

VIRTUS

INVESTMENT PARTNERS



2009 ANNUAL REPORT

FINANCIAL OVERVIEW

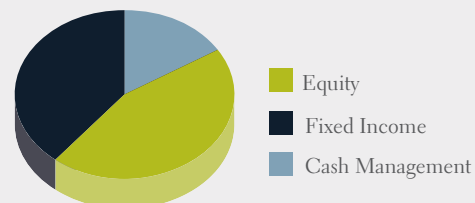
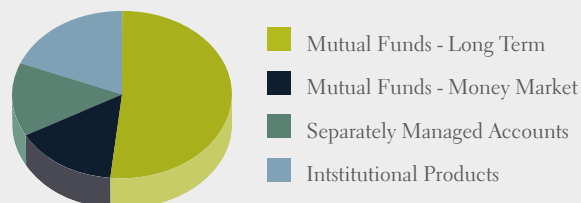
	2009	2008
Summary of Operations (in millions)		
Revenues	\$ 117.2	\$ 178.3
Operating Income (loss)	\$ (6.6)	\$ (581.8)
Net Income (loss)	\$ (10.2)	\$ (529.6)
Attributable to Common Stockholders		
Operating Income, as Adjusted*	\$ 7.0	\$ 0.7
Operating Margin	(6)%	(326)%
Operating Margin, as Adjusted*	8%	1%

Per Share Data

Weighted Average Shares Outstanding - (in thousands)	5,812	5,772
Net Income (loss) Per Share - Basic and Diluted	\$ (1.76)	\$ (91.75)

Assets Under Management (in millions)**

Average AUM	\$ 23,235.0	\$ 32,140.8
Ending AUM	\$ 25,439.7	\$ 22,636.4



Assets Under Management (in millions)

By product (12/31/2009):

Mutual Funds - Long-term	\$13,159.1
Mutual Funds - Money Market	3,930.6
Separately Managed Accounts	3,551.8
Institutional Products	4,798.2
Total	\$25,439.7

By investment category (12/31/2009):

Equity	\$11,546.7
Fixed Income	9,962.4
Cash Management	3,930.6
Total	\$25,439.7

* Certain supplemental performance measures are provided in addition to, but not as a substitute for, performance measures determined in accordance with GAAP. These supplemental measures may not be comparable to other non-GAAP performance measures of other companies. "Operating Income, as Adjusted" and "Operating Margin, as Adjusted" are supplemental non-GAAP measures that net the distribution and administration expenses against the related revenue and remove certain non-cash and other identified amounts. For our definition of these terms, as well as a reconciliation to GAAP measures, see "Reconciliation of Revenues, Operating Expenses and Operating Income on a GAAP Basis to Revenues, Operating Expenses and Operating Income, As Adjusted" in the Supplemental Financial Information, included as an attachment to this annual report after the Form 10-K.

**The assets of a former subsidiary are not included in Virtus' results after December 31, 2008, and certain amounts from prior periods are excluded from these results for comparison purposes. Including the former subsidiary, ending AUM were \$36.6 billion and average AUM were \$46.0 billion as of December 31, 2008.

This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which, by their nature, are subject to significant risks and uncertainties. Virtus Investment Partners, Inc. intends for these forward-looking statements to be covered by the safe harbor provisions of the federal securities laws relating to forward-looking statements. For a further discussion, see "Forward Looking Statements" on page 21 of the attached Form 10-K.

LETTER TO OUR SHAREHOLDERS

Fellow Shareholders

The remarkable events of 2009 tested many companies, particularly those in the financial services sector. For Virtus Investment Partners, 2009 was memorable in two ways. First, it was the year we set out as an independent public company, which is a difficult task even in the best of times. Second, it was an incredibly challenging period that ultimately allowed us to demonstrate the inherent strength of our business model and the effectiveness of our operating strategy.

It may be tempting to forget the financial cataclysm of the recent past from the vantage point of a new year, but it wasn't long ago that governments, corporations and individuals had ample reason to be unsure about the course of the economy and apprehensive about the future. Bank bailouts, toxic assets, companies "too big to fail," rising unemployment, and unprecedented government stimulus measures left investors reeling from the impact of financial markets. It wasn't until the third quarter that positive economic data hinted at the end of the recession and investors showed interest in returning to the equity and bond markets.

