



Mitsubishi UFJ Trust International Limited

Section 172 (1) Report

Year ended 31 December 2020

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Mitsubishi UFJ Trust International Limited (“MUTI”) and in doing so had regard to:

- The likely consequences of any decision in the long term;
- The interests of the Company’s employees
- The need to foster the Company’s business relationships with suppliers, customers and others;
- The impact of the Company’s operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

MUTI’s key stakeholders are its Shareholder, Clients and Employees.

How the Board engages with stakeholders and principal decisions relating to stakeholders

Shareholder

The Board recognises the importance of effective engagement with and participation from shareholders.

MUTI has been 100% owned by Mitsubishi UFJ Trust Banking Corporation (“MUTB”) since its inception. The Board is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. The Board consists of 7 Directors; 2 Executive Directors and 5 Non-Executive Directors. The majority of MUTI’s Board are senior officers of MUTB, which creates a clear path of communication between the Board and its shareholder.

The Board discusses corporate strategy, financial management, internal control, and risk management amongst other matters. MUTB have set MUTI financial targets including pre-tax profit and Return on Investment, which MUTI monitors and reports to MUTB through Board papers. MUTI is also in regular communication with MUTB through MUTI’s Planning division.

MUTI has a dividend policy that pays out 100% of its post-tax profits. This decision is taken in the best interests of its shareholder as the Board is satisfied that MUTI has sufficient capital and cashflow to maintain and grow its current business model.

Clients

The Board understands that MUTI’s relationships with its clients are integral to the success of its business and endeavours to stay informed regarding important client developments.

MUTI continues to focus on developing strong long-term relationships with its institutional customer base through regular and effective dialogue. Furthermore, MUTI meets with its most significant clients annually to understand their needs and how satisfied they are with the service they are being provided, as a result of the pandemic where face to face meetings have not been possible meetings have been held virtually via video calls.

The Chief Executive Officer (“CEO”) is kept informed of feedback from clients through regular meetings with sales managers and traders. From time to time some clients also visit MUTI to review our operation as part of their due diligence process. The Chief Operating Officer (“COO”) often meets with major clients, in relation to its securities financing business, to obtain feedback on MUTI’s performance and exchange views about market outlook. The Head of Sales in London and

Singapore provides an update on market activities and reports significant client relationship developments to the Executive Committee monthly. Subsequently, the Board receives regular updates on client matters from both the Chief Executive Officer and the Chief Operating Officer.

Employees

Employee engagement is essential to understand and evaluate the needs of our employees and to ensure that we attract and retain talent. This has been more challenging during the pandemic period where staff have been working from home, but the Company has ensured that communication levels and interaction remained consistent with prior years. The IT department have furnished all staff with the facilities to work remotely with high quality equipment and suitable communication platforms.

Specifically, the CEO holds regular company video calls to update staff on business, technological and general staff initiatives and policy changes. These sessions are not interactive due to the number of staff and nature of the meetings, but employees are encouraged to contact either the CEO or their line manager with any questions or commentary. In addition, the CEO has held individual meetings with all company departments which provides employees the opportunity to engage with the CEO and raise any specific questions.

Furthermore, the Human Resources department (“HR”) contacts all staff on an individual basis every two weeks to ensure that wellbeing is maintained, and any challenges addressed swiftly. The department partners with the Executive Directors and other management to ensure that there is a constant dialogue on all employee matters.

In addition to this all employees have the opportunity to make suggestions on an ongoing basis. Historically, in the office, this was via an anonymous suggestions box. In light of absence from the office this has been via staff surveys and direct communication. The results of which are discussed with the CEO and COO. Subsequently the board receives regular updates on staff matters and initiatives being taken.

The Company has introduced a variety of wellbeing initiatives online while working from home and these will continue until working arrangements change with, perhaps, a return to the office for some staff. Consideration is being given to more flexible working arrangements on a longer-term basis to satisfy staff changing needs and expectations.

The HR department work closely with management to develop talent through training and mentoring and work together on agreeing an appropriate succession plan for the organisation. Training is ongoing during the pandemic. The CEO is actively involved in recruitment across the organisation and in addition conducts monthly meetings with the senior management team to discuss the development and performance of employees. Recruitment is ongoing during the pandemic.

MUTI has not been able to hold the usual “off-site” meetings with sales manager and traders to discuss strategy. However, MUTI’s salesforce is an important part of its business and as such individual salespeople are considered when making decisions or reviewing strategy.