

Santander Managed OEIC

Final Short Report
for the year ended 31 March 2014

This document contains the short report for the sub-funds of the Santander Managed OEIC for the year ended 31 March 2014.

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The Santander Managed OEIC (the Company) is an open-ended investment company with variable capital, incorporated in England and Wales and authorised by the Financial Conduct Authority (FCA).

The Authorised Corporate Director (ACD) of the Company is Santander Asset Management UK Limited, which is a private limited liability company incorporated in Scotland with the immediate holding company being SAM Investment Holdings Limited.

The ACD currently acts as Investment Adviser to the sub-funds. The fees payable to the Investment Adviser are included within the ACD's periodic charge.

Fundamental Changes During the Period

The investment objective and policy of Santander Atlas Portfolio 6 (formerly Santander International Shares Portfolio) sub-fund was changed. This change was approved by the shareholders at an Extraordinary General Meeting on 30 September 2013. The reason was to give greater clarity as to the purpose and aim of the sub-fund, by separating out the investment objective from the investment policy. In addition the change was made to enable a broader spread of investments to be held by the sub-fund including other assets such as commercial property, commodities and absolute return funds.

Significant Changes During the Period

With effect from 30 September 2013, Santander Asset Management UK Limited changed the name of Santander International Shares Portfolio to Santander Atlas Portfolio 6. The name was changed to reflect the global nature of the investments held within the sub-fund, and to reflect the global scale and strength of Santander.

As part of a directive from the Investment Management Association (IMA), with effect from 3 March 2014, Santander Asset Management UK Limited changed the name of Santander Global Shares Portfolio to Santander Max 100% Shares Portfolio in order to better reflect the aims and definitions in the name of the fund and to ensure that the names used across all the fund ranges are consistent.

Additional Information

On 4 December 2013 the immediate holding company of Santander Asset Management UK Limited changed from Santander Asset Management UK Holdings Limited to SAM Investment Holdings Limited. SAM Investment Holdings Limited is a joint venture, with 50% of the control being held by SAM UK Investment Holdings Limited, a subsidiary of Banco Santander,SA and the other 50% by Sherbrooke Acquisition Corp SPA, a segregated portfolio company incorporated in the Caymen Islands and owned by Warburg Pincus LLC and General Atlantic LLC. The ultimate parent company of SAM UK Investment Holdings Limited is Banco Santander,SA. The ultimate parent companies of Sherbrooke Acquisition Corp SPC are funds controlled by Warburg Pincus LLC and General Atlantic LLC. Prior to 17 December 2013, the ultimate parent company was Banco Santander,SA.

SAM Investment Holdings Limited will have the same duties and responsibilities as Santander Asset Management UK Holdings Limited and this change will have no impact on the way the Company is operated.

Please note that past performance is not necessarily a guide to the future. The price of shares and any income from them can fall as well as rise and you may not get back the amount you originally invested. Significant changes in interest rates could also affect the value of your investment and any foreign investments will be affected by fluctuations in rates of currency exchange. Investment in a sub-fund should generally be viewed as a long-term investment. Please refer to the Key Investor Information Document for a full explanation of the risk warnings. The most recent Key Investor Information Document may be obtained by calling us on 0845 6000 181 or alternatively please visit www.santanderam.co.uk. Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

If you have any questions about your investment with us, would like further information or would like to obtain a copy of the Long Form Report and Accounts, please call 0845 6000 181. Our lines are open 8am to 6pm Monday to Friday and 8am to 4pm on Saturday. Calls may be recorded or monitored.

Santander Global Emerging Shares Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to obtain long-term total return of capital appreciation and income receipts from investments and to provide investors with superior, risk-adjusted returns over the long-term.

Investment Policy and Strategy

The sub-fund will invest either directly or indirectly through collective investment schemes in emerging market equities, and equities in those companies which have significant emerging market exposure. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	98.29	100.09
Net other assets	<u>1.71</u>	<u>(0.09)</u>
Total net assets	100.00	100.00

Major Holdings

The top 10 holding at the end of this period and the previous period are shown below.

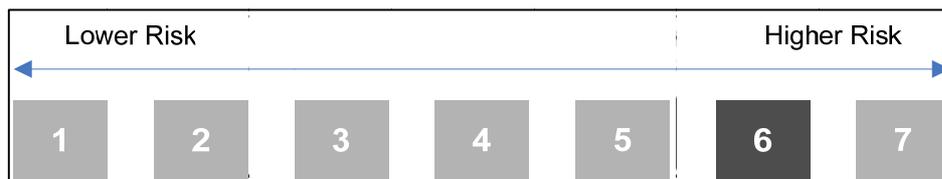
Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
M&G Global Emerging Market Fund	10.08	Robecco Emerging Markets Equities Fund D	9.64
Aberdeen Emerging Markets Fund	9.77	Lyxor ETF MSCI Emerging Markets Fund B	9.34
Amundi Equity Emerging World Fund	8.99	Aberdeen Emerging Markets Fund	9.33
Schroder Global Emerging Markets Fund A	8.94	Amundi Equity Emerging World Fund	9.18
Robecco Emerging Markets Equities Fund D	8.61	Carmignac Emergents Fund	8.95
Investec Global Strategy Fund Emerging Markets	8.12	iShares MSCI Emerging Markets	8.19
Goldman Sachs Growth & Emerging Markets	7.80	M&G Global Emerging Market Fund	7.19
AXA Framlington Emerging Markets	7.29	Schroder Emerging Asia Fund A	6.56
Fidelity South East Asia Fund	6.24	Schroder Global Emerging Markets Fund A	6.37
Schroder Emerging Asia Fund A	5.37	Fidelity Funds Emerging Asia Fund	5.69

Santander Global Emerging Shares Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Global Emerging Shares Portfolio	-14.14%
IMA Global Emerging Markets	-12.13%
MSCI EM (Emerging Markets) TR GBP	-9.70%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

The sub-fund delivered a negative return of -14.14%, underperforming against its benchmark, the MSCI EM (Emerging Markets) TR, which delivered a negative return of -9.70% over the same period.