Our ability to adjust operating strategies in response to these events, combined with the actions we took in preparation for the spin-off, allowed us to navigate this very unusual and difficult period. We endured through 2009 because we moved decisively to further manage our expense structure, appropriately invest in future opportunities, and reposition the company for growth as the economy and markets recovered.

Operating Results

As we approached the spin-off, we clearly articulated several primary goals for the company:

- Leverage our multi-manager, multi-style model to extend our high quality investment management capabilities and develop new products;
- Build upon our broad distribution access to generate higher levels of sales; and
- Operate with a more reasonable cost structure as an independent asset management company, and increase the flexibility of our capital structure.

Market conditions created many obstacles during the year, but our results demonstrated we could execute on these goals.

We delivered significant sequential improvement in virtually all of our primary financial metrics throughout the year. Operating income, as adjusted, our principal non-GAAP performance measure, improved each quarter during the year, and was \$7.0 million for 2009, compared with \$0.7 million in 2008. Operating income, the

Virtus Investment Partners is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors.

- ❖ We are unconstrained by a single investment approach. Rather, we provide access to independent, specialized investment philosophies through our multi-discipline, multi-strategy approach.
- ❖ We have the flexibility, agility and responsiveness of a boutique asset management firm with the product breadth, distribution reach, and investment talent similar to some larger firms.
- ❖ We are committed to thoughtfully providing investment solutions, adhering to the highest standards of product quality, operational excellence and fiduciary responsibility.

LETTER TO OUR SHAREHOLDERS

Market conditions created many obstacles during the year. Our ability to adjust operating strategies in response to these events allowed us to navigate this difficult period.

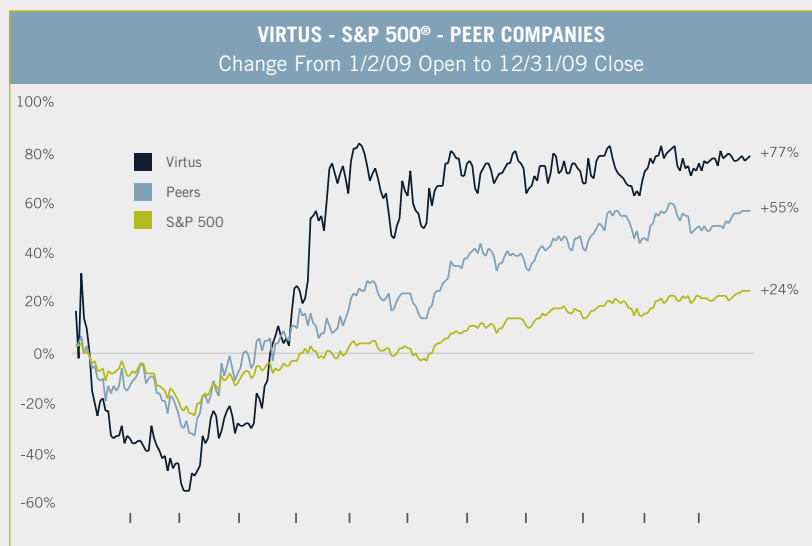
comparable GAAP measure, was \$(6.6) million in 2009 and \$(581.8) million in 2008. (The 2008 results were principally the result of non-cash impairment charges that eliminated a significant portion of our intangible assets and established reserves for tax attributes that may be available to the company in the future.)

The sequential growth in operating income, as adjusted, was reflected in operating margin, as adjusted, which improved each quarter from (7) percent in the first quarter to 18 percent in the fourth quarter and 8 percent for the full year. This significant progress is a first step toward attaining an operating margin that we, and our investors, expect of the company. It also underscores the commitment the management team has made to generating earnings growth and further margin improvement by maintaining investment performance, increasing assets through greater inflows and moderating outflows, and maintaining a focused expense discipline.

Sales and Assets Under Management

Our product offerings are highly diversified by manager, style and discipline, and the advantages of this business model were demonstrated during 2009. Institutional and individual investors, who were focused on cash and risk-averse investments early in 2009, gradually moved into fixed income and then modestly into equity products as the markets recovered. Throughout this period, we offered attractive investment options in many categories. This product diversity served the company well, since we did not rely on any one strategy or asset class for sales. In fact, mutual fund sales were split evenly between fixed income and equity/alternative funds, and both investment categories had positive net flows for the full year.

