VIRTUS INVESTMENT PARTNERS, INC.
Form 424B5
September 09, 2013
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-189616

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated September 9, 2013.

Prospectus Supplement to Prospectus dated June 26, 2013.

Shares

Virtus Investment Partners, Inc.

Common Stock

Virtus Investment Partners, Inc. (Virtus) is offering shares in the offering. The common stock is quoted on the NASDAQ Global Market under the symbol VRTS . The last reported sale price of the common stock on September 6, 2013 was $175.18 per share.

See Risk Factors on page S-7 of this prospectus supplement and page 4 of the accompanying prospectus to read about factors you should consider before buying shares of the common stock.

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

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

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from Virtus at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on September , 2013.

Goldman, Sachs & Co. **Morgan Stanley** **BofA Merrill Lynch**

UBS Investment Bank **Citigroup** **RBC Capital Markets**

Raymond James **Sandler O Neill + Partners, L.P.** **Wells Fargo Securities**

Prospectus Supplement dated , 2013.

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this common stock offering and also adds to and updates information contained in the accompanying prospectus dated June 26, 2013 and the documents incorporated by reference herein and therein. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus or any document incorporated by reference herein or therein filed prior to the date of this prospectus supplement, you should rely on the information contained in this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement. You should rely only on the information contained in or incorporated by reference into this prospectus

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

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

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

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

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors sections contained in this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, and our consolidated financial statements and the related notes, our condensed consolidated financial statements and the related notes and the other documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein to we, us, our, Virtus, and the Company, or similar terms are to Virtus Investment Partners, Inc., a Delaware corporation, and its subsidiaries.

Our Business

We are a provider of investment management and related services to individuals and institutions. We use a multi-manager, multi-style approach, offering investment strategies from affiliated managers and 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 and be less exposed to changes in market cycles and investor preferences, allowing us to participate in growth opportunities across different market cycles.

Our earnings are primarily driven by asset-based fees charged for services relating to these various products including investment management, fund administration, distribution and shareholder services. These fees are based on a percentage of assets under management, or AUM, and are calculated using daily or weekly average assets or assets at the end of the preceding quarter. From December 31, 2008 to June 30, 2013 our total assets under management, or AUM, increased from $22.6 billion to $52.7 billion. Our AUM increased to $53.2 billion as of August 31, 2013.

Our Investment Products

We offer investment strategies for individual and institutional investors in different product structures and through multiple distribution channels. Our investment strategies are available in a diverse range of styles and disciplines, managed by a collection of boutique investment managers, both affiliated and unaffiliated. We have offerings in various asset classes (equity, fixed income, money market and alternative), in all market capitalizations (large, mid and small), in different styles (growth, blend and value) and with various investment approaches (fundamental, quantitative and thematic). Our retail products include open-end mutual funds, closed-end funds, variable insurance funds and separately managed accounts. We also offer certain of our investment strategies to institutional clients.

Our Investment Managers

Our multi-boutique investment management model is flexible and differentiated from our peers. Investment management services are provided by affiliated and unaffiliated investment managers. Our model allows us to consider a variety of ownership structures with affiliated managers and the ability to employ unaffiliated firms as subadvisers, with no ownership interest. This gives us additional flexibility when we add new strategies, teams and firms.

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The investment managers are responsible for portfolio management activities for our products. Our affiliated managers participate in the earnings they generate through compensation arrangements that include incentive bonus pools based primarily on their profits. We monitor the quality of our products by assessing the managers performance, style, consistency and the discipline with which they apply their investment process. We provide shared non-investment support functions, including distribution, marketing, product management, fund services, legal and compliance, information technology and operations, and human resources.