Market Review

Throughout the period under review, global equity markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. This uncertainty surrounding possible implications of tapering decisions also caused Emerging Markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity markets benefited.

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

The new year began with a minor sell-off in equity markets, as investors looked to take profit from the strong December performances of developed equities. Uncertainty over the stability of the Chinese financial system added to concerns regarding inflation levels of Emerging Markets.

Santander Global Emerging Shares Portfolio

Fund Performance

Market Review (continued)

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer assets.

The fluctuating economic data and mixed signals from Central Banks caused uncertainty within more volatile equity markets and investors looked to take profits as a result. This contributed towards the Santander Global Emerging Shares Portfolio underperforming against its benchmark.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors). We continue to be cautious on Emerging Markets as this region faces a number of challenges, such as the potential implications caused by a restructuring of China's economic system, sensitivity towards any further tapering in the developed world and ongoing currency, growth and inflation concerns.

Nevertheless, we are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	31 May / 30 November

Distribution Statement

On 31 May a final distribution payment of 0.3913p per share will be reinvested on behalf of Retail accumulation shareholders.

Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in Collective Investment Schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in Collective Investment Schemes.

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail accumulation		
ACD's periodic charge	1.00%	1.00%
Synthetic OCF	0.93%	1.00%
Other expenses	0.10%	0.07%
Ongoing charges figure	2.03%	2.07%

Santander Global Emerging Shares Portfolio

Summary of Accounts (continued)

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail accumulation	170.7	14,405,179	24,592,716
31 March 2013	Retail accumulation	182.5	16,168,510	29,509,657
31 March 2014	Retail accumulation	158.1	14,130,267	22,342,804

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail accumulation	159.0	89.26	0.6061
2010	Retail accumulation	193.1	147.9	0.4809
2011	Retail accumulation	195.4	142.6	0.4317
2012	Retail accumulation	178.3	153.0	0.0691
2013	Retail accumulation	190.6	155.9	0.0000
2014*	Retail accumulation	162.4	150.8	0.3913

* To 31 March 2014.

Santander Investment Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of return from a portfolio of primarily fixed interest investments.

Investment Policy and Strategy

The investments will be primarily in the UK and continental Europe. This exposure can be achieved directly or through investment in collective investment schemes. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	96.55	98.83
Net other assets	<u>3.45</u>	<u>1.17</u>
Total net assets	100.00	100.00

Major Holdings

All holdings at the end of this period and the previous period are shown below.

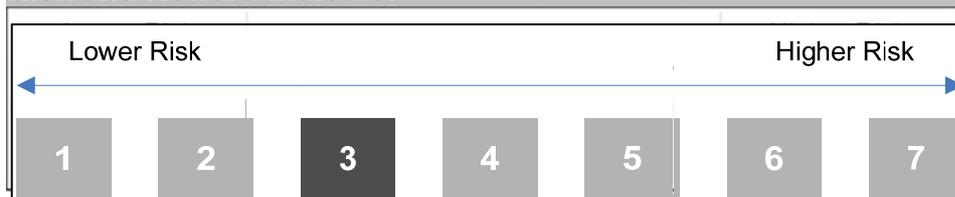
Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	31.26	Santander Corporate Bond Fund	31.79
Santander Sterling Government Bond Fund	21.35	Santander Sterling Government Bond Fund	22.09
Jupiter Strategic Bond Fund	8.30	Jupiter Strategic Bond Fund	8.12
Kames Investment Grade Bond B	6.70	M&G Strategic Corporate Bond Fund	7.29
Insight UK Corporate All Maturities Bond Fund	6.19	Fidelity MoneyBuilder Income D Bond Fund	6.32
Fidelity MoneyBuilder Income D	6.10	Insight UK Corporate All Maturities Bond Fund	6.27
Legal & General Dynamic Bond Trust	5.92	Legal & General Dynamic Bond Trust	5.71
M&G Strategic Corporate Bond Fund	4.47	Kames Investment Grade Bond B	4.53
Kames Strategic Bond B	3.16	Kames Strategic Bond B	3.33
M&G Corporate Bond Fund	2.15	M&G Corporate Bond Fund	2.56
Santander Strategic Bond Fund	0.95	Santander Sterling Strategic Bond Fund	0.81

Santander Investment Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Investment Portfolio Retail Acc	0.47%
25% FTA All Stocks Gilt/75% IBOXX £ Non Gilts	0.54%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

The sub-fund delivered a positive return of 0.47%, which was slightly outperformed by the sub-fund's benchmark (25% FTA All Stocks Gilts/75% iBOXX £ Non Gilts), which delivered a positive return of 0.54% over the same period.

