

## Notice Concerning Establishment of U.S. High-Dividend Equity Volatility Weighted Fund

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Bayview Asset Management Co., Ltd.

Ken Yagi,

President and CEO

This is to notify you that Bayview Asset Management Co., Ltd., (represented by Ken Yagi, president & CEO; hereinafter referred to as "BVAM") has begun offering products that will invest in Japanese and U.S. equities based on a smart-beta strategy, the management of which is to be entrusted to CEMP, a boutique of Victory Capital Management Inc. (hereinafter referred to as "Victory Capital") with which BVAM has concluded an exclusive and comprehensive business alliance contract of investment management in August 2016 and that as the first of such products managed by CEMP, the U.S. High-Dividend Equity Volatility Weighted Fund (hereinafter referred to as "the fund"), a privately placed investment trust has newly established on August 9, 2017.

CEMP, headquartered in Brentwood, a suburb of Nashville, Tennessee, has been providing its proprietary smart-beta indexes and investment services based on these indexes since 2003 when smart-beta investment was only beginning to emerge. Furthermore, the company has recently listed ETFs based on smart-beta strategies that were co-developed with NASDAQ through VictoryShares, which is the ETF provider under Victory Capital. Five professionals are managing the CEMP investments in the United States with global and emerging equities based on the smart-beta volatility weighting strategy, and the Chief Investment Officer (CIO) leading the investment team, Stephen Hammers, who has appeared in numerous media, including the Wall Street Journal, Barron's, and Bloomberg, is a pioneer and leading expert in smart-beta investment.

The CEMP smart-beta strategy was developed with the aim to provide solutions to excessive risk concentration in top holdings, which is a common challenge for traditional capitalization-weighted indexes, such as the TOPIX or S&P 500. Based on the strategic design to return to the basics of the portfolio theory, which is to maximize risk diversification, the CEMP strategies weight holdings with the purpose of equalizing the contribution of the respective components to the overall risk of the index (volatility weighting), CEMP has achieved returns significantly outperforming the various stock indexes for many years. This investment product that BVAM will begin offering to Japanese investors will invest in the top 100 high-dividend equities in Japan or the United States, while determining the weight of the respective equities based on the abovementioned method. BVAM believes it is an attractive investment product for various investors, including financial institutions and pension funds, as an alternative for passive investments for instance TOPIX or S&P 500 Index, or also as an alternative for active investments targeting returns exceeding the benchmark.

Victory Capital, based in Cleveland, Ohio, operates various asset management boutiques specialized in tailored strategies to target each and every asset class, and is ranked 21st in the U.S. Asset Management Companies Ranking of Barron's in 2016, as one of the top independent multi-boutique asset management companies in the U.S. The fund managed by CEMP is the third fund to be established since BVAM has concluded with Victory Capital the exclusive business alliance contract of investment management (entrustments) in Japan in July 2016, following the establishment in October 2016 of the U.S. Short-Term Government Bond Fund managed by INCORE, which is a boutique under Victory Capital, and that in February 2017 of the U.S. Bio Venture Fund (Limited Open Type) managed by RS Investments.

BVAM, as a pioneer and as a leader of the independent asset management companies specialized in active management of the

assets, such as Japanese stocks, U.S. stocks, and multi-assets, has provided high-quality services for 19 years since its foundation. Highly regarding by the expanded client segment, including individual investors and institutional investors, such as pension funds, BVAM has developed into one of the largest independent asset management companies in Japan with aggregate contract assets amounting to about 330 billion yen (as of the end of March 2017). BVAM aims to become the first full-fledged multi-boutique asset management company in Japan by providing product lineups through Victory Capital and other high-grade U.S. asset management boutiques in stocks, bonds, and other multi assets, in addition to its own products, by consolidating its unique platform of high-quality client services.