inconsistent with such written request during such 90 days by the holders of a majority in aggregate principal amount of the outstanding debt securities of that series.

These limitations do not apply to a suit instituted by a holder of debt securities if we default in the payment of the principal of, the premium on, if any, or the interest on, the debt securities.

We will periodically file statements with the debenture trustee regarding our compliance with specified covenants in and the absence of default under the indentures.

**Modification of Indenture; Waiver**

We and the debenture trustee may enter into supplemental indentures without the consent of any holders of outstanding debt securities with respect to specific matters including:

to evidence the succession of another person and the assumption by any such successor of our covenants in the indenture and in the debt securities;

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to add to our covenants for the protection of the holders of all or any series of debt securities or to surrender any right or power herein conferred upon us;

to add any additional events of default for the protection of the holders of all or any series of debt securities;

to add to or change any of the provisions to such extent as shall be necessary to permit or facilitate the issuance of debt securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of debt securities in uncertificated form;

to add to, change or eliminate any of the provisions in respect of one or more series of debt securities, *provided that* any such addition, change or elimination (i) shall neither (A) apply to any debt security of any series created prior to the execution of the supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the holder of any such debt security with respect to such provision or (ii) shall become effective only when there is no such security outstanding;

to provide for the issuance of and establish the form and terms and conditions of the debt securities of any series as permitted by the indenture, and to add to the rights of the holders of debt securities of any series;

to evidence and provide for the acceptance of appointment by a successor debenture trustee and to add to or change any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one debenture trustee, pursuant to the requirements of the indenture; and

to cure any ambiguity, to correct or supplement any provision which may be defective or inconsistent, or to make any other provisions with respect to matters or questions arising under the indenture, *provided that* such action shall not adversely affect the interests of the holders of debt securities of any series in any material respect.

In addition, under the indentures, the rights of holders of a series of debt securities may be changed by us and the debenture trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding debt securities of each series that is affected. However, we and the debenture trustee may only make the following changes with the consent of each holder of any outstanding debt securities affected:

extending the fixed maturity of the principal of, or any installment of principal of or interest on, any debt securities, or reducing the principal amount or the interest rate or any premium payable upon the redemption;

reducing the percentage in principal amount of the debt securities, the consent of whose holders is required for any such supplemental indenture or for any waiver provided for in the indenture; or

modifying any of the provisions of the indenture related to supplemental indentures with the consent of holders and waiver of past defaults and certain other covenants.

**Discharge**

Each indenture provides that we can elect to be discharged from our obligations under such indenture with respect to one or more series of debt securities, except for any surviving rights of registration of transfer or exchange of debt securities expressly provided for.

We may elect to be discharged from any and all future obligations with respect to debt securities of a particular series when:

either (i) all authenticated and delivered debt securities have been delivered to the debenture trustee for cancellation; or (ii) all such debt securities not delivered for cancellation (A) have become due and payable, or (B) will become due and payable at their maturity within one year, or (C) are to be called for redemption within one year, and we have deposited an amount sufficient to pay and discharge the entire indebtedness on such debt securities for principal and any premium and interest;

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we have paid all other sums payable under the indenture and the debt securities; and

we have delivered to the debenture trustee the required officers' certificate and opinion of counsel.

**Form, Exchange and Transfer**

We will issue the debt securities of each series only in fully registered form without coupons and, unless we otherwise specify in the applicable prospectus supplement, in denominations of \$2,000 and any greater integral multiple of \$1,000. The indentures provide that we may issue debt securities of a series in temporary or permanent global form and as book-entry securities that will be deposited with, or on behalf of, The Depository Trust Company, or any depository named by us and identified in the applicable prospectus supplement with respect to that series. At the option of the holder, subject to the terms of the indentures and the limitations applicable to global securities described in the applicable prospectus supplement, the holder of the debt securities of any series can exchange the debt securities for other debt securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the indentures and the limitations applicable to global securities set forth in the applicable prospectus supplement, holders of the debt securities may present the debt securities for exchange or for registration of transfer, duly endorsed or with the form of transfer endorsed thereon duly executed if so required by us or the security registrar, at the office of the security registrar or at the office of any transfer agent designated by us for this purpose. Unless otherwise provided in the debt securities that the holder presents for transfer or exchange, no service charge will be made for any registration of transfer or exchange of the debt securities, but we may require payment of any taxes or other governmental charges that may be imposed in connection with any registration of transfer or exchange of such debt securities.

We will name in the applicable prospectus supplement the security registrar, and any transfer agent in addition to the security registrar, that we initially designate for any debt securities. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each place of payment for the debt securities of each series.

If we elect to redeem the debt securities of any series, we will not be required to:

issue, register the transfer of, or exchange any debt securities of that series during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any debt securities selected for redemption and ending at the close of business on the day of the mailing; or

register the transfer of or exchange any debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any debt securities we are redeeming in part.

**Information Concerning the Debenture Trustee**

The debenture trustee undertakes to perform only those duties as are specifically set forth in the applicable indenture. The debenture trustee is under no obligation to exercise any of the powers given to it by the indentures at the request of any holder of debt securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur. The debenture trustee, as well as any material relationships it has with us or our affiliates,



will be identified in the applicable prospectus supplement relating to debt securities.