Market Review

UK Corporate Bond and UK Gilt markets experienced mixed returns during the beginning of the period under review, as inconsistencies in global economic data, government policies, and geo-political matters caused returns to fluctuate. UK and European Governments maintained their bias towards Quantitative Easing, in order to continue to provide support for the anticipated recovery.

After the summer, UK Corporate Bonds delivered positive returns and UK Gilts rallied modestly after the US Federal Reserve (Fed) decided not to reduce its asset purchases. Corporate bonds continued to perform well in this backdrop with low expected defaults, low economic growth, and political tensions supporting government bond yields in the short term. Developed equity markets benefited in this environment as investors took confidence from the Fed announcements.

The temporary shutdown of the US Government in October and the implications this had on the Fed tapering its Quantitative Easing programme in the short term led to strong returns in the UK Corporate bond market. However, this strong performance was again cut short when the European Central Bank reduced its refinancing rate and the Bank of England increased its growth forecast for 2014. As a result, UK Gilts delivered strong returns through the autumn.

Santander Investment Portfolio

Fund Performance (continued)

Market Review (continued)

At the start of 2014, UK Corporate and Government bonds experienced positive returns as investors moved to bonds, away from higher risk assets, amid a sell-off in equities as investors looked to take profits from the previous year. Disappointing US economic data and uncertainty over the stability of the Chinese financial system added to concerns regarding the inflation levels in Emerging Markets, further supporting the strong performance of bond markets.

At the end of the period, returns from UK Corporate and Government bonds were relatively flat; markets lacked direction as a result of geo-political tensions in Ukraine, and mixed global economic data. The UK Government's 2014 Budget Announcement carried some significant news for bond investors, with £128.4bn of gilt sales planned for 2014-15.

The fluctuating economic data and earning reports, coupled with mixed signals from Central Banks, withdrew previous stability from the UK market; contributing towards the Santander Investment Portfolio slightly underperforming against its benchmark.

Investment Outlook

Whilst the outlook of domestic economic data remains strong, the Bank of England continues to manage expectations about the speed as well as the timing of policy tightening. Investors will likely rely on evidence that the US economy is once again regaining momentum.

Sterling credit is no longer cheap from a valuation perspective, but the ongoing demand for the asset class remains firm and is unlikely to be significantly affected in the short term.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	28 February / 31 May / 31 August / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 1.3829p per share will be reinvested on behalf of Retail accumulation shareholders and 0.9795p per share will be reinvested on behalf of X accumulation shareholders.

Ongoing Charges Figure (OCF)

OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in Collective Investment Schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in Collective Investment Schemes.

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail accumulation		
ACD's periodic charge	0.50%	0.50%
Synthetic OCF	0.43%	0.48%
Other expenses	0.02%	0.02%
Ongoing charges figure	0.95%	1.00%
X accumulation		
ACD's periodic charge	0.50%	0.50%
Synthetic OCF	0.43%	0.48%
Other expenses	0.02%	0.01%
Ongoing charges figure	0.95%	0.99%

Santander Investment Portfolio

Summary of Accounts (continued)

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail accumulation	197.7	340,714,864	673,478,905
31 March 2013	Retail accumulation	215.1	399,984,453	860,199,997
	X accumulation*	152.4	846,073	1,289,535
31 March 2014	Retail accumulation	216.1	338,443,387	731,307,881
	X accumulation	153.1	858,588	1,314,791

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail accumulation	173.8	141.6	4.2133
2010	Retail accumulation	186.3	171.4	4.2624
2011	Retail accumulation	194.0	179.2	5.5141
2012	Retail accumulation	213.0	193.8	3.4989
	X Accumulation*	150.9	149.6	0.2435
2013	Retail accumulation	220.4	208.4	4.9539
	X accumulation	156.1	147.7	3.5737
2014**	Retail accumulation	217.5	212.4	1.3829
2014**	X accumulation	154.2	150.5	0.9795

* The X accumulation share class commenced on 28 November 2012.

** To 31 March 2014

Santander Max 50% Shares Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of return from a portfolio invested in a diversified range of fixed interest investments and equities, with fixed interest investments never falling below 50% on the sub-fund's portfolio value.

Investment Policy and Strategy

This objective can be achieved directly or through investment in collective investment schemes. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	99.85	99.61
Net other assets	<u>0.15</u>	<u>0.39</u>
Total net assets	100.00	100.00

Major Holdings

The top 10 holdings at the end of this period and the previous period are shown below.

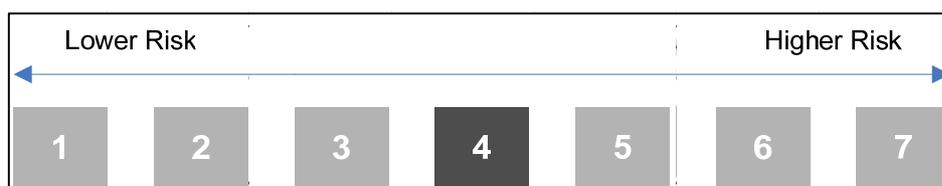
Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	19.64	Santander Euro Equity Class IKP	20.05
Santander Sterling Government Bond Fund	14.28	Santander Sterling Government Bond Fund	12.74
M&G Optimal Income Fund A	6.44	M&G Optimal Income Fund A	7.68
Santander UK Growth Unit Trust	5.81	Fidelity MoneyBuilder Income D	6.17
Jupiter Strategic Bond Fund	5.09	Insight Investment Discretionary Fund	5.98
Fidelity MoneyBuilder Income D	4.67	Santander UK Growth Unit Trust	5.89
Insight Investment Discretionary Fund	4.63	Legal & General Dynamic Bond Trust	4.38
Legal & General Dynamic Bond Trust	4.11	Jupiter Strategic Bond Fund	4.28
Schroder UK Opportunities Z	3.99	Jupiter Japan Income Fund	3.94
BlackRock European Dynamic Fund A	3.42	Cazenove UK Opportunities	3.64

