

Announcement of Shift to New Investment Management Structure

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Bayview Asset Management Co., Ltd.

Ken Yagi,

President and CEO

Bayview Asset Management Co., Ltd. (BVAM), headed by president and CEO Ken Yagi, hereby announces its transition to a new investment management structure for the Bayview Japan Equity Long Short Fund and the Japanese Equity Active Plus Fund both managed by BVAM. The transition, aiming to improve the performance of the two funds, will take place in June 2017

In regards to the Bayview Japan Equity Long Short Fund and Japanese Equity Active Plus Fund, Yasuo Sakuma, who has been managing the funds since their respective launch, will retire as the funds' manager, as well as BVAM's Executive Officer as of June 2017. Sakuma has been involved in active investment of Japanese stocks for approximately 28 years, including his time prior to joining BVAM. However, after the Lehman shock, central banks have adopted unprecedented financial policies, such as the introduction of negative interest rates or quantitative easing unparalleled in history. Furthermore, funds are shifting from active investments to passive investments on a global scale. With such drastic changes in the investment environment, it has become difficult for Sakuma's experience accumulated over many years and investment method dependent on stock selection mostly from among Large-cap stocks to function effectively; therefore, he has decided to retire.

Upon Sakuma's retirement, as for the Bayview Japan Equity Long Short Fund, co-fund manager Takato Tanikawa will be responsible for the fund's management. BVAM hired Tanikawa as an analyst in 2012 with the idea that it is necessary to open positions to the younger generation with high potential for the future who can bring flexible ideas without being constrained by past experience. He has been chosen to be promoted to co-fund manager along with Sakuma in 2016. A year has passed since then and we believe the time is ripe to transform our investment management structure to the next generation.

Meanwhile, it has been decided that the management of the Japanese Equity Active Plus Fund will be succeeded by Koki Okahashi who has achieved extremely excellent performance with his long/short and long only strategies mainly with Mid/Small-cap equity. Along with the change of the fund manager, those who have been working with Okahashi in his investment management team, namely Hiroshi Misu and Genki Sakamoto will be newly responsible for research and Osamu Kobayashi for trading. Okahashi has a broad perspective acquired from being involved in various businesses outside finance in a large company and a venture firm. He will make maximum use of such strengths in order to realize high performance.

The investment process of the bottom-up approach backed by proprietary and thorough fundamental analyses based on company visits will be unchanged for both funds.

BVAM intends to strive in enhancing its management structure even further as part of giving its best as an asset management firm that is visible and offers services of truly high quality, in order to answer the expectations of investors.