**Payment and Paying Agents**

Unless we otherwise indicate in the applicable prospectus supplement, we will make payment of the interest on any debt securities on any interest payment date to the person in whose name the debt securities, or one or more predecessor securities, are registered at the close of business on the regular record date for the interest.

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We will pay principal of and any premium and interest on the debt securities of a particular series at the office of the paying agents designated by us, except that unless we otherwise indicate in the applicable prospectus supplement, we will make interest payments by check that we will mail to the holder or by wire transfer to certain holders. Unless we otherwise indicate in an applicable prospectus supplement, we will designate the corporate trust office of the debenture trustee as our sole paying agent for payments with respect to debt securities of each series. We will name in the applicable prospectus supplement any other paying agents that we initially designate for the debt securities of a particular series. We will maintain a paying agent in each place of payment for the debt securities of a particular series.

All money we pay to a paying agent or the debenture trustee for the payment of the principal of or any premium or interest on any debt securities that remains unclaimed at the end of two years after such principal of, the premium on, if any, or the interest, if any, on such debt securities has become due and payable will be repaid to us, and the holder of the debt security thereafter may look only to us for payment thereof.

**Governing Law**

The indentures and the debt securities will be governed by and construed in accordance with the laws of the State of New York.

**Subordination of Subordinated Debt Securities**

The subordinated debt securities will be unsecured and will be subordinate and junior in priority of payment to certain of our other indebtedness to the extent described in an applicable prospectus supplement and the applicable supplemental indenture related to such subordinated debt securities. Such indenture does not limit the amount of subordinated debt securities that we may issue. It also does not limit us from issuing any other secured or unsecured debt.

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**PLAN OF DISTRIBUTION**

We may sell the offered securities:

directly to purchasers,

through agents,

through dealers,

to or through underwriters,

directly to our stockholders, or

through a combination of any of these methods of sale.

An applicable prospectus supplement relating to a series of the offered securities, if any, will set forth its offering terms, including the name or names of any underwriters, dealers or agents, the purchase price of the offered securities and the proceeds to us from the sale, any underwriting discounts, commissions and other items constituting underwriters' compensation, any initial public offering price and any underwriting discounts, commissions and other items allowed or reallocated or paid to dealers or agents and any securities exchanges on which the offered securities may be listed.

We may use one or more underwriters in the sale of the offered securities, in which case the offered securities will be acquired by the underwriter or underwriters for their own account and may be resold from time to time in one or more transactions either:

at a fixed price or prices, which may be changed,

at market prices prevailing at the time of sale,

at prices related to the prevailing market prices, or

at negotiated prices.

Offerings of securities covered by this prospectus may also be made into an existing trading market for such securities in transactions at other than a fixed price, either:

on or through the facilities of NASDAQ or any other securities exchange or quotation or trading service on which such securities may be listed, quoted or traded at the time of sale; and/or

to or through a market maker otherwise than on NASDAQ or such other securities exchanges or quotation or trading services.

Such at-the-market offerings, if any, may be conducted by underwriters acting as principal or our agent, who may also be third-party sellers of securities as described above.

In addition, we may sell some or all of the securities covered by this prospectus through:

purchases by a dealer, as principal, who may then resell those securities to the public for its account at varying prices determined by the dealer at the time of resale or at a fixed price agreed to with us at the time of sale;

block trades in which a dealer will attempt to sell as agent, but may position or resell a portion of the block, as principal, in order to facilitate the transaction; and/or

ordinary brokerage transactions and transactions in which a broker-dealer solicits purchasers.

We may directly solicit offers to purchase offered securities. Agents designated by us from time to time may also solicit offers to purchase offered securities. Any agent designated by us, who may be deemed to be an

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underwriter as that term is defined in the Securities Act, involved in the offer or sale of the offered securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth in an applicable prospectus supplement, if any. Unless otherwise indicated in any applicable prospectus supplement, any agent will be acting on a best efforts basis.

If a dealer is utilized in the sale of the offered securities in respect of which this prospectus is delivered, we will sell the offered securities to the dealer, as principal. The dealer, who may be deemed to be an underwriter as that term is defined in the Securities Act, may then resell the offered securities to the public at varying prices to be determined by the dealer at the time of resale.

If an underwriter is, or underwriters are, used in the sale, we will execute an underwriting agreement with the underwriters at the time of sale to the underwriters. The names of the underwriters will be set forth in an applicable prospectus supplement, if any, which will be used by the underwriter to make resales of the offered securities in respect of which this prospectus is delivered to the public. In connection with the sale of the offered securities, the underwriter may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the offered securities for whom they may act as agents. Underwriters may also sell the offered securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents.

If so indicated in any applicable prospectus supplement, we will authorize underwriters, dealers or other persons to solicit offers by certain institutions to purchase offered securities from us at the public offering price set forth in any applicable prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a future date or dates. Institutions with which these contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others. The obligations of any purchasers under any delayed delivery contracts will not be subject to any conditions except that:

the purchase of the offered securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which the purchaser is subject, and

if the offered securities are also being sold to underwriters, we will have sold to the underwriters the offered securities not sold for delayed delivery.