Santander Max 50% Shares Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Max 50% Shares Portfolio Retail Acc	3.73%
18% FTSE All Share TR/7.5% FT World Europe ex UK/4% FT World Japan/5.5% FT World USA/2% FT All World Asia Pacific ex Japan/15.75% FTA All Stocks Gilt/47.25% IBOXX £ Non Gilts	3.65%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Overall, the sub-fund's return was positive over the period under review, delivering 3.73% and outperforming the sub-fund's composite benchmark (18% FTSE All Share TR/7.5% FT World Europe ex UK/4% FT World Japan/5.5% FT World USA/2% FT All World Asia Pacific ex Japan/15.75% FTA All Stocks Gilt/47.25% IBOXX £ Non Gilts), which delivered 3.65% over the same period.

Market Review

Throughout the period under review, global markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global financial markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. Fixed income markets benefited as investors moved away from equities, the health of the corporate sector enabled corporate bonds to outperform gilts.

The uncertainty surrounding possible implications of tapering decisions caused more volatile equity markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity and bond markets benefited.

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

Santander Max 50% Shares Portfolio

Fund Performance (continued)

Market Review (continued)

At the start of 2014, UK Corporate and Government bonds experienced positive returns as investors moved to bonds, away from higher risk assets, amid a sell-off in equities as investors looked to take profits from the previous year. Disappointing US economic data and uncertainty over the stability of the Chinese financial system added to concerns regarding the inflation levels in Emerging Markets, further supporting the strong performance of bond markets at the beginning of the year.

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer equities.

Initially, the fluctuating economic data and mixed signals from Central Banks caused uncertainty within equity markets and investors looked to take profits as a result. However, investors' risk appetite was restored as developed economies regained support from Central Banks, helping the Santander Max 50% Shares Portfolio to outperform its benchmark. The usual correlation between equity markets and bond markets continued throughout this period. Typically, when equity markets benefited, bond markets struggled.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors).

Sterling credit is no longer cheap from a valuation perspective, but the ongoing demand for the asset class remains firm and is unlikely to be significantly affected in the short term.

We are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	28 February / 31 May / 31 August / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 0.8790p per share will be paid to Retail income shareholders, 0.9568p per share will be reinvested on behalf of Retail accumulation shareholders and 0.6954p per share will be reinvested on behalf of X accumulation shareholders.

Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in Collective Investment Schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in Collective Investment Schemes.

Santander Max 50% Shares Portfolio

Summary of Accounts (continued)

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail income		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.56%	0.57%
Other expenses	0.02%	0.02%
Ongoing charges figure	1.48%	1.49%
Retail accumulation		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.56%	0.57%
Other expenses	0.02%	0.02%
Ongoing charges figure	1.48%	1.49%
X accumulation		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.56%	0.57%
Other expenses	0.02%	0.01%
Ongoing charges figure	1.48%	1.48%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail income	187.9	10,159,812	19,094,249
	Retail accumulation	198.4	321,413,375	637,569,755
31 March 2013	Retail income	205.1	8,813,784	18,076,285
	Retail accumulation	220.3	376,611,697	829,620,370
	X accumulation*	159.4	1,083,882	1,728,128
31 March 2014	Retail income	209.3	7,836,714	16,398,424
	Retail accumulation	228.8	349,880,998	800,586,746
	X accumulation	165.6	6,883,466	11,400,368

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail income	173.6	138.2	2.4316
2009	Retail accumulation	175.6	138.3	2.4543
2010	Retail income	184.4	169.0	3.1750
2010	Retail accumulation	189.6	172.7	3.2622
2011	Retail income	186.8	172.6	3.3182
2011	Retail accumulation	194.2	180.6	3.4600
2012	Retail income	197.2	181.5	3.2814
2012	Retail accumulation	210.3	190.4	3.5299
2012	X accumulation*	152.2	150.2	0.1942
2013	Retail income	213.2	196.2	3.5199
2013	Retail accumulation	229.2	210.1	3.7947
2013	X accumulation	165.9	152.0	2.7822
2014**	Retail income	212.1	207.7	0.8790
2014**	Retail accumulation	231.0	226.2	0.9568
2014**	X accumulation	167.2	163.7	0.6954

* The X accumulation share class commenced on 28 November 2012.

** To 31 March 2014.

Santander Max 70% Shares Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of return from a portfolio invested in a diversified range of fixed interest investments and equities, with no more than 70% in equities.

Investment Policy and Strategy

This objective can be achieved directly or through investment in collective investment schemes. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

Derivatives were used during this review period for the purpose of efficient portfolio management. The sub-fund holds no derivatives which could impact the value of the sub-fund significantly. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	99.68	99.56
Net other assets	<u>0.32</u>	<u>0.44</u>
Total net assets	100.00	100.00

Major Holdings

The top 10 holdings at the end of this period and the previous period are shown below.

