

## **Announcement of New Japanese Equity Fund Manager**

July 1st, 2014

Bayview Asset Management Co., Ltd.

Ken Yagi,

President and CEO

Bayview Asset Management Co., Ltd. (BVAM), headed by Mr. Ken Yagi, president and CEO, would like to announce that the company will welcome Mr. Hiroshi Misu (age 48) who has been the chief fund manager at T&D Asset Management Co. to BVAM's Investment Management Group I led by Yasuo Sakuma as of July 1, 2014, in order to strengthen the team's investment operations and to pursue further progress.

Mr. Misu has been engaged in Japanese equities investment as a fund manager for 12 years now, managing assets mainly for domestic institutional investors such as the life insurance companies of the same group or pension funds. He has built up an excellent mid- to long-term performance record based on an investment method applying a strictly bottom-up approach. Under the motto "what's important in managing clients' assets is unwavering beliefs and flexible decisions", Mr. Misu has steadily achieved excess return not only in bear markets after the Lehman Shock, the Great East Japan Earthquake and European crisis, but also in the bull market that followed buoyed by Abenomics.

Meanwhile, BVAM, as one of Japan's few independent boutique asset management firms aspiring to innovate the asset management industry as a specialized asset management company (in investment trust and discretionary investment), had been considering that enhancing its capabilities in Japanese equities investments was an important challenge. However, as many fund managers with experience and track record leaving the industry one after the other in light of the difficult market environment since 2007, talents such as Mr. Misu have become extremely rare.

Mr. Misu joined Yamaichi Securities Co. in 1991 and engaged in retail and institutional sales at the head office. He was then seconded to a local subsidiary in Singapore as an Asian equity trader and was given a great opportunity to learn all about equity trading at the forefront of the significantly growing Asian market. Upon returning to Japan, he supported professional investors on the sell-side as a Japanese equity trader catering to major domestic institutional investors. Then, following the voluntary closure of Yamaichi Securities, Mr. Misu joined one of his clients at the time, Taiyo Mutual Life Insurance Co. (T&D Asset Management Co.) and switched over to the buy-side.

At Taiyo Life, Mr. Misu was initially involved in asset management operations as a Japanese equity analyst, then for the three years between 1999 and 2002, he was seconded to a hedge fund in San Francisco making long/short investments in U.S. equities where he gained precious experience as an equity analyst covering U.S. technology stocks, including Silicon Valley companies. The hedge fund was coincidentally run by a fund manager who had become independent through a management buyout (MBO) from an American company RS Investments under which BVAM used to belong and it was BVAM that gave full support to Mr. Misu being seconded, so the two parties are linked by a "not so insignificant" fate.

Upon his return from San Francisco, Mr. Misu became fully engaged in Japanese equities investment as a fund manager at T&D Asset Management, an asset management firm of the Taiyo Life group from 2003 and built up an excellent track record with his approach considering the stock selection as the source of excess return. Meanwhile, he came to think that it is difficult to distinguish

oneself under the conventional system of managing assets as a team, which is typical of a large-size asset management company and his desire grew stronger to be able to make investments in an environment in which “fund managers centric” and it is clear who is responsible for the investment.

Mr. Misu has always been mindful that there always exist insured, employees, or individual investors on the other side of insurance companies, pension funds, or investment trust funds, and profoundly agrees to BVAM’s management philosophy to provide services with a face and of truly high quality. He is also a comrade fund manager with Yasuo Sakuma, the general manager of Investment Management Group I who he has known for 10 years and with whom he shares the same investment style basis with a focus on the bottom-up approach. We believe having Mr. Misu on board has a great meaning for the future of BVAM at the forefront of independent boutique asset management industry.

BVAM will continue to strive to provide asset management products trusted by investors and to further strengthen our Japanese equities investment management operations.

Hiroshi Misu

Hiroshi Misu joined Bayview Asset Management Co. Ltd. (BVAM) in July 2014. He started his career in 1991 at Yamaichi Securities Co. where he was engaged in securities sales and equities trading at the Sales Department of the head office, Yamaichi Securities Singapore Pte Ltd., Financial Institution Fund Operation and Equity Trading Group I. In 1998, he joined Taiyo Mutual Life Insurance Company (current Taiyo Life Insurance Company) where he was responsible for the corporate analysis of companies in the technology, materials and public utilities sectors for investment under special accounts. Hiroshi then worked as an analyst mainly covering U.S. technology companies being seconded to the former Elijah Asset Management formed out of a management buyout from Robertson Stephens Investment Management (current RS Investments) in 1999. Since 2003, he has been responsible for growth investment mainly investing in Japanese equities in insurance assets, pension funds and investment trusts, as a fund manager at the Investment Management Division of T&D Taiyo Daido Asset Management Co. (current T&D Asset Management Co.) Hiroshi received a B.A. in literature from Rikkyo University in 1991. He is a charter member of the Securities Analysts Association of Japan (CMA).