

Announcement of Shift to New Investment Management Structure

July 14, 2014

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, would like to announce that the consolidation of its investment management groups with the aim of strengthening its investment management structure has been resolved by the board of directors on June 30, 2014 and that a new fund manager has been appointed, and that the company made the transition to the new investment management structure as of July 14, 2014.

BVAM has, as one of Japan's few independent asset management companies that provide both discretionary investment and investment trust services, strived to build a solid investment management platform under which high quality asset management services are provided continuously. As announced in our press release "Announcement of New Japanese Equity Fund Manager" dated July 1, BVAM recruited Mr. Hiroshi Misu to join the Investment Management Group I as a first step towards strengthening our capabilities of investing in Japanese equities. Today, BVAM will consolidate Investment Management Group I and Investment Management Group II to establish the Equity Investment Management Team. The company believes that this consolidation will promote organic information sharing within the team and provide an environment that enables the best selection of stocks and smooth execution of investment decisions under the respective investment management strategies.

In the stock market, as the presence of short-term oriented investors besides active fund managers that take the bottom-up approach that focuses on fundamentals, such as individual investors and hedge funds that engage in high frequency trading, is rising, the supply/demand of stocks and political events are having drastic impacts on the market, and there are notably more and more cases in which prices are formed without correlation to the fundamentals of the individual companies. Under such circumstances, it has become increasingly important to not only rely on bottom-up research of the individual companies when selecting stocks, but to also be aware of the market trend from a top-down perspective with a clear picture of the macro situation. By having fund managers with different investment skills share information of high value, the investment management team will seek a structure that would detect investment opportunities that have not been seized and risks that have previously been difficult to capture.

In light of this consolidation and establishment of the new investment management team, the fund manager for the New Alphex Long Short Fund (launched March 3, 2005, Cayman-registered foreign-registered investment trust) and the Highly Selective Japan Mid/Small-cap Equity Fund (launched September 1, 2011, Japan-registered investment trust) will change from Mr. Ichiro Takamatsu to Mr. Koki Okahashi. Mr. Okahashi has been collaborating with Mr. Takamatsu in managing the Alphex Japan Long Short Fund (currently New Alphex Long Short Fund) since its launch in 2005 and moved to BVAM in 2010 together with the fund, seeking a stable platform. Thereafter, he has been responsible for stock selection essential to the management of these funds.

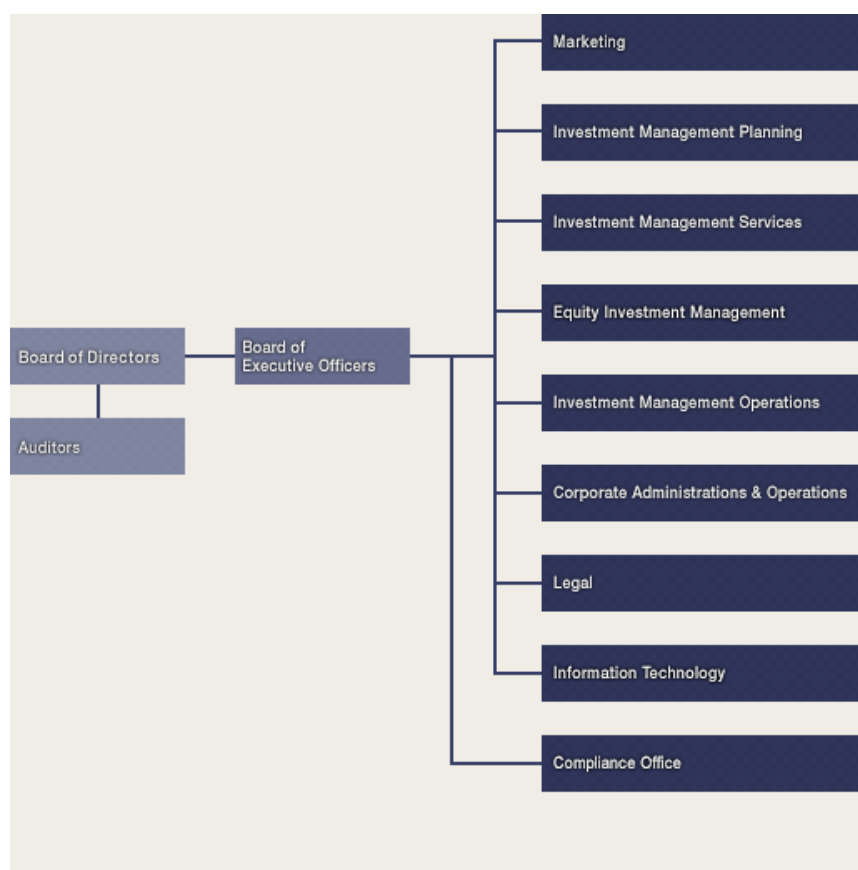
Mr. Okahashi joined a major trading house upon graduating from university. After being engaged in the business of accounting and tax matters in the accounting division, he decided he wanted to be a member of the society who could survive not by being reliant on his company's name but with his own abilities and moved to a venture company providing financial consulting services in 2001. While he worked on establishing a housing loan company and the due diligence for a corporate acquisition, he faced the risk of his company going bust due to the burst of the IT bubble. In 2005, having overcome such hardships of a businessman, he plunged into