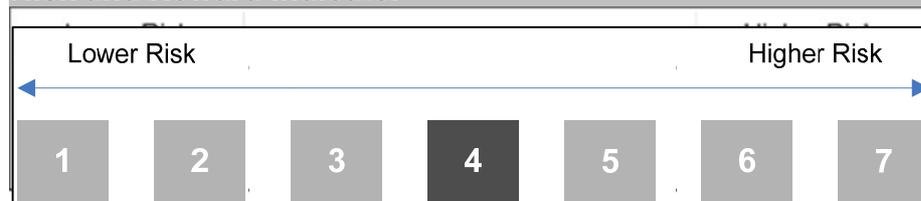
Holding	% of net assets as at 31/04/14	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	11.31	Santander Corporate Bond Fund	12.73
Santander UK Growth Unit Trust	8.03	Santander UK Growth Unit Trust	7.97
M&G Optimal Income Fund A	6.74	M&G Optimal Income Fund A	6.93
JPMorgan US Select Equity Fund C	6.01	JPMorgan US Select Equity Fund C	6.02
BlackRock European Dynamic Fund A	5.88	JPMorgan Income Opportunity A	4.77
Nomura Funds Ireland Japan Strategic	4.88	Legal & General Dynamic Bond Trust	4.19
BNY Mellon Absolute Return Equity Fund	4.87	Fidelity Investment Funds European Fund	3.91
JPMorgan Income Opportunity A	4.77	BlackRock UK Equity Fund A	3.87
Robeco US Premium Equity Fund IE	4.27	BlackRock European Dynamic Fund A	3.76
BlackRock UK Equity Fund A	4.11	Cazenove UK Opportunities X	3.70

Santander Max 70% Shares Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Max 70% Shares Portfolio Retail Acc	6.05%
25% FTSE All Share TR/12% FT World Europe ex UK/6% FT World Japan/10% FT World USA/3% FT All World Asia Pacific ex Japan/10% FTA All Stocks Gilt/30% IBOXX £ Non Gilts	5.34%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Overall, the sub-fund's return was positive over the period under review, delivering 6.05% and outperforming the sub-fund's composite benchmark (25% FTSE All Share TR/12% FT World Europe ex UK/6% FT World Japan/10% FT World USA/3% FT All World Asia Pacific ex Japan/10% FTA All Stocks Gilt/30% IBOXX £ Non Gilts), which delivered 5.34% over the same period.

Market Review

Throughout the period under review, global markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global financial markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. Fixed income markets benefited as investors moved away from equities, the health of the corporate sector enabled corporate bonds to outperform gilts.

The uncertainty surrounding possible implications of tapering decisions caused more volatile equity markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity and bond markets benefited.

Santander Max 70% Shares Portfolio

Fund Performance (continued)

Market Review (continued)

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

At the start of 2014, UK Corporate and Government bonds experienced positive returns as investors moved to bonds, away from higher risk assets, amid a sell-off in equities as investors looked to take profits from the previous year. Disappointing US economic data and uncertainty over the stability of the Chinese financial system added to concerns regarding the inflation levels in Emerging Markets, further supporting the strong performance of bond markets at the beginning of the year.

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer equities.

Initially, the fluctuating economic data and mixed signals from Central Banks caused uncertainty within equity markets and investors looked to take profits as a result. However, investors' risk appetite was restored as developed economies regained support from Central Banks, helping the Santander Max 70% Shares Portfolio to outperform its benchmark. The usual correlation between equity markets and bond markets continued throughout this period. Typically, when equity markets benefited, bond markets struggled.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors).

Sterling credit is no longer cheap from a valuation perspective, but the ongoing demand for the asset class remains firm and is unlikely to be significantly affected in the short term.

We are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	28 February / 31 May / 31 August / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 0.8731p per share will be reinvested on behalf of Retail accumulation shareholders and a final distribution of 0.6630p per share will be reinvested on behalf of X accumulation shareholders.

Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in Collective Investment Schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in Collective Investment Schemes.

Santander Max 70% Shares Portfolio

Summary of Accounts (continued)

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.65%	0.72%
Other expenses	0.02%	0.02%
Ongoing charges figure	1.77%	1.84%
X accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.65%	0.72%
Other expenses	0.02%	0.01%
Ongoing charges figure	1.77%	1.83%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail accumulation	202.5	379,172,308	767,640,397
31 March 2013	Retail accumulation	227.7	415,377,539	945,804,899
	X accumulation*	163.4	933,777	1,526,184
31 March 2014	Retail accumulation	241.0	390,959,850	942,356,812
	X accumulation	173.1	2,629,687	4,550,706

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail accumulation	181.5	136.3	1.7904
2010	Retail accumulation	198.3	175.7	2.5275
2011	Retail accumulation	203.7	181.3	2.4828
2012	Retail accumulation	212.6	192.7	2.1665
	X accumulation*	152.6	149.9	0.1239
2013	Retail accumulation	241.0	212.4	2.7734
	X accumulation	173.0	152.5	1.9754
2014**	Retail accumulation	244.5	236.3	0.8731
2014**	X accumulation	175.5	169.6	0.6630

* The X accumulation share class commenced on 28 November 2012.

