

Announcement of the launch of its first publicly offered investment trust for retail investors, as part of "Bayview Japan Equity Long Short Fund"

June 28th, 2013

Bayview Asset Management Co., Ltd.

Ken Yagi,

President and CEO

Bayview Asset Management Co., Ltd. (BVAM), which is headed by Mr. Ken Yagi, President and CEO, launches its first publicly offered investment trust as part of "Bayview Japan Equity Long Short Fund" on July 31st, 2013. Mito Securities Co., Ltd. starts offering the fund on July 16th.

BVAM, as one of the few boutique investment management houses in Japan, has been providing genuine and signature quality services principally to institutional and pension fund investors. As an advance to the next stage, BVAM launches the new fund for individual investors targeting selected regions for a limited fund size.

The fund deploys a long/short strategy, which is to invest (on the long side) in stocks whose prices are expected to go up while to sell (on the short side) stocks whose prices are expected to go down, aiming at stable absolute returns in the mid to long run despite volatile markets. The fund swiftly switches between defense and offence approaches depending on market climate, and selectively identifies best investment ideas for both long and short sides. Eyeing the new paradigm in Japanese equity market, the fund actively pursues investment returns while prioritizing the preservation of capital. The stock portfolio is maintained as a master fund, "Bayview Japan Equity Long Short Mother Fund", in which the new feeder fund participates. The master fund has an outstanding track record over 10 years while other Japan-only hedge funds deploying bottom-up corporate research and analysis have been shaken out of business after 2007, when the sub-prime loan shock led to the financial crisis.

BVAM believes in the fund manager centric approach, in which a fund manager with proven track records shall take the sole and full responsibility of performance. Accordingly, the fund is managed by Yasuo Sakuma, the portfolio manager heading Investment Management Group I at BVAM. Sakuma is one of the hallmark fund managers in Japan, and has accumulated excellent track records over 21 years. A variety of trade magazines and books featured him as "the top fund manager" and his investment philosophy in the late 1990s. Unlike typical portfolio managers in Japan who are assigned to the position as part of their job rotation, Sakuma, as a specialized professional portfolio manager, is well-known for his company selection ability ("stock-pick") as well as risk management capability ("Never chase a reckless return at the risk of losing money") that had been tested through various hardships in the past, including Asian crisis, the burst of Dot.com bubble, and the financial crisis.

Continuing on further beyond this new fund launch, BVAM strives to provide investment products that meet its clients expectations.

Portfolio Manager: Yasuo Sakuma

Yasuo Sakuma joined BVAM in April 2002 and promoted to Executive Officer in April 2005. Prior to joining BVAM, Yasuo was Senior Portfolio Manager at Mizuho Asset Management (MHAM), where he started his career in April 1988 as an analyst covering various sectors as retailing, services, and basic materials. Having three years experience as an analyst, he was sent to New York as a fund management trainee at Goldman Sachs Asset Management and Brown Brothers Harriman & Co. After returning from New York in March 1992, Yasuo became a fund manager of equity investment trust funds investing in both Japanese and U.S. equities.

The "DKA Stock Open Fund (now MHAM Stock Open Fund)", which he managed from April 1997 till March 2002, received "The Best Fund of the Year 1999" from Morningstar Japan and "S&P Select Fund Status in 2000" from Standard & Poor's. Yasuo was selected as one of the three best fund managers in 2000 and 2001 by the business magazine, "Nikkei Money". Received a B.A. in the business and commerce from Keio University in Tokyo. Is a Chartered Member of Security Analysts Association of Japan (CMA).