Our common stock trades on the NASDAQ Global Market under the symbol VRTS. This chart compares the total cumulative return on our common stock from the opening trade of January 2, 2009, our first day of public trading, with the S&P 500 and an index of publicly traded asset management companies. The peer group index comprises the following companies: Affiliated Managers Group, Inc.; AllianceBernstein Holding L.P.; BlackRock, Inc.; Calamos Asset Management, Inc.; Cohen & Steers, Inc.; Diamond Hill Investment Group; Eaton Vance Corp.; Epoch Holding Corp.; Federated Investors, Inc.; Franklin Resources, Inc.; GAMCO Investors, Inc.; Hennessy Advisors, Inc.; Invesco Ltd.; Janus Capital Group, Inc.; Legg Mason, Inc.; Pzena Investment Management; T. Rowe Price Group, Inc.; U.S. Global Investors, Inc.; Waddell & Reed Financial, Inc.; and Westwood Holdings Group, Inc.



Complementing our product diversity is a multi-channel distribution strategy for institutional and retail customers. Individuals who want the expertise of our boutique asset managers for mutual funds and separately managed accounts can invest through national, regional and independent broker-dealer firms and registered investment advisors. We have strong access in the retail markets for a firm our size, and our experienced sales force has a long history of working collaboratively with these advisors.

The combination of attractive products from diverse investment managers and an effective distribution strategy allowed us to capitalize on the opportunities in the marketplace. In spite of the challenging year, total investment product sales grew modestly, and we achieved positive net flows in the last three quarters and for the full year. The major contributor was inflows from long-term mutual funds, which increased 10 percent to \$2.8 billion for the year. Further, net flows for long-term mutual funds were positive for three quarters and \$525.5 million for the year, representing a solid 5 percent organic growth rate.

Supported by both net flows and the significant impact of market appreciation as financial markets improved in the last three quarters of the year, assets under management grew steadily through the year and ended 2009 at \$25.4 billion, an increase of 12 percent from \$22.6 billion at the end of 2008 (excluding the assets managed by a former subsidiary). Mutual fund assets, excluding money market funds, grew 22 percent and ended 2009 at \$13.2 billion, compared with \$10.7 billion at December 31, 2008.

Product Management

Active product management is crucial to maintaining product diversity and building long-term, sustainable growth.

Even as we navigated a difficult investment environment, we continued to enhance and expand product offerings from our affiliated managers and select subadvisers. We leveraged existing capabilities to introduce four funds: the Mid-Cap Core Fund managed by Kayne Anderson Rudnick Investment Management and the Global Real Estate Securities Fund managed by Duff & Phelps Investment Management, both affiliated managers; and the Greater Asia ex-Japan Opportunities Fund and the Greater European Opportunities Fund, both managed by Vontobel Asset Management, an unaffiliated subadviser. Additionally, F-Squared Investments was added as a new unaffiliated subadviser offering a timely quantitative investment option in the AlphaSector™ Rotation Fund, the AlphaSector™ Allocation Fund, and in separate accounts.

Expense Control and Capital Management

Finally, our continued commitment to expense management was an important contributor to the sequential progress in our financial results during the year. As revenues fell early in 2009 because of the dramatic decline in the financial markets, we adjusted staffing levels, took additional cost-savings actions, and delayed planned growth initiatives.



Mark C. Treanor
Chairman, Board of Directors

**The fundamental goal of
Virtus Investment Partners
is to be a distinctive and
trusted provider of asset
management products
and services that
consistently delivers
value for our customers
and shareholders.**

LETTER TO OUR SHAREHOLDERS



George R. Aylward
President and Chief Executive Officer

These measures, in conjunction with the lower-cost operating model that was implemented prior to the spin-off, allowed us to retain a highly variable cost structure that ties many expenses to sales activity or profitability. This ongoing expense discipline also provides an important filter for decisions the company will make about current and future business opportunities.

We also improved our capital position throughout the year, primarily as a result of the cash generation of the business and a new senior secured revolving credit facility. The new credit facility, closed at a time when credit markets were still tight for many corporate customers, had a lower rate and more favorable terms, and allowed us to extinguish previously outstanding debt.

Looking Forward

The achievements in 2009, particularly in light of the difficult economic climate, give us even greater expectations for Virtus in 2010 and beyond.