Our Distribution

We distribute our open-end mutual funds through financial intermediaries. We have broad access in the retail market, with distribution partners that include national and regional broker-dealers, independent broker-dealers and independent financial advisory firms. In many of these firms, we have a number of products that are on the firms preferred recommended lists and on fee-based advisory programs. Our sales efforts are supported with two teams of external and internal regional sales professionals (for the national wirehouse and regional broker channel and the independent /registered investment advisor channel), and a national account relationship group, and separate teams for the retirement and insurance markets. Our open-end mutual fund sales efforts have resulted in 17 consecutive quarters of positive net flows and have generated consistent double-digit annualized net flow growth, including in the months of July and August 2013.

Our separately managed accounts are distributed through financial intermediaries and we also serve high net-worth clients through specialized teams at our affiliated managers who develop relationships in this market and deal directly with these clients. Our institutional distribution strategy is an affiliate-centric and coordinated model. Institutional resources at affiliates and certain combined resources work collaboratively on institutional sales efforts. Through relationships with consultants, they target key market segments, including foundations and endowments, corporate, public and private pension plans.

Our Strategy

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

Maintain and expand our high quality investment strategies. Our primary objective is to provide clients with a diverse offering of high-quality investment capabilities from the best managers. We offer investment solutions from affiliated managers, companies in which we have an ownership interest or unaffiliated subadvisers whose strategies are not typically available to retail mutual fund customers. We believe that we can appeal to a greater number of clients and participate in growth opportunities across different market cycles by offering products from a variety of boutique investment managers in a diverse range of styles and disciplines. To allow us to continue to offer distinctive strategies, we plan to: (a) leverage the capabilities of current managers by introducing new strategies (b) make existing strategies available in other product structures and for additional markets or channels; and (c) broaden our capabilities with new strategies by partnering with additional subadvisers or new investment management teams and affiliated managers.

Capture greater market share by generating higher sales through our current distribution and expanding into other channels. Our investment capabilities are available in both the retail and institutional channels. Our mutual funds benefit from our broad distribution reach among financial intermediaries and differentiated value proposition that allows us to offer

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financial advisors a single-point-of-access to the distinctive investment philosophies and strategies of our boutique managers. We plan to: (a) increase our market share in traditional retail channels by leveraging our strong wirehouse presence to distribute existing and new products, and expanding our efforts and resources in the independent and registered investment advisor channels; (b) increase retirement and institutional sales by broadening our sales and marketing efforts that target those channels; and (c) expand into non-U.S. distribution channels by providing foreign investors with access to our existing strategies and partnering with new offshore distribution relationships.

Leverage the benefits of our operating model by enhancing our shared administration and distribution services. In our model, our investment managers focus primarily on managing client assets because they benefit from shared distribution access, marketing and operational support. This model allows us to provide high-quality services to our managers and to take full advantage of the scale of our business, so we can cost effectively add new strategies, teams and firms. We plan to continue to: (a) enhance the efficiency and flexibility of our shared support services; and (b) leverage our shared distribution and operational support across more managers and strategies as we add incremental assets to our platform.

Optimize our capital structure to position the company for further growth. Our approach is to maintain an appropriate level of capital to manage current operations, ensure business flexibility, continue to fund our multiple growth opportunities, and provide an appropriate return to shareholders. We plan to: (a) maintain a working capital balance that is appropriate for a company of our size and our plans for growth; (b) seed new investment strategies and mutual funds to ensure a strong pipeline of future saleable products; (c) invest in our organic growth, including our distribution efforts and closed-end fund launches; and (d) pursue selective acquisition opportunities, such as the addition of new teams or affiliated managers.

Corporate Information

Virtus Investment Partners, Inc. commenced operations on November 1, 1995 through a reverse merger with Duff & Phelps Corporation. From 1995 to 2001, we were a majority-owned indirect subsidiary of The Phoenix Companies, Inc., or PNX. On January 11, 2001, a subsidiary of PNX acquired our outstanding shares not already owned by PNX and we became an indirect wholly-owned subsidiary of PNX. On October 31, 2008, after the sale of convertible preferred stock to a subsidiary of the Bank of Montreal (the Bank of Montreal and its subsidiaries are together referred to in this prospectus supplement as BMO) we became an indirect, majority-owned subsidiary of PNX. On December 31, 2008, PNX distributed 100% of our common stock to PNX stockholders in a spin-off transaction. Following the spin-off, BMO owned 100% of our outstanding shares of Series B convertible preferred stock. All of the outstanding Series B convertible preferred stock was converted to shares of our common stock on January 6, 2012. As a result of the conversion, all of the shares of Series B convertible preferred stock have been retired.