** To 31 March 2014.

Santander Max 100% Shares Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of growth by investing in companies around the world and across a variety of sectors.

Investment Policy and Strategy

This objective can be achieved directly or through investment in collective investment schemes. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

Derivatives were used during this review period for the purpose of efficient portfolio management. The sub-fund holds no derivatives which could impact the value of the sub-fund significantly. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	99.87	100.28
Net other assets	<u>0.13</u>	<u>(0.28)</u>
Total net assets	100.00	100.00

Major Holdings

The top 10 holdings at the end of this period and the previous period are shown below.

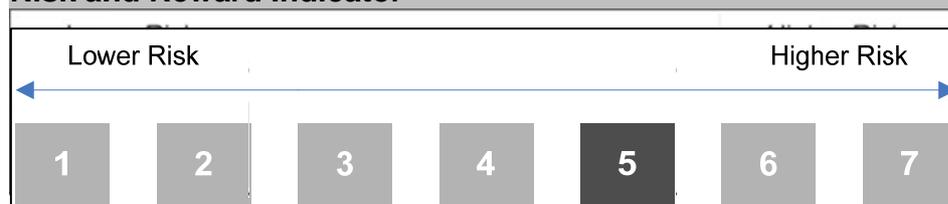
Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
AXA Rosenberg US Enhanced Index Equity Alpha Fund	9.73	Santander UK Growth Unit Trust	8.83
JPMorgan US Select Equity Fund C	9.49	JPMorgan US Select Equity Fund C	7.49
Goldman Sachs US Core Equity Portfolio	9.48	BlackRock European Dynamic Fund A	7.47
Santander Euro Equity Class IKP	8.43	Santander Euro Equity Class IKP	6.28
BlackRock European Dynamic Fund A	7.26	Jupiter Japan Income Fund	5.46
Brown Advisory American Fund	6.53	BlackRock UK Equity Fund A	4.79
Nomura Funds Ireland – Japan Strategic Value Fund	6.53	Nomura Funds Ireland – Japan Strategic Value Fund	4.77
Robeco US Large Cap Equities	6.45	Aberdeen Global Asia Pacific Equity Fund	4.46
db x-trackers – MSCI USA	5.43	Amundi Funds – Equity Emerging World Fund	4.15
Alliance Bernstein Select US Equity Portfolio	3.54	Investec Asian Pacific Equity Fund	3.90

Santander Max 100% Shares Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Max 100% Shares Portfolio Retail Acc	6.86%
IMA Global	7.10%
25% FTSE All Share TR/25% FT World Europe ex UK/10% FT World Japan/20% FT World USA/ 10% FT All World Asia Pacific ex Japan/ 6% MSCI Daily TR Net Emerging Markets (GBP)	6.28%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Overall, the sub-fund delivered 6.86% over the period under review, outperforming the composite benchmark (25% FTSE All Share TR/7.5% FT World Europe ex UK/10% FT World Japan/20% FT World USA/10% FT All World Asia Pacific ex Japan/6% MSCI Daily TR Net Emerging Markets (GBP)), which delivered 6.28% over the same period.

Market Review

Throughout the period under review, global equity markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. This uncertainty surrounding possible implications of tapering decisions also caused Emerging Markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity markets benefited.

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

Santander Max 100% Shares Portfolio

Fund Performance (continued)

Market Review (continued)

The new year began with a minor sell-off in equity markets, as investors looked to take profit from the strong December performances of developed equities. Uncertainty over the stability of the Chinese financial system added to concerns regarding inflation levels of Emerging Markets.

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer assets.

Initially, the fluctuating economic data and mixed signals from Central Banks caused uncertainty within equity markets and investors looked to take profits as a result. However, investors' risk appetite was restored as developed economies regained support from Central Banks, helping the Santander Max 100% Shares Portfolio to outperform its benchmark. The usual correlation between equity markets and bond markets continued throughout this period. Typically, when equity markets benefited, bond markets struggled.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors). We continue to be cautious on Emerging Markets as this region faces a number of challenges, such as the potential implications caused by a restructuring of China's economic system, sensitivity towards any further tapering in the developed world and ongoing currency, growth and inflation concerns.

We are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	31 May / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 0.3115p per share will be reinvested on behalf of Retail accumulation shareholders and a final distribution of 0.3857p per share will be reinvested on behalf of X accumulation shareholders.

Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in Collective Investment Schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in Collective Investment Schemes.

Santander Max 100% Shares Portfolio

Summary of Accounts (continued)

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.74%	0.79%
Other expenses	0.03%	0.02%
Ongoing charges figure	1.87%	1.91%
X accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.74%	0.79%
Other expenses	0.03%	0.01%
Ongoing charges figure	1.87%	1.90%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail accumulation	208.9	119,373,670	249,384,889
31 March 2013	Retail accumulation	237.6	112,922,311	268,356,222
	X accumulation*	170.6	33,085	56,443
31 March 2014	Retail accumulation	254.5	105,210,957	267,762,664
	X accumulation	182.7	59,255	108,274

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail accumulation	196.2	128.8	0.3833
2010	Retail accumulation	219.0	181.0	0.7793
2011	Retail accumulation	224.2	180.0	0.8250
2012	Retail accumulation	214.9	190.6	1.0237
2012	X accumulation*	154.3	150.3	n/a
2013	Retail accumulation	256.9	214.5	1.2139
2013	X accumulation	184.4	154.0	0.6204
2013***	Retail accumulation	258.4	244.8	0.3115
2013***	X accumulation	185.6	175.8	0.3857

* The X accumulation share class commenced on 28 November 2012.

