

SUSTAINABILITY RELATED DISCLOSURES

Mitsubishi UFJ Trust International Limited (“**MUTI**”) is required to comply with the requirements set out under Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”) as a Financial Adviser. The disclosures below set out to explain the details of how we comply with the requirements under SFDR.

Integration of sustainability risks into investment advice (Article 3 SFDR disclosure)

Given MUTI’s main activities, we consider that the impact of sustainability risks on the returns of the products we advise on are not material and in some cases not relevant. As such, MUTI does not consider that it is necessary for it to integrate such sustainability risks into its investment advice and therefore does not maintain a policy on the integration of sustainability risk.

Should the products on which it advises change, MUTI will assess whether such a change necessitates the integration of sustainability risk into its investment advice and will develop a policy on the integration of sustainability risk at this point.

No consideration of adverse impacts on sustainability factors (Article 4(5) SFDR disclosure)

Whilst MUTI supports the objectives of SFDR with respect to transparency of reporting against relevant quantitative metrics in respect of the financial products which we provide advice on, we have chosen, at this stage, to not formally consider the principal adverse impacts on sustainability factors in our investment advice. This position is based on our assessment that a) many of the required metrics in the draft legislation are not readily available and are not relevant to the investors to whom we provide advice, b) it would be unduly burdensome and disproportionate to require the relevant persons to produce the required data, and c) taking into account the low sustainability risk exposure of MUTI’s business, it would be disproportionate for the firm to produce such required metrics, then rank and select financial products based on them.

Nevertheless, we will keep our position with respect to Article 4 SFDR disclosures under review.

We have an effective risk management framework in place which ensures that MUTI is not exposed to levels of risk that exceed the firm’s risk tolerance and risk appetite. Although this framework currently does not explicitly consider sustainability risks, it does apply the principle of effective risk management to various forms of risk which may include sustainability risks, where relevant.

Remuneration policy and sustainability risks (Article 5 SFDR disclosure)

Our remuneration policy is risk focused and endeavours to be consistent with, and promote, effective risk management. It does not promote risk taking which is inconsistent with the firm’s risk tolerance and risk appetite. Our remuneration policy does not explicitly take into account sustainability risks. However, it applies the principle of effective risk management to various forms of risk, which may include sustainability risk where relevant. Remuneration is determined predominantly on a qualitative basis, as such the risk of staff being incentivised to engage in excessive risk is considered to be very low. As part of this, all relevant forms of risks are considered when making remuneration decisions, which may include an assessment of the long-term sustainability risks.