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

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The Offering

Unless otherwise indicated, all information in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional shares of our common stock within 30 days after the date of this prospectus supplement.

Common stock offered	shares
Common stock to be outstanding immediately after this offering	shares
Option to purchase additional shares	shares
Use of proceeds	We intend to use a portion of the net proceeds from this offering to expand our seed capital program for new investment strategies and funds. In addition, we intend to use a portion of the net proceeds to invest in other growth opportunities, such as closed-end fund launches, fund adoptions, lift-outs and acquisitions, in each case, as they arise, as well as for general corporate purposes. See Use of Proceeds on page S-10.
Risk factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-7, as well as all of the other information set forth in and incorporated by reference into this prospectus supplement and the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
NASDAQ Global Market symbol	VRTS

The information above is based on 7,820,833 shares of common stock outstanding as of June 30, 2013. It does not include:

- 198,226 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2013 and August 31, 2013 at a weighted-average exercise price of $20.34 per share;

- 241,347 shares of our common stock issuable upon vesting of restricted stock units outstanding as of June 30, 2013;

- 105 shares of our common stock issuable upon vesting of restricted stock units granted after June 30, 2013 and on or before August 31, 2013; and

- 492,999 shares of our common stock available as of August 31, 2013 for future grant or issuance pursuant to our stock-based compensation plans.

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Summary Consolidated Financial Data

The following summary consolidated financial data for the years ended December 31, 2012, 2011 and 2010 are derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. The following unaudited summary condensed consolidated financial data as of June 30, 2013 and for each of the six months in the periods ended June 30, 2013 and 2012 are derived from our unaudited condensed consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. Operating results for the six months ended June 30, 2013 are not necessarily indicative of the results that may be expected for the full year. The data should be read in conjunction with our audited consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations that are incorporated by reference into this prospectus supplement from our Annual Report on Form 10-K for the year ended December 31, 2012 and our unaudited condensed consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations that are incorporated by reference into this prospectus supplement from our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013.

	Year Ended December 31,			Six Months Ended June 30,	
	2012	2011	2010	2013	2012
				(unaudited)	
	(In thousands, except per share amounts)				
Results of Operations					
Revenues	$ 280,086	$ 204,652	$ 144,556	$ 182,308	$ 129,216
Expenses	219,641	190,749	135,285	134,326	107,010
Operating income	60,445	13,903	9,271	47,982	22,206
Income tax expense (benefit)(1)	27,030	(132,428)	513	17,768	9,201
Net income	37,773	145,420	9,642	28,968	13,817
Earnings per share basic(1)	4.87	17.98	0.87	3.75	1.81
Earnings per share diluted(1)	4.66	16.34	0.81	3.64	1.71

(1) The year ended December 31, 2011 includes a tax benefit of $132.4 million primarily related to the release of a valuation allowance on certain deferred tax assets.

