

Mitsubishi UFJ Trust and Banking Corporation

# Mitsubishi UFJ Trust and Banking Corporation Forms Business Alliance with Yuanta Securities Investment Trust Company, Taiwan, and STOXX Limited, Switzerland --Collaboration on promotion of the smart-beta index in the Taiwan market--

**Tokyo, June 15th, 2016** – Mitsubishi UFJ Trust and Banking Corporation (MUTB; Mikio Ikegaya, President and CEO), a leading Japanese trust bank, today announced to conclude of a memorandum of understanding (MOU) with Yuanta Securities Investment Trust Company<sup>\*1</sup>, the largest asset management company in Taiwan, and STOXX Limited<sup>\*2</sup>, global leaders in the index development and provision business, under which the three companies will collaborate in the smart-beta business in the Taiwan market.

## 1. Background

(1) MUTB's initiatives in the index business

In the asset management market, the share of index-linked products in which investments are linked to indexes such as TOPIX (Tokyo stock price index) has been expanding compared to active approaches where stocks are picked individually. Among the index-linked approaches, as an alternative to traditional approaches such as market-cap weighted index investing, there has been a surge in growth and popularity of "smart-beta indices" that aim to realize high investment efficiency by offering added value based on investment theories as well as stock selection and weighting methods.

MUTB has been developing the index business by collaborating with STOXX Limited since May 2015 on joint development of smart-beta indices and the promotion of these indices to asset management companies in Japan and overseas.

Since the start of the collaboration with STOXX, MUTB has developed the series of Index under the name of "iSTOXX MUTB", and have provided numbers of related asset management products to customers including pension plans. In recent move, "The iSTOXX MUTB Japan Proactive Leaders 200 Index" was newly developed, and ETF(Exchange Traded Fund) related to this Index, which is composed by Mitsubishi UFJ Kokusai Asset Management, is scheduled to be listed on the Tokyo Stock Exchange at June 29th. -Announced product name will be "MAXIS JAPAN Proactive Investment in Physical and Human Capital 200 Index ETF".

(2) Taiwanese asset management market

The market scale of the Taiwanese asset management industry is currently about one tenth of Japan's in terms of the asset under management in investment trusts (approx. \8.7 trillion); however, it is expected to expand relatively quickly going forward. In recent years, the market for index-based asset management products has been expanding rapidly.

Yuanta Securities Investment Trust Company has an unrivaled presence in the Taiwanese asset management industry in terms of both the asset under management held in trust and number of customers.

#### 2. Objectives and overview of the business alliance

MUTB aims to expand the index business in overseas markets. Considering that the opening of the Taiwanese market through collaboration with Yuanta Securities Investment Trust Company would be advantageous for this goal, MUTB advanced discussions towards an MOU.

Under the agreement, MUTB aims to 1) expand jointly developed index-linked products in the Taiwanese market and grow the asset under management, by utilizing Yuanta Securities Investment Trust Company's product development and sales channels and 2) enhance its recognition in Taiwan.



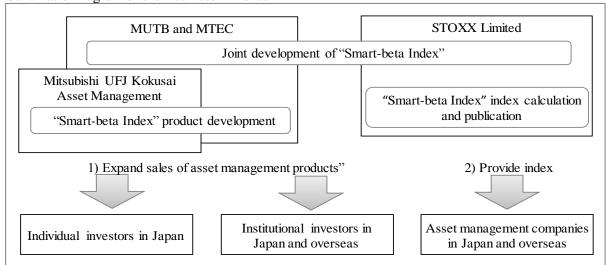
The three companies will now enter discussion on specific details of their collaboration, with plans to conclude a separate definitive agreement in the future.

MUTB will combine its product development capabilities from asset management operations in Japan with the index calculation and management expertise of STOXX Limited to respond to diverse asset management needs among customers in Japan and overseas.

#### **Reference information 1: Overview of MUTB's Index Business**

MUTB will develop jointly with STOXX Limited and aim to 1) expand sales to institutional investors in Japan and overseas and individual investors through development and sale of investment trusts etc. and 2) provide the indices to the asset management companies in Japan and overseas.

Specifically, MUTB and Mitsubishi UFJ Trust Investment Technology Institute Co.,Ltd., (MTEC; a subsidiary research institution specializing in financial engineering)<sup>\*3</sup> have developed several smart-beta indices for stocks in Japan and overseas, and MUTB is mainly in charge of structuring and selling the investment products in Japan. STOXX Limited will be responsible for calculation and publication of indices and marketing to institutional investors and asset management companies mainly overseas.



-Schematic Diagram of the Business Alliance

### **Reference Information 2: Overviews of STOXX Limited, Yuanta Securities Investment Trust Company, and MTEC**

\*1 About Yuanta Securities Investment Trust Company

- Investment trust and investment advisory company established in 1992. Headquartered in Taipei.
- Subsidiary of Taiwan company Yuanta Financial Holdings Co., Ltd. (72.2%).
- Taiwan's industry leader in the asset under management in investment trusts, the asset under management in ETF, and number of customers.

#### \*2 About STOXX Limited

- Investment index developer and provider established in 1997. Headquartered in Zurich.
- Wholly-owned subsidiary of Deutsche Borse AG.
- Top Ranked in investment index business and ETF share in Europe.

\*3 About MTEC (Mitsubishi UFJ Trust investment Technology Institute Co.,Ltd.)

- Established in 1988 as the first research institution specialized in financial technology in Japan. At present MTEC has 38 employees.
- Wholly-owned subsidiary of Mitsubishi UFJ Trust and Banking Corporation.