

## **Notices Concerning Completion of Procedures for the Acquisition of RS Investments and Concerning Business Alliance of Exclusive Operations in Japan with Victory Capital**

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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 "Bayview Asset Management") confirmed completion of the procedures for acquisition by Victory Capital Management Inc. (hereinafter referred to as "Victory Capital") of the outstanding shares issued by RS Investments (hereinafter referred to as "RSIM")\* and that Bayview Asset Management newly concluded the business alliance contract of exclusive operations (entrustment) in Japan with Victory Capital on July 29, 2016.

Victory Capital, a new partner of Bayview Asset Management, is based in Cleveland, Ohio. Victory Capital operates various asset management boutiques specialized in tailored strategies to target each and every asset class and is ranked 25th in the "U.S. Asset Management Companies Ranking" of Barron's in 2015, as one of the top independent multi-boutique asset management companies in the United States. Bayview Asset Management had negotiated the business alliance with Victory Capital, led by the agreement on the transfer of the shares of RSIM to Victory Capital by Guardian Investor Services LLC, which had been the majority shareholder of RSIM; RSIM had been one of the business partners of Bayview Asset Management since its founding. Additionally, Bayview Asset Management is delighted to announce that Bayview Asset Management reached the conclusion of a comprehensive business alliance contract on all the asset management products of Victory Capital, aiming to provide their unique and innovative products to investors in Japan.

The asset management boutiques of Victory Capital boast various attractive product lineups newly introduced into the market of Japan, as represented by INCORE Capital Management with prominent strategies for U.S. bond investments and by CEMP with breakthrough smart-beta patent-pending strategies. As for RSIM, the existing brand names and the operation systems remain as a part of the asset management boutiques of Victory Capital, so that the services for all the funds operated by RSIM, including publicly-offered investment trusts in Japan, are maintained as heretofore.

Bayview Asset Management, as a pioneer and as a leader of the independent asset management companies specialized in active management of investment assets, such as Japanese stocks, U.S. stocks, and multi-assets, has provided high-quality services for 18 years since its founding. Highly regarded by the expanded client segment including individual investors and institutional investors, such as pension funds, Bayview Asset Management has developed into one of the largest independent asset management companies in Japan with aggregate contract assets amounting to about 270 billion yen (as of the end of March 2016). From now on, Bayview Asset Management is determined to be Japan's first full-fledged multi-boutique asset management company by providing the product lineups offered by the independent investment franchises of Victory Capital and others in the United States, in addition to the existing product lineups in the areas of stocks, bonds, and multi-assets based on the company's own business platform of providing high-quality client services.

Bayview Asset Management continues to contribute to innovations in the asset management business in Japan by exerting efforts to provide investor-oriented products and services under its completely independent management structure that is free from the

controls of any affiliates or parent companies (such as sales companies).

\*As for the details of shareholder change of RSIM, please see the attached for Victory Capital's press release.

## **VICTORY CAPITAL ANNOUNCES CLOSE OF ACQUISITION OF RS INVESTMENTS**

Cleveland, OH, July 29, 2016 - Victory Capital announced today that it has completed the previously announced acquisition of RS Investments ('RS') from The Guardian Life Insurance Company of America. The acquisition expands Victory Capital's multi-boutique model to include 11 distinct investment franchises with \$50.7 billion in assets under management and advisement as of June 30, 2016.\*

'The addition of RS represents an important milestone for Victory Capital and our clients,' said David Brown, Chairman and Chief Executive Officer of Victory Capital. 'It further diversifies our investment capabilities, enhances our distribution platform and brings us the size and scale to continue to invest in our business in areas that meaningfully impact the service that we are able to provide to our clients. We are thrilled to welcome the RS investment teams to our platform.'

The RS Growth, Value and Developed Markets equity teams, which are based in San Francisco, California, have retained the RS Investments brand and are operating as an independent franchise within Victory Capital's multi-boutique model. Each of the teams within the RS franchise continues to operate autonomously and employ its existing investment process and approach.

Victory Capital is committed to meaningful employee ownership as a means to ensure alignment with current and future clients. Employees of the firm, including members of the RS Investments and Sophus Capital franchises, are material equity investors in the firm and its investment products.

## **ABOUT VICTORY CAPITAL**

Victory Capital is a multi-boutique asset management firm, headquartered in Cleveland, Ohio. As of June 30, 2016, the firm had approximately \$50.7 billion in assets under management and advisement.\*

Victory Capital is comprised of 11 autonomous investment franchises, each with an independent culture and investment approach. The franchises are supported by a robust distribution and operational platform, allowing them to focus solely on investment management. Victory Capital provides investment advisory services to institutional clients including corporations, non-profits, public funds, Taft-Hartley and sub-advisory clients through separate accounts and commingled funds. Through its intermediary channel, Victory Capital also offers retail and retirement clients mutual funds and ETFs as well as separately managed accounts through wrap fee programs and access to its investment models through unified managed accounts. For more information, please visit [www.vcm.com](http://www.vcm.com).

\*Combined AUM for Victory Capital and RS Investments as of June 30, 2016, prior to the close of the acquisition. AUM figures are not adjusted for assets of proprietary funds in other funds or client accounts.