	As of June 30, 2013	
	Actual	As Adjusted(1)
	(unaudited)	
	(In thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 70,851	$ 237,126
Intangible assets, net	46,606	46,606
Goodwill	5,260	5,260
Total assets	342,600	508,875
Accrued compensation and benefits	26,590	26,590
Long-term debt	15,000	15,000
Total liabilities	76,798	76,798
Total equity attributable to stockholders	256,416	422,691
Working capital(2)	146,669	312,944
Working capital less redeemable noncontrolling interests(2)	137,248	303,523

(1) Reflects the sale of an estimated 998,972 shares of our common stock offered hereby at an assumed public offering price of $175.18 per share, which is the last reported sales price of our

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common stock on September 6, 2013, after deducting the estimated underwriting discount and offering expenses. A $1.00 increase (decrease) in the assumed public offering price of $175.18 per share, which is the last reported sales price of our common stock on September 6, 2013, would increase (decrease) each of Cash and cash equivalents, Total assets, Total equity attributable to stockholders, Working capital, and Working capital less redeemable noncontrolling interests after this offering by approximately $1.0 million, assuming that the number of shares offered remains the same and after deducting the estimated underwriting discount and offering expenses. The as adjusted information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

(2) Working capital is defined as current assets less current liabilities.

	As of December 31,			As of June 30,	
	2012	2011	2010	2013	2012
				(unaudited)	
			(In millions)		
Assets Under Management					
Total assets under management	$ 45,537	$ 34,588	$ 29,473	$ 52,653	$ 38,839

RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this prospectus supplement and the accompanying prospectus before deciding whether to purchase our common stock. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, and other documents that we subsequently file with the Securities and Exchange Commission, or the SEC, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described below, in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013 are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any such risks actually occur, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock.

Risks Related to Our Common Stock and This Offering

Our stock price has been and could remain volatile.

The market price for our common stock has been and may continue to be volatile. As the price of our common stock on the NASDAQ Global Market constantly changes, it is impossible to predict whether the price of our common stock will rise or fall. Trading prices of our common stock will be influenced by our financial conditions, operating results and prospects and by economic, financial and other factors, such as prevailing interest rates, interest rate volatility and changes in our industry and competitors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, could affect the price of shares of our common stock.

Future sales of substantial amounts of our common stock could affect the market price of our common stock.

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

Our common stock has relatively limited trading volume, and ownership of a large percentage is concentrated with a small number of shareholders, which could increase the volatility in our stock trading and dramatically affect our share price.

A large percentage of our common stock is held by a limited number of shareholders. If our larger shareholders decide to liquidate their positions, it could cause significant fluctuation in the share price of our common stock. Public companies with a relatively concentrated level of institutional shareholders, such as we have, often have difficulty generating trading volume in their stock.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.

Pursuant to the terms of our amended and restated certificate of incorporation and amended and restated bylaws, our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options or warrants, or the vesting of restricted stock units, or shares of our authorized but unissued preferred stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote, and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior preferential rights of holders of that preferred stock.

We will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.

We expect to use the net proceeds from this offering to expand our seed capital program for new investment strategies and funds, to invest in other growth opportunities and for general corporate purposes. We have not determined the amounts we plan to spend on any of the foregoing or the timing of these expenditures. See Use of Proceeds on page S-10. Accordingly, our management will have broad discretion as to the application of the net proceeds from this offering and could use them for purposes other than those contemplated at the time of this offering. Our management may use the net proceeds from this offering for corporate purposes that may not yield profitable results or increase our market value.

You will experience immediate dilution in the book value per share of the common stock you purchase.

Because the price per share of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on an assumed public offering price of $175.18 per share, which is the last reported sales price of our common stock on September 6, 2013, if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of $133.14 per share in the net tangible book value of the common stock. If the underwriters exercise their option to purchase additional shares, you will experience additional dilution. See Dilution on page S-11 for a more detailed discussion of the dilution you will incur in this offering.

Preliminary interim data regarding assets under management and net flow growth is subject to change and may not be indicative of future results.

The preliminary interim data presented above under Prospectus Supplement Summary Our Business is preliminary data regarding our assets under management as of August 31, 2013 and net flow growth for the months of July and August 2013, and may be subject to change and may not be indicative of final results for the quarter ending September 30, 2013, the full year ending December 31, 2013 or other future periods.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein contain statements that are, or may be considered to be, forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, as amended, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements that are not historical facts, including statements about our beliefs or expectations and the use of proceeds from this offering, are forward-looking statements. These statements may be identified by such forward-looking terminology as expect, estimate, plan, intend, believe, anticipate, may, should, could, continue, project or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about us, are not guarantees of future results or performance, and involve substantial risks and uncertainty, including assumptions and projections concerning our AUM, net asset inflows and outflows, operating cash flows, and future credit facilities, for all forward periods. All of our forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein are as of the date of the respective document only.