The fundamental goal of Virtus Investment Partners is to be a distinctive and trusted provider of asset management products and services that is growing, profitable, and consistently delivering value for our customers and shareholders. To accomplish this goal, we are committed to these strategic priorities:

- Maintaining, extending and improving our offerings of high-quality investment management capabilities for individual and institutional clients;
- Generating a higher level of sales by building upon existing relationships and expanding our distribution access with financial advisors and investment consultants;
- Enhancing organizational capabilities to facilitate our business objectives and sustain a growing company;
- Raising awareness and knowledge of the Virtus brand among all our constituencies, including investors, advisors, business partners, and shareholders; and
- Executing all business activities through the filter of achieving increased profitability.

We can look toward 2010 optimistically, knowing we were tested in 2009, and we persevered. With this strong foundation in place, all of us at Virtus Investment Partners are dedicated to creating a company with an unwavering commitment to our customers and our shareholders.

Sincerely,

A handwritten signature in black ink, appearing to read "George R. Aylward".

George R. Aylward
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Mark C. Treanor".

Mark C. Treanor
Chairman

SUPPLEMENTAL FINANCIAL INFORMATION

Schedule of Non-GAAP information (Dollars in millions)

The company reports its financial results on a Generally Accepted Accounting Principles (GAAP) basis; however management believes that evaluating the company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and considers them to be additional metrics for both management and investors to evaluate the company's financial performance over time, as noted in the footnotes below. Management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial results prepared in accordance with GAAP.

Reconciliation of Revenues, Operating Expenses and Operating Income on a GAAP Basis to Revenues, Operating Expenses and Operating Income, as Adjusted¹

Annual Reconciliation	Twelve Months Ended	
	Dec 31, 2009	Dec 31, 2008
Revenues, GAAP basis	\$117.2	\$178.3
Less:		
Former subsidiary revenues ¹	-	22.6
Distribution and administration expenses	30.0	41.3
Revenues, as adjusted²	87.2	114.4
Operating Expenses, GAAP Basis	123.8	760.1
Less:		
Former subsidiary expenses ¹	-	16.1
Distribution and administration expenses	30.0	41.3
Depreciation and amortization ³	9.0	23.8
Impairment charges	-	559.3
Stock-based compensation ⁴	3.5	1.1
Restructuring and severance charges	1.1	4.8
Operating Expenses, as adjusted⁵	80.2	113.7
Operating Income, as adjusted⁶	\$7.0	\$0.7
Operating margin, GAAP basis	(6)%	(326)%
Operating margin, as adjusted ⁶	8%	1%

(continued)

SUPPLEMENTAL FINANCIAL INFORMATION *(continued)*

Quarterly Reconciliation	Three Months Ended			
	Dec 31, 2009	Sep 30, 2009	June 30, 2009	Mar 31, 2009
Revenues, GAAP basis	\$33.3	\$30.4	\$27.2	\$26.3
Less:				
Distribution and administration expenses	8.1	7.5	7.5	6.9
Revenues, as adjusted²	25.2	22.9	19.7	19.4
Operating Expenses, GAAP Basis	32.0	31.0	30.1	30.7
Less:				
Distribution and administration expenses	8.1	7.5	7.5	6.9
Depreciation and amortization	2.1	2.4	2.2	2.3
Stock-based compensation	1.0	0.9	1.3	0.3
Restructuring and severance charges	-	0.5	0.2	0.4
Operating Expenses, as adjusted⁵	20.8	19.7	18.9	20.8
Operating Income (Loss), as adjusted⁶	\$4.4	\$3.2	\$0.8	\$(1.4)
Operating margin, GAAP basis	4%	(2)%	(10)%	(17)%
Operating margin, as adjusted ⁶	18%	14%	4%	(7)%

¹ The assets and business of Goodwin Capital Advisers, a former subsidiary, are not included in Virtus' results after December 31, 2008.

² Revenues, as adjusted, is a non-GAAP financial measure calculated by netting distribution and administration expenses against GAAP revenues. Management believes Revenues, as adjusted, provides useful information to investors because distribution and administrative expenses are costs that are generally passed directly through to external parties. The former subsidiary's results are excluded from 2008 periods to aid in comparability between 2008 and 2009 results since the former subsidiary is no longer part of Virtus' operations, effective December 31, 2008.

³ Excludes expenses related to the former subsidiary of \$2.5 for the year ended December 31, 2008.

