

The MUFG Securities EMEA plc Pension Scheme

Trustees: Ropemaker Place,
25 Ropemaker Street
London EC2Y 9AJ

Administrators: Broadstone Group
West George Street, Glasgow, G2
2ND.

Telephone: 020-7628 5555

Telephone: 0141-285-1596

The MUFG Securities EMEA plc Pension Scheme - Implementation Statement for the year ending 31 December 2020

This statement summarises how the scheme trustees (“the trustees”) implemented the policies and practices in the scheme’s Statement of Investment Principles during the year ending 31 December 2020.

What is the Statement of Investment Principles (‘SIP’)?

The SIP sets out the investment principles and practices the trustee will follow when governing the scheme’s investments. It describes the rationale for the investments made. The last review of the scheme’s SIP was completed on the 25th September 2020.

The SIP was changed to take account of the following:

- more members were reaching their normal pension age meaning that a greater proportion of the scheme’s liabilities were maturing. As a consequence, the trustees decided to increase the exposure to “bond” type assets.
- the trustees recognised that increasingly environmental, social and governance issues would require consideration in setting the scheme’s investment strategy.

What is this Implementation Statement for?

Each year from 1 October 2020 the trustees are required to prepare an Implementation Statement, which sets out how they have complied with the scheme’s SIP during the last year.

Overall, the trustees are satisfied that:

- the Scheme’s investments have been managed in accordance with the SIP; and
- the provisions in the SIP remain suitable for the scheme.

The rest of this statement sets out how, in their opinion, the trustees have followed the SIP in full during the year.

How the Scheme’s investments are governed?

The trustees have overall responsibility for how the scheme’s investments are governed and managed in accordance with the Scheme’s Trust Deed and Rules as well as Trust Law, Pensions Law and Pension Regulations.

The trustees are also committed to deepening their understanding of climate risk to make investment decisions for the scheme.

Trustees: Robert Moynihan, Stephen Jack and Olaf Lunemann

Scheme Advisers: Save & Invest FT Limited

Scheme Administrators: Broadstone Group Ltd

Scheme Actuaries: Cartwright Group Ltd

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Investment stewardship

As described in the SIP, the trustees believe it is important that the fund managers as shareholders or bond holders take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with company management on major issues which affect a company's financial performance (and in turn the value of the scheme's investments).

As the scheme's investments are held at arms-length from the trustees through a number of pooled investment funds, the trustees are unable to instruct the fund managers how they should vote on shareholder issues. The trustees nevertheless choose fund managers whose voting policy are consistent with the scheme's objectives.

Voting activity. How do the Trustees monitor this?

The trustees review the fund managers' approaches to stewardship including voting and engagement policies annually. The trustee requested reports from fund managers on how they have voted at shareholder meetings and what topics fund managers have discussed with the companies in which they invest.

Voting behaviours of the managers and use of proxy vote services

In view of the significant number of investment managers retained by the trustees, set out below are details concerning the voting behaviours of three of the managers that had responsibility for the largest holdings by reference to asset value

Baillie Gifford Scottish Mortgage Investment Trust—the manager employed its house voting policy during the year. Each voting decision is an active decision based on the individual situation of the particular company in question. The manager does not make use of proxy voting believing instead that it is better to have long term engagement with a company. In relation to the governance of businesses the manager looks for common traits relating to such matters as long-term purpose and well governed growth. This often results in the manager favouring businesses which focus on capital expenditure along with research & development. Over the course of the scheme year the manager had the following voting record:

Resolution Description	Number/Percentage
Number Of Eligible Resolutions	13,604
Percentage Of Resolutions Voted Against Management	3%
Percentage Of Resolutions Where Manager Abstained	2%

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Schroder Investment Management Ltd- the trustees had exposure to four investment funds managed by Schroder being the Asian Alpha Plus, QEP Global Core, Recovery and Tokyo. The manager largely adopted its house voting policy but management based in overseas territories (such as Japan and Australia) may from time to time have adopted its own policy for the securities it was responsible for. Schroder's voting policy made use of Institutional Shareholder Services (ISS) for the purpose of delivering proxy votes at company AGMs. ISS delivers vote processing through their Internet-based platform Proxy Exchange. The manager receives ISS's research on company resolutions which is complemented with analysis by its own in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. Over the course of the scheme year the voting record by the manager in respect of each fund was as follows

	Asian Alpha Plus	QEP Global Core	Recovery	Tokyo
Number Of Eligible Resolutions	675	7813	861	927
Percentage Of Resolutions Voted	100%	99%	100%	100%
Percentage Of Resolutions Voted Against Management	7.4%	8.1%	3%	5.5%
Percentage Of Resolutions Where Manager Abstained	0%	0.2%	1%	0%

Witan Investment Trust -the managers of the Witan Investment Trust adopt a "manager of managers" approach to the investment of client money. Under this structure they assemble a group of external investment experts, closely monitor their performance, and alter the composition of the team to adapt to market conditions or fund performance. It is the duty of the senior management of the external managers assembled by Witan to engage with the businesses in which they invest and to follow their own house voting policy. In turn, details of the engagement with investee companies by external managers are reported to the senior management at Witan on a regular basis. The external managers will also report annually on their compliance with the UK Stewardship Code. Witan is a signatory to the UN Principles for Responsible Investment and it has stated that those external managers which fail to meet the standards expressed in these principles are unlikely to be retained.

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Over the course of the scheme year the voting record by the external managers retained by Witan was as follows:

Resolution Description	Number/Percentage
Number Of Eligible Resolutions	6929
Percentage Of Resolutions Voted Against Management	6%
Percentage Of Resolutions Where Manager Abstained	0.6%

More information

We hope this Statement helps you understand how the Scheme's investment has been managed in the last year. If you have any questions or feedback, please contact:

Mr A Turner

Save & Invest FT Limited

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