We can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially. We do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections, or other circumstances occurring after the date of this prospectus supplement, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. If there are any future public statements or disclosures by us which modify or impact any of the forward-looking statements contained in or accompanying this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein, such statements or disclosures will be deemed to modify or supersede such statements in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under Risk Factors in this prospectus supplement and Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013.

An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this prospectus supplement and the accompanying prospectus or included in our periodic reports filed with the SEC could materially and adversely affect our operations, financial results, cash flows, prospects, and liquidity. You are urged to carefully consider all such factors.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering, based on the public offering price of $ per share, will be approximately $ million (or $ if the underwriters exercise their option to purchase additional shares in full), after deducting the estimated underwriting discount and offering expenses. It is possible that, based on market conditions, we may increase or decrease the number of shares offered hereby.

We intend to use a portion of the net proceeds from this offering to expand our seed capital program for new investment strategies and funds. In addition, we intend to use a portion of the net proceeds to invest in other growth opportunities, such as closed-end fund launches, fund adoptions, lift-outs and acquisitions, in each case, as they arise, as well as for general corporate purposes. The expansion of the seed capital program will allow us to:

- Increase the number of new products seeded at any one time;
- Support sales efforts by giving our products access to shelf space with distribution partners;
- Introduce products in the rapidly growing liquid alternative space; and
- Enhance our ability to offer investment strategies from new teams or firms.

We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds from this offering.

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DILUTION

If you purchase our common stock in this offering, your interest will be diluted to the extent of the difference between the public offering price per share and the net tangible book value per share of our common stock after this offering. We calculate net tangible book value per share by subtracting our total liabilities from our total tangible assets and dividing the difference by the number of outstanding shares of our common stock.

Our net tangible book value at June 30, 2013 was $204.5 million, or $26.15 per share, based on 7.8 million shares of our common stock outstanding at June 30, 2013. Assuming the sale of 998,972 shares of common stock at an assumed public offering price of $175.18 per share, which is the last reported sales price of our common stock on September 6, 2013, less the estimated underwriting discount and offering expenses, our net tangible book value at June 30, 2013 would be $370.8 million, or $42.04 per share. This represents an immediate increase in net tangible book value of $15.89 per share to existing stockholders and an immediate dilution of $133.14 per share to investors in this offering. The following table illustrates this per share dilution:

Assumed public offering price per share		$ 175.18
Net tangible book value per share as of June 30, 2013	$ 26.15	
Increase per share attributable to new investors purchasing shares in this offering	$ 15.89	
Net tangible book value per share after this offering		$ 42.04
Dilution per share to new investors		$ 133.14

A $1.00 increase in the assumed public offering price of $175.18 per share, which is the last reported sales price of our common stock on September 6, 2013, would increase our net tangible book value per share after this offering to $42.15 per share, representing an immediate increase in net tangible book value of $16.00 per share to existing stockholders and an immediate dilution of $134.03 per share to investors in this offering, assuming that the number of shares offered remains the same and after deducting the estimated underwriting discount and offering expenses. A $1.00 decrease in the assumed public offering price of $175.18 per share, which is the last reported sales price of our common stock on September 6, 2013, would decrease our net tangible book value per share after this offering to $41.93 per share, representing an immediate increase in net tangible book value of $15.78 per share to existing stockholders, and an immediate dilution of $132.25 per share to investors in this offering, assuming that the number of shares offered remains the same and after deducting the estimated underwriting discount and offering expenses. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their option to purchase additional shares in full, th