

Notice of Establishment of the US Dividend Accelerator Fund

March 1, 2021
Bayview Asset Management Co., Ltd.
Ken Yagi,
President and CEO

Bayview Asset Management Co., Ltd., (hereinafter referred to as “BVAM”; president and CEO: Ken Yagi) hereby announces that it has newly established, on March 1, 2021, the US Dividend Accelerator Fund (hereinafter referred to as “the Fund”), a privately placed investment trust, the asset management of which is entrusted to Victory Solutions, an asset management team specializing in smart beta strategy under Victory Capital Management Inc. (hereinafter referred to as “Victory Capital”) with which BVAM has a comprehensive business alliance contract for investment management.

The strategy to invest in high-dividend securities, which is one of the classic smart beta strategies, is a value approach that focuses mainly on mature firms to gain high-dividends steadily for the long term; however, its effectiveness tends to decline during phases favoring growth investments due to market cycles, for example. Therefore, Victory Solutions developed the Dividend Accelerator, a new dividend growth investment strategy that gives weight to quality (high-quality income) and growth (continuous dividend rise). More specifically, this strategy, which is a very first for a smart beta strategy, selects companies that are expected to continue to raise their dividends from among growth companies with earning structures that are not easily affected by economic conditions. By doing so, it aims to secure capital gain from the rise of share value in addition to cumulative income gain from dividends. Furthermore, it adopts a forward-looking screening standard to also invest in firms that are in the early stages of their company life cycles (sweet spot).

Victory Solutions, which will manage the fund, was set up in 1996 with two main locations in San Antonio, Texas, and Cleveland, Ohio, and has developed a proprietary smart beta strategy. In 2003, it led the world by publishing its index as a pioneer in smart beta strategy, and in 2014, it listed an ETF that tracks this index. Currently, it has 23 ETFs listed in the U.S. market under a new brand, Victory Shares, established in collaboration with NASDAQ. The asset management team consists of 14 professionals, and the total assets managed under Victory Solutions has reached approximately 38.6 billion dollars (as of the end of Dec. 2020).

Victory Capital, based in San Antonio, Texas, is one of the top independent multi-boutique asset management companies in the United States with nine asset management franchises that make active investments in specialized asset classes or strategies and the Victory Solutions team for rule-based investments. In the Barron’s 2019 U.S. Asset Management Companies Ranking,^{*1} it ranked No. 7 for five-year performance and has ranked within the top 25 for six consecutive years for one-year performance.

BVAM, as a pioneer and leader of independent asset management boutiques specializing in active management of investment assets, such as equities, bonds, and multi-assets, has been providing sophisticated services for 23 years since its founding. We are pleased to receive the trust of a broad range of client segments from individual investors to institutional investors, such as pension funds, and have developed into one of the largest independent asset management companies in Japan with aggregate contract assets amounting to about 385.4 billion yen^{*2} (as of the end of December 2020). We are determined to become a full-fledged multi-boutique asset management company in Japan by continuing to enhance product lineups offered by excellent US investment franchises, including Victory Solutions, in addition to our proprietary investment products based on our unique business platform to provide high-quality client services.

^{*1} Refers to the Barron’s Best Fund Families that selects mutual funds and asset management companies with ETFs achieving excellent investment performance from among 834 companies across the United States.

^{*2} Including the balance of domestic publicly offered mutual funds managed by BVAM’s overseas partners.

Important notice pertaining to the Fund

Investment risks

The Fund invests in securities that are subject to price fluctuations that include foreign equities through investments in the mother fund's beneficiary securities and may adopt future transactions of marketable securities; therefore, the base price of the fund may fluctuate.

Major risks of the Fund include but are not limited to the risks of fluctuating stock prices, foreign currency risks, country risks, credit risks, and liquidity risks.

Thus, the investors' investment principals are not guaranteed; the decline of the base price may lead to the incurring of a loss or the value falling below the original principal. Profits gained or losses incurred from investment activities of the Fund belong to the investors. Investment trusts are different from savings and deposits.

Fund expenses

Investment management fee (trust fee): Investment management fee (trust fee): annualized rate of 0.4312% (0.392% excluding tax) of the daily total net asset value of the trust asset.

The total expense cannot be indicated beforehand because it will differ depending on the amount purchased, investment period, etc.

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