** To 31 March 2014.

Santander Atlas Portfolio 6

Fund Facts

Investment Objective

The sub-fund's investment objective is to increase the value of investment through a combination of income and capital growth. The ACD will achieve this whilst targeting a moderate to higher level of volatility over the longer term.

Investment Policy and Strategy

The sub-fund invests in regulated collective investment schemes, as well as cash. These schemes (the 'underlying funds') are selected according to our assessment of the performance and risk characteristics of the sub-fund, the underlying fund manager's investment process, and the strength of the management team.

The underlying funds predominantly invest in global equities and bonds, generally with higher exposure to equities. In addition underlying funds may be selected which invest in commercial property and commodities. Underlying funds may also be selected which aim to generate returns that are specified in fixed percentage terms, or which have return targets relative to cash. Funds that are managed passively (for example to track a particular stock market index) may also be selected.

Derivatives were used during this review period for the purpose of efficient portfolio management. The sub-fund holds no derivatives which could impact the value of the sub-fund significantly. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Collective Investment Schemes	91.49	99.37
Futures	0.02	0.00
Net other assets	<u>8.49</u>	<u>0.63</u>
Total net assets	100.00	100.00

Major Holdings

The top 10 holdings at the end of this period and the previous period are shown below.

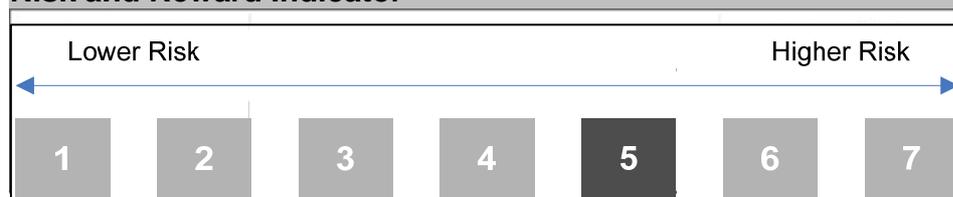
Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
Royal London UK All Share Tracker Fund	8.39	Santander UK Growth Unit Trust	12.45
Schroder UK Opportunities Z	7.82	BlackRock European Dynamic Fund A	6.63
Kames UK Equity Fund B	7.20	JPMorgan US Select Equity Fund C	6.57
Henderson – UK Absolute Return	5.99	Jupiter Japan Income Fund	6.40
BNY Mellon Absolute Return Equity Fund	5.86	Fidelity European Fund	5.98
BlackRock North American Equity Tracker Fund	5.84	Nomura Funds Ireland – Japan Strategic Value Fund	5.85
Vanguard Japan Stock Index Fund	5.55	BlackRock UK Equity Fund A	5.08
Nomura Funds Ireland – Japan Strategic Value Fund	5.32	Cazenove UK Opportunities	4.17
BlackRock Emerging Markets Equity Tracker Fund	5.23	Threadneedle UK Equity Income Fund	4.00
Brown Advisory American Fund	5.22	Santander Euro Equity Class IKP	3.85

Santander Atlas Portfolio 6 (continued)

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists of collective investment schemes which may have exposure to foreign exchange movements and changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Atlas Portfolio 6 FOF Ret Acc	6.04%
32% FTSE All-Share TR/8% MSCI Europe ex UK TR /13% S&P 500 TR /8% Topix TR/8% MSCI AC Asia Pacific ex Japan TR /11% MSCI EM (Emerging Markets) TR /7% Markit iBoxx Sterling Non Gilts Overall TR/13% LIBOR Overnight Rate	4.16%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Overall, the sub-fund's return was positive over the period under review, delivering 6.04% and outperforming the sub-fund's composite benchmark (32% FTSE All-Share TR/8% MSCI Europe ex UK TR/13% S&P 500 TR/8% MSCI AC Asia Pacific ex Japan TR/11% MSCI EM (Emerging Markets) TR/7% Markit iBoxx Sterling Non Gilts Overall TR/13% LIBOR Overnight Rate), which delivered 4.16% over the same period.

Market Review

Throughout the period under review, global equity markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. This uncertainty surrounding possible implications of tapering decisions also caused Emerging Markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity markets benefited.

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

Santander Atlas Portfolio 6 (continued)

Fund Performance (continued)

Market Review (continued)

2014 began with a minor sell-off in equity markets, as investors looked to take profit from the strong December performances of developed equities. Uncertainty over the stability of the Chinese financial system added to concerns regarding inflation levels of Emerging Markets.

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer assets.

Initially, the fluctuating economic data and mixed signals from Central Banks caused uncertainty within equity markets and investors looked to take profits as a result. However, investors' risk appetite was restored as developed economies regained support from Central Banks, helping the Santander Atlas 6 Portfolio to outperform its benchmark. The usual correlation between equity markets and bond markets continued throughout this period. Typically, when equity markets benefited, bond markets struggled.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors). We continue to be cautious on Emerging Markets as this region faces a number of challenges, such as the potential implications caused by a restructuring of China's economic system, sensitivity towards any further tapering in the developed world and ongoing currency, growth and inflation concerns.

