

UK Stewardship Code Disclosure Statement

The UK Stewardship Code (“the Code”) was first published in July 2010 and updated from January 2020 by the Financial Reporting Council (“FRC”), the UK’s independent regulator responsible for promoting high quality corporate governance and reporting to encourage investment. The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The Code has been substantially updated to be applicable to a broader range of investment strategies other than purely listed equity, including fixed income bonds, real estate and infrastructure. It also reflects the growth of environmental factors, particularly climate change, as well as social governance factors (together ‘ESG’) as material issues for asset managers to consider when making investment decisions and undertaking stewardship.

The Code defines stewardship as ‘the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

There are 12 principles of the Code that are split into four areas:

Purpose and governance

1. Purpose, strategy and culture
2. Governance, resources and incentives
3. Conflicts of interest
4. Promoting well-functioning markets
5. Review and assurance.

Investment approach

6. Client and beneficiary needs
7. Stewardship, investment and ESG integration
8. Monitoring managers and service providers

Engagement

9. Engagement
10. Collaboration
11. Escalation

Exercising rights and responsibilities

12. Exercising rights and responsibilities

Mitsubishi UFJ Asset Management (UK) Ltd does not currently comply with the Code as our investment strategies:

- Involve fixed-income securities and derivatives (mainly for foreign exchange hedging); and
- Invests in Japanese equities and real estate investment trusts listed on Japanese domiciled exchanges, using Group companies who are signed up to the Japanese Stewardship Code

Therefore, although the firm supports the objectives set out within the Code, the provisions are not deemed relevant to the type of investment strategies and trading currently undertaken by the firm. Should any material changes occur to our strategies, which would make the Code relevant, we will review our commitment to the Code at that time and make appropriate disclosure.

For further information, please contact:

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