



Mitsubishi UFJ Trust International Limited

Section 172 (1) Report

Year ended 31 December 2023

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company 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.

The Company'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.

The Company has been 100% owned by 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 six Directors; two Executive Directors and four Non-Executive Directors. The majority of the Board are senior officers of MUTB, which creates a clear path of communication between the Board and the sole shareholder.

The Board routinely discusses corporate strategy, financial management, internal control and risk management among other matters. MUTB set the Company's financial targets including pre-tax profit and Return on Investment, which management monitor and report to MUTB through board papers. The Company is also in regular communication with MUTB through the Planning division.

Historically the Company has a dividend policy to pay out 100% of its post-tax profits. This decision (when executed) is based on the Board being satisfied the Company has sufficient existing capital and cashflow to maintain and grow its business.

Clients

The Company continues to focus on developing strong long-term relationships with its institutional customer base through regular and effective dialogue. Furthermore, the Company meets with the most significant clients annually to understand their needs and ascertain how satisfied they are with the service provided by the Company.

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 visit the Company to review the operations as part of their due diligence processes. In relation to the securities financing business the Chief Operating Officer ("COO") often meets with major clients, to obtain feedback on the Company's performance and to exchange views regarding market outlook.

On a monthly basis the Head of Sales in London and Singapore provide an update on market activities and report significant client relationship developments to the Executive Committee.

Based on the above the Board then receives updates on client matters from both the CEO and the COO.

The Board understands the Company's relationships with its clients are integral to the success of its business.

Employees

Employee engagement is essential to understand and evaluate the needs of employees and to ensure that the Company attract and retain talent. The Company continues to ensure that communication levels and interaction with employees remains a high priority. Operational staff currently have the option to work within a hybrid model and work from home-part time (maximum two days a week) and Front Office staff operate in the office five days per week. As a result, in-person interactions have drastically enhanced since the pandemic period, and the Company encourages staff to attend meetings in-person to heighten engagement and collaboration between colleagues.

The CEO holds monthly town-halls to update staff on a variety of relevant topics including business performance, staff initiatives and policy changes. Line managers are also asked to provide relevant topics in advance of the call to cover areas of interest for their team members or what they may perceive to benefit the wider business. These sessions are not interactive due to the number of staff and nature of the meetings; however, employees are encouraged to contact either the CEO or line management with any questions or commentary. In addition, the CEO holds lunch-time forums which provides employees the opportunity to engage with the CEO and raise any specific questions. Suggestion boxes are also used within the office to facilitate continuous feedback. Employees are encouraged to voice their views and opinions amongst their teams and with the CEO and COO.

Furthermore, the Human Resources department (HR) ensures that employee well-being is maintained, and any issues are addressed swiftly. HR partners with Executive Directors and line managers to ensure that there is a constant dialogue on all employee matters.

The Company offered a variety of well-being initiatives during the year. Such initiatives included weekly lunchtime yoga (and meditation) sessions, monthly company-wide lunches, and weekly cakes for all employees. MUTI are committed to enhance employee wellbeing.

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. 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. The Company will support individuals to enhance their professional development; specifically supporting individuals to ascertain professional qualifications relevant to their line of business and providing paid study leave to facilitate such arrangement. Similarly, as the Company's salesforce is an important part of the business, individual salespeople are considered when making decisions or reviewing strategy.