We are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	31 May / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 0.1349p per share will be re-invested on behalf of Retail accumulation shareholders, 0.1073p per share will be re-invested on behalf of X accumulation shareholders and 0.5773p per share will be re-invested on behalf of Institutional accumulation shareholders.

Ongoing Charges Figure (OCF)

OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

The sub-fund has invested primarily in collective investment schemes and the fees incurred by the schemes in relation to the sub-fund are disclosed in the following table as synthetic OCF. The synthetic OCF includes percentage rebates from holdings in collective investment schemes.

Santander Atlas Portfolio 6 (continued)

Summary of Accounts (continued)

Ongoing Charges Figure (OCF)

Expense Type	2014	2013
Retail accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.51%	0.77%
Other expenses	0.03%	0.02%
Ongoing charges figure	1.64%	1.89%
X accumulation		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.51%	0.77%
Other expenses	0.03%	0.01%
Ongoing charges figure	1.64%	1.88%
Institutional accumulation		
ACD's periodic charge	0.40%	n/a
Synthetic OCF	0.51%	n/a
Other expenses	0.02%	n/a
Ongoing charges figure	0.93%	n/a

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail accumulation	209.2	104,784,200	219,206,639
31 March 2013	Retail accumulation	238.4	108,714,354	259,148,920
	X accumulation*	170.2	151,402	257,638
31 March 2014	Retail accumulation	251.5	102,449,395	257,659,626
	X accumulation	179.5	161,771	290,432
	Institutional accumulation**	152.7	15,404	23,527

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009	Retail accumulation	195.3	129.5	0.2558
2010	Retail accumulation	217.6	179.9	0.9797
2011	Retail accumulation	222.6	181.7	0.9850
2012	Retail accumulation	215.5	192.0	1.3134
	X accumulation*	153.9	149.8	n/a
2013	Retail accumulation	256.3	215.0	1.6279
	X accumulation	183.0	153.5	0.9019
	Institutional accumulation**	155.4	148.8	n/a
2014***	Retail accumulation	256.6	244.5	0.1349
	X accumulation	183.2	174.6	0.1073
	Institutional accumulation	155.8	148.5	0.5773

* The X accumulation share class commenced on 28 November 2012.

** The Institutional accumulation share class commenced on 1 October 2013.

*** To 31 March 2014

Santander Enhanced Income Portfolio

Fund Facts

Investment Objective

The aim of the sub-fund is to provide investors with enhanced income returns, and holdings are likely to include but are not limited to UK shares, sale of covered options, UK Fixed Interest Securities (from time to time) and cash deposits.

Investment Policy and Strategy

This objective can be achieved directly or through investment in collective investment schemes. Investment will also be made in other permitted assets, including but not limited to fixed interest investments, warrants and derivatives in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), the Instrument of Incorporation and the Prospectus. The portion of the assets under the management of each investment adviser is chosen by the Authorised Corporate Director (ACD) and varies at the ACD's discretion. The portfolio remains fully invested.

The sub-fund uses a 'covered call option strategy' to help achieve an enhanced level of revenue. With this strategy, by selling call options, the investment adviser in effect sells some of the potential future capital growth in some of the shares in exchange for an immediate lump sum. In doing this the investment adviser takes on the risk that some capital appreciation may be given up on the portfolio in exchange for an enhanced level of revenue. The sub-fund receives a payment in exchange for taking this risk, hence increasing the revenue beyond the normal dividends received from the shares. Only some of the potential growth is sold in this way, and therefore the sub-fund can still enjoy some capital growth. Additionally for some shares the strategy will not be adopted. This flexibility combined with the ability to invest in corporate bonds ensures that the Investment Adviser is able to adopt the strategy that is most efficient given market conditions at that time.

Derivatives were used during this review period for the purpose of efficient portfolio management. The sub-fund holds no derivatives which could impact the value of the sub-fund significantly. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

The base currency of the sub-fund is Sterling.

Investment Adviser

Santander Asset Management UK Limited.

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/03/14	% of total net assets as at 31/03/13
Fixed Interest Investments:		
A to A-*	1.10	3.23
BBB+ to BBB*	2.29	0.89
Below BBB to unrated*	<u>2.74</u>	<u>4.35</u>
Total fixed interest investments	6.13	8.47
Equities	91.10	89.40
Written call options	(0.01)	(0.05)
Net other assets	<u>2.78</u>	<u>2.18</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

* Disclosed by rating: Source S&P / Moody's

Santander Enhanced Income Portfolio

Fund Profile (continued)

Major Holdings

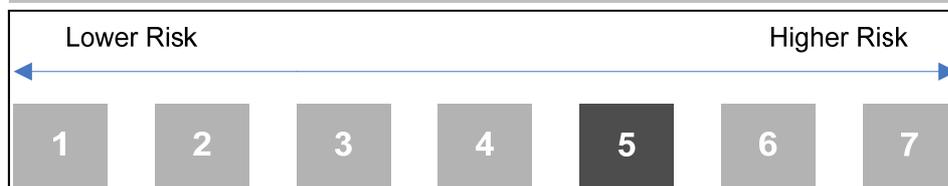
The top 10 holdings at the end of this period and the previous period are shown below.

Holding	% of net assets as at 31/03/14	Holding	% of net assets as at 31/03/13
Royal Dutch Shell B	7.22	GlaxoSmithKline	6.42
HSBC Holdings	6.83