The underwriters, dealers and other persons will not have any responsibility in respect of the validity or performance of such delayed delivery contracts. An applicable prospectus supplement relating to the contracts, if any, will set forth the price to be paid for offered securities pursuant to the contracts, the commission payable for solicitation of the contracts and the date or dates in the future for delivery of offered securities pursuant to the contracts.

Offered securities may also be offered and sold, if so indicated in any applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more remarketing firms, acting as principals for their own accounts or as agents for us. Any remarketing firm will be identified and the terms of its agreement, if any, with us and its compensation will be described in an applicable prospectus supplement, if any. Remarketing firms may be deemed to be underwriters in connection with their remarketing of offered securities.

Unless otherwise set forth in any applicable prospectus supplement, the obligations of underwriters to purchase the offered securities will be subject to certain conditions precedent, and such underwriters will be obligated to purchase all such securities, if any are purchased. In connection with the offering of securities, we may grant to the underwriters an option to purchase additional securities to cover over-allotments at the initial public offering price, with an additional underwriting commission, as may be set forth in any accompanying prospectus supplement. If we grant any over-allotment option, the terms of such over-allotment option will be set forth in an applicable prospectus supplement for such securities, if any.

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Underwriters, dealers, remarketing firms and agents may be entitled, under agreements that may be entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which they may be required to make in respect thereof. Underwriters, dealers, remarketing firms and agents may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

Any underwriter may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short-covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of the activities at any time.

The anticipated date of delivery of offered securities will be set forth in an applicable prospectus supplement relating to each offer, if any.

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**LEGAL MATTERS**

Unless any applicable prospectus supplement indicates otherwise, the validity of the securities offered will be passed upon on behalf of Virtus by Willkie Farr & Gallagher LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of RidgeWorth Holdings LLC as of December 31, 2015 and 2014 and for the two years in the period ended December 31, 2015, the 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 consolidated financial statements of RidgeWorth Capital Management, Inc. as of December 31, 2013 and for the year then ended, all appearing in Virtus Investment Partners, Inc.'s Current Report on Form 8-K dated December 22, 2016, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon and incorporated by reference herein. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.



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**DOCUMENTS INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information included directly in this prospectus. Any statement contained in this prospectus or a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act).

Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 24, 2016;

Quarterly Reports on Form 10-Q for the quarter ended March 31, 2016, June 30, 2016 and September 30, 2016 filed with the SEC on May 3, 2016, August 9, 2016 and November 7, 2016;

Current Report on Form 8-K filed with the SEC on May 26, 2016, June 14, 2016, August 22, 2016 October 5, 2016, October 27, 2016, December 13, 2016, December 22, 2016 and December 22, 2016;

The portions of our definitive proxy statement on Schedule 14A filed on April 13, 2016 that are incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2015; and

The description of our common stock contained in our Registration Statement on Form 10 filed with the SEC on December 19, 2008, and any amendment or report filed for the purpose of updating such description. We also incorporate by reference all additional documents that we file with the SEC that are made after the initial filing date of this registration statement of which this prospectus is a part and the effectiveness of the registration statement, as well as between the date of this prospectus and the termination of any offering of securities offered by this prospectus under the terms of:

Sections 13(a) and (c) of the Exchange Act;

Section 14 of the Exchange Act; and

Section 15(d) of the Exchange Act.

We are not, however, incorporating, in each case, any documents (or portions thereof) or information that is furnished but not filed for purposes of the Exchange Act.

We will provide a copy of any and all of the information that is incorporated by reference in this prospectus to any person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. Written requests for copies should be directed to the following address:

Virtus Investment Partners, Inc. Investor Relations

100 Pearl Street, 9<sup>th</sup> Floor

Hartford, Connecticut 06103

(800) 248-7971

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**WHERE YOU CAN FIND MORE INFORMATION**

We are currently subject to the information requirements of the Exchange Act and in accordance therewith file periodic reports, proxy statements and other information with the SEC.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities that may be sold under this prospectus. This prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information about us and the securities to be sold in this offering, please refer to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to, are not necessarily complete, and in each instance please refer to the copy of the contract, agreement or other document filed as an exhibit to the registration statement or as an exhibit to a document incorporated by reference in the registration statement, each statement being qualified in all respects by this reference.

Our periodic and current reports, and any amendments to those reports, are available, free of charge, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC on our website: [www.virtus.com](http://www.virtus.com). The information on our website is not incorporated by reference into this prospectus.

You may read and copy all or any portion of the registration statement or any reports, proxy statements and other information we file with the SEC at the public reference facility maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such material are also available by mail from the Public Reference Branch of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates.

Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms.

The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's web site at <http://www.sec.gov>.

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**910,000 Shares**

**Virtus Investment Partners, Inc.**

**of**

**Common Stock**

**Prospectus Supplement**

*Joint Book-Running Managers*

**Barclays**

**Morgan Stanley**

**J.P. Morgan**

**BofA Merrill Lynch**

*Co-Managers*

**Credit Suisse**

**Sandler O Niell + Partners, L.P.**

**January 26, 2017**