⁴ Excludes expenses related to the former subsidiary of \$1.1 for the year ended December 31, 2008.

⁵ Operating expenses, as adjusted, is a non-GAAP financial measure that management believes provides investors with useful information because of the nature of the specific excluded operating expenses. Specifically, management adds back amortization and impairments attributable to acquisition related intangible assets as this is useful to an investor to measure our operating results with the results of other asset management firms that have not engaged in significant acquisitions. In addition, we add back restructuring and severance charges as we believe that operating expenses exclusive of these costs will aid comparability of the information to prior reporting periods. We believe that because of the variety of equity awards used by companies and the varying methodologies for determining stock-based compensation expense, excluding stock-based compensation enhances the ability of management and investors to compare financial results over periods. Distribution and administrative expenses are excluded for the reason set forth above. The former subsidiary's results are excluded from 2008 periods to aid in comparability between 2008 and 2009 results since the former subsidiary is no longer part of Virtus' operations, effective December 31, 2008.

⁶ Operating income (loss), as adjusted, and operating margin, as adjusted, are calculated using the basis of revenues used for operating margin, as adjusted, and expenses used for operating margin, as adjusted, as described above. These measures should not be considered as substitutes for any measures derived in accordance with GAAP and may not be comparable to similarly titled measures of other companies.

DIRECTORS AND OFFICERS

Board of Directors

George R. Aylward
President and Chief Executive Officer
Virtus Investment Partners

James R. Baio^{1,2}
Chief Financial Officer, Treasurer
and Executive Vice President (Retired)
Franklin Templeton Investments

Susan Fleming Cabrera, Ph.D.^{3,4}
Consultant and Executive Educator

Diane M. Coffey^{2,4}
Managing Director and Partner
Peter J. Solomon Company, Ltd.

Timothy A. Holt^{1,3}
Senior Vice President and
Chief Investment Officer (Retired)
Aetna, Inc.

Ross F. Kappel
Co-President
BMO Investments Inc.

Hugh M. S. McKee
Co-President and
Chief Operating Officer
BMO Investments Inc.

Edward M. Swan, Jr.^{1,3}
President (Retired)
FIS Group

Mark C. Treanor^{2,4}
Non-Executive Chairman
of the Board of Directors
Senior Partner
Treanor, Pope & Hughes

Board Committees

1. Audit
2. Compensation
3. Finance and Investment
4. Governance

Principal Corporate Officers

George R. Aylward*
President and Chief Executive Officer

Michael A. Angerthal*
Executive Vice President
Chief Financial Officer

Samuel M. Austin
Executive Managing Director
Institutional Distribution

W. Patrick Bradley
Senior Vice President
Mutual Fund Administration

Kevin J. Carr
Senior Vice President
Legal

Nancy G. Curtiss*
Executive Vice President
Operations

J. Steven Neamtz*
Executive Vice President
Retail Distribution

Francis G. Waltman*
Executive Vice President
Product Management

* *Executive Officers*

Shareholder Information

SECURITY LISTING

The common stock of Virtus Investment Partners, Inc. is traded on the NASDAQ Global Market under the symbol "VRTS."

TRANSFER AGENT AND REGISTRAR

For information or assistance regarding your account, please contact our transfer agent and registrar:

Virtus Investment Partners
c/o BNY Mellon
Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310

Toll-free: 866-205-7273
TDD for hearing impaired: 800-231-5469
Foreign Shareowners: 201-680-6578
TDD for Foreign Shareowners: 201-680-6610
Web Site: www.bnymellon.com/shareowner/isd
E-mail: shrrelations@bnymellon.com

Annual Meeting of Shareholders

All shareholders are invited to attend the annual meeting of Virtus Investment Partners on Thursday, May 20, 2010 at 10:30 a.m.

The meeting will be held at the Hilton Hartford Hotel, 315 Trumbull Street, Hartford, CT

To receive additional information about Virtus Investment Partners, visit Investor Relations in the “About Us” section of our Web site at www.virtus.com, or contact us at:

Virtus Investment Partners, Inc.
Investor Relations
100 Pearl Street
Hartford, CT 06103
Telephone: 800-248-7971 (Option 2)
Fax: 860-241-1113
e-mail: investor.relations@virtus.com

For more information on the Virtus Mutual Funds or other products, call your financial representative or visit our Web site at www.virtus.com

