

Aizawa Asset Management to complete third closing of its third Secondary Strategy Fund (Ariake Secondary Fund III LP)

March 22, 2023, Tokyo, – Aizawa Asset Management Co., Ltd. (“AAM”), an alternative investment management company in Japan, completed the third closing of its third secondary strategy fund, Ariake Secondary Fund III LP (“ASF-III”), on February 22, 2023. Through its Japan feeder fund, ASF-III has onboarded investors including Yamato Shinkin Bank and Akatsuki Corp.

The Cayman Islands domiciled ASF-III, in accordance with its secondary strategy, is to acquire low liquidity assets such as fund LP interests of private equity funds, such as buy-out funds and venture capital funds, domiciled in and outside Japan, held by Japanese local investors, as well as unlisted company shares held by private equity funds. The partnership fund is to co-invest along with top-tier Japanese private equity funds. Since the launch in April 2022 to the end of September 2022, ASF-III participated in four co-investments, two direct acquisitions of unlisted equities and one LP interest acquisition through the secondary market.

AAM, through investment activities of secondary strategy funds including ASF-III, is to provide the following two main functions in the Japanese market: First, to offer an option of “exit before maturity” of low-liquidity assets held by Japanese investors. Fund LP interests in private equity funds are often difficult to liquidate before maturity, but our role includes acquiring such fund LP interests during the managing period, thus allowing for early liquidation of their portfolio. Second, to offer an option of “exit at maturity” of private equity funds to assist the liquidation of their investments in the portfolio. Through its participation, AAM provides value on both ends by maximizing the collection of a portfolio’s investments through continuous holding, and providing stable shareholder structure for continuation and further growth for the investees, consisting of Japanese local companies.

AAM has been providing liquidation solutions of low-liquidity assets for investors, involving approximately 40 acquisitions of fund LP interest portfolios and 20 acquisitions of unlisted Japanese company shares through its vintage funds in the form of Ariake Secondary Fund I LP (“ASF-I”) and Ariake Secondary Fund II LP (“ASF-II”). The acquisitions and collections generated ASF-I and ASF-II with stable and relatively high returns for participating global institutional investors.

AAM seeks high returns in the limelight of Japanese secondary investment market upon completion of the third closing of ASF-III, to offer solutions for increasing needs of global portfolio liquidation.

< For further inquires >

Aizawa Asset Management Co., Ltd. Contact: Client Solutions

TEL : +81-(3)-6263-9690 Email : clientsolutions@aizawa-am.co.jp

Additional Information

Name :	Aizawa Asset Management Co., Ltd.
Headquarter :	Kanto Local Finance Bureau No. 2076 (October 31, 2008) TEL : 03-6263-9690 FAX : 03-6263-9679
E-Mail :	aizawa-info@aizawa-am.co.jp
Business :	Investment Advisory and intermediary, Investment Management, Type 2 Financial Instrument Firm
Registration Number :	Kanto Local Finance Bureau No. 2076 (October 31, 2008)
Association :	Japan Investment Advisory Association Type 2 Financial Instruments Firms Association Japan Venture Capital Association Japan Private Equity Association Alternative Investment Management Association

Major Risks with investment management agreement

Asset management under investment management agreement (including investment advisory agreement) may cause loss due to deterioration of its contracted assets value by fall of portfolio asset prices, deterioration of financial status, or bankruptcy of issuers of such portfolio assets, impact of foreign exchange variation as investment objectives includes mainly domestic and foreign stocks, bonds and other securities. Hence, your principal of investment is not guaranteed and may cause decline in the value of contract asset to suffer loss and lower its principal value. In addition, in derivative transactions, it may cause more loss than its margin deposit due to impact from fluctuation of financial indices which derivative transactions refer to, as derivative contracts trade more amount than the margin deposit as collateral. Due to differences in investment strategies and changes in domestic / foreign market environments, ratio of margin deposit to derivative transaction amount cannot disclose in advance.

Assets with investment management agreement should vary risks and natures due to difference in asset classes, investment restriction, trading market and countries with each contract, please refer to pre-contract documents before contracting the investment management agreement.

Fee for investment management agreement related to private asset investments

Fees and remuneration of investment management agreement will be determined through individual negotiations between you and us, based upon contract amount, investment objectives, investment methods, terms etc. Hence, total amount of fees and remuneration of investment management agreement cannot be indicated in advance.

■ Fees and remuneration to us

We will ask for the investment management fee to you. Applicable rate or fee is subject to investment objectives, contract amount, terms etc., hence we cannot indicate fees or its cap in advance.

■ Other expenses

You will owe other expenses than above (including brokerage fee and custody fees for securities). Those expenses are subject to portfolio management etc., hence we cannot indicate such expenses or those caps in advance. In addition, in case of investing into funds through investment management agreement, you will owe its management fees and other expenses (including audit fee, brokerage fees and custody fee borne by such fund) related to such fund investments.

Where we invest your funds in an investment fund for which we act as investment manager, we will adjust the rate or amount of our investment advisory fees payable by you after taking into account our investment management fees receivable from such investment fund. However, we cannot indicate in advance the size of such an adjustment because such adjustment is affected by the ratio of your assets invested in such investment fund to your total assets under our management.

For further information, please refer to pre-contract document or other documents.

Disclaimer

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