

## **Announcement of New Japanese Equity Fund Manager and Organizational Change**

July 1st, 2010

Bayview Asset Management Co., Ltd.

Ken Yagi,

President and CEO

On June 22, 2010, the Board of Directors of Bayview Asset Management Co., Ltd.(BVAM), which is headed by Mr. Ken Yagi, President and CEO, formally approved the hiring of Ichiro Takamatsu, formerly of Alphex Investments Co., Ltd., and two of his Alphex colleagues effective July 1, 2010. At the same meeting, the Board also passed a resolution establishing a new portfolio management unit, Investment Management Group II, and authorizing Mr. Takamatsu's team to make a fresh start by incorporating a new concept to the strategy with the Japanese equity long/short strategy that they were running at Alphex. Investment Management Group I, headed by Yasuo Sakuma, and Investment Management Group II will operate as independent teams in a spirit of friendly rivalry with each other, including with respect to fund governance.

Mr. Takamatsu has managed Japanese equity portfolios for 13 years. He managed money for major domestic and foreign institutional investors, most notably pension funds, amid extremely challenging periods marked by the collapse of the IT bubble and the recent financial crisis. He achieved a stellar performance record with multiple strategies, including long/short and traditional long-only. With his motto "Always learning from the market," reflecting his belief that "A fund manager's job is to manage risk and transform it into return", he has earned acclaim for his portfolio management acumen, particularly his ability to dynamically control exposure. His approach is totally different from that of Mr. Sakuma, a pioneer among Japan's independent fund managers and the centerpiece of BVAM's Japanese equity management team, in that Mr. Takamatsu focuses on investing in mid- to Small-cap stocks and incorporates both bottom-up and top-down analytical approaches. Additionally, Mr. Takamatsu regards Taiwanese, Korean, and other non-Japan Asian equities as alternatives to Japanese equity. BVAM plans to capitalize on his experience by offering investors a long/short strategy based on recognition that analysis of such companies will become increasingly integral to Japanese equity investment going forward.

Mr. Takamatsu decided to join BVAM for several reasons. First, with independent asset management companies undergoing a shakeout in the wake of the recent financial crisis, Mr. Takamatsu found it increasingly difficult to serve as both a portfolio manager and CEO. He accordingly decided that he must focus exclusively on portfolio management. Second, with financial authorities and institutional investors placing growing importance on investment fund compliance and governance, he felt it is essential for fund managers to be organized as an investment trust and investment discretionary asset management company instead of as a simplistic advisory. Most importantly, Mr. Takamatsu and BVAM have had a collegial relationship for the past six years. During this time, Mr. Takamatsu became well-acquainted with, and developed a high degree of trust in, BVAM. Upon the re-launch of the new fund, the New Alphex Long-Short Fund, BVAM will be investing its own proprietary capital alongside those of the fund's existing investors.

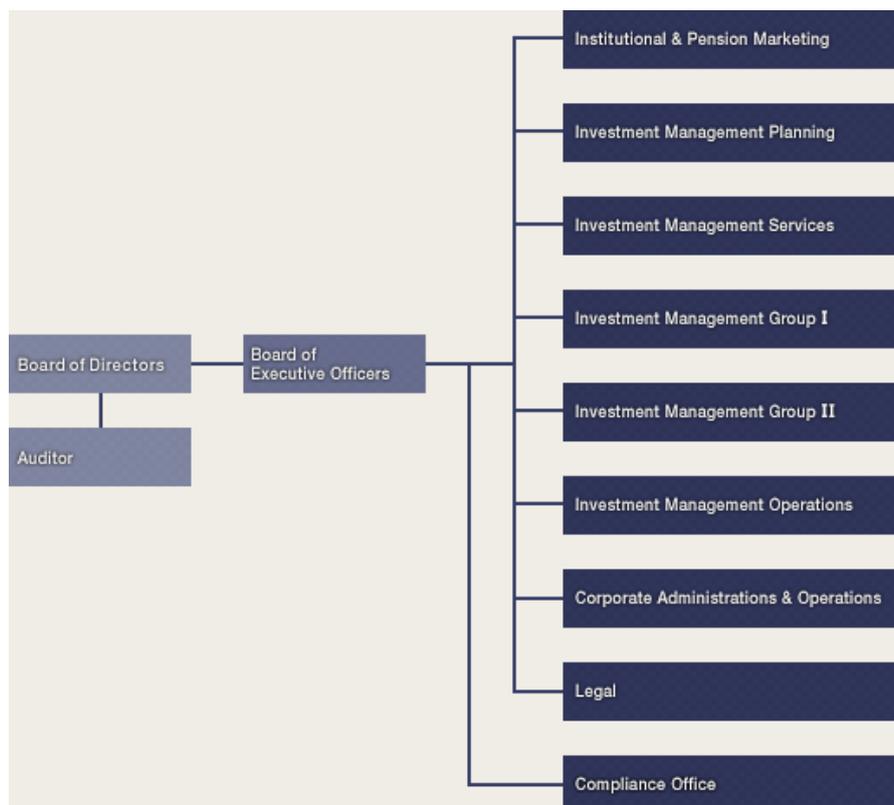
In joining BVAM, Mr. Takamatsu brings with him senior analyst Koki Okahashi and senior trader Sanae Saga. Both are indispensable personnel that have supported Mr. Takamatsu since Alphex Investments' founding and will continue to be core part of the portfolio management team. Mr. Okahashi, who is a certificate holder of US certified public accountant (CPA), will do so by identifying promising long and short ideas from a financial accounting and tax accounting perspective. Ms. Saga will do so as a broadly experienced trader.

Bayview Asset Management was founded on January 7, 1998, as one of Japan's first independent asset management boutiques in the aim of revolutionizing Japan's asset management industry. Specializing in active management of Japanese equity, US equity, and currency portfolios, BVAM is committed to providing its investors with the highest level of asset management service. As of July 1, BVAM has 36 personnel and approximately USD2 billion of assets under management. By adding to its product line a new high-quality investment fund managed by the Mr. Takamatsu-led Investment Management Group II, BVAM hopes to further contribute to managing investors' assets and help revitalize Japan's long-beleaguered asset management industry.

Mr. Takamatsu's background is as follows.

**Ichiro Takamatsu, Portfolio Manager, Investment Management Group II**

Mr. Takamatsu graduated from Kwansei Gakuin University's Faculty of Law in 1989. He joined Taiheiyo Securities (currently Mitsubishi UFJ Morgan Stanley Securities) the same year. At Taiheiyo Securities, he worked as a sector analyst covering electric machinery, precision equipment, and services sectors for four years before being reassigned to sales of securities, including investment trusts. In 1997, he joined CIGNA International Investment Advisors as a Japanese equity portfolio manager of assets for US pension funds, among other clients. In 2000, he was appointed as Head of CIGNA International Investment Advisors' equity management team. In July 2004, he founded Alphex Investments, where he served as CIO and Representative Director for six years while also managing Japanese equity hedge funds. In July 2010, he assumed his current position as Head of Investment Management Group II at Bayview Asset Management. Mr. Takamatsu is a Chartered Member of the Securities Analysts Association of Japan.



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[Kanto Local Finance Bureau Director-General (FIF) No. 397]

**Member of The Investment Trusts Association, Japan**

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