the world of equity investment management upon being invited to found an independent asset management company. From then on, Mr. Okahashi has identified many promising stocks as an analyst of the Japanese equity long/short fund, the source of excess return (alpha) for which is Mid/Small-cap equity investment, and played an active role as the driving force to keep the investment management team afloat through the Live Door shock in 2006 and the Lehman Shock in 2008. Meanwhile, many institutional investors specializing in Mid/Small-cap stocks disappeared one after the other, making Mr. Okahashi one of the very few experts in this field.

Mr. Okahashi's strength is his broad perspective acquired from being involved in various businesses other than finance in a large company and venture firm. With such experience as his advantage, Mr. Okahashi will take on the new challenge with a strong will to identify excellent Mid/Small-cap companies upholding the Japanese economy before anyone else and to generate alpha exceeding domestic and overseas managers,

Bayview Asset Management was founded on January 7, 1998, as an independent boutique asset management firm, that is to say, a pioneer in specialized asset management, with the idea to innovate Japan's asset management industry. The company has been devoted to bringing the highest level of asset management services to investors over the years. As a result, BVAM is honored to have received tremendous support, mainly from institutional and individual investors both domestic and abroad, and the company has steadily grown to become one of the best boutique asset management firms in Japan with a focus on Japanese and U.S. equities investment. BVAM intends to continue to strive in developing new products and 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.

New Organization



The background of Mr. Okahashi, the new fund manager, is as follows.

Koki Okahashi

Koki Okahashi joined Bayview Asset Management Co., Ltd., (BVAM) in July 2010 from Alphex Investments Co. when the latter's funds under management and management team were transferred to the former. He was promoted to head the Investment Management Group II in March 2014, and then was assigned as fund manager when the Equity Investment Management Team was established. At Alphex, Koki was responsible for corporate research as an analyst for the Japanese equity long/short strategy, a position which he held since the founding of the company in 2005. Koki had started his career in 1995, joining Sumitomo Corporation where he was assigned to the accounting division to support the company's overseas infrastructure projects and the automobile, media, and electronics businesses with accounting and tax matters. In 2001, he joined a venture company founded by a group of former employees of the Industrial Bank of Japan Ltd. (currently Mizuho Bank Ltd.) to set up Japan's first mortgage bank, Mortgage Corporation of Japan Ltd., where he engaged in the due diligence of a Japanese company buying out a Chinese steel maker, as well as in the financial advisory operation of PFI projects of municipal governments. Koki received B.A. in business and commerce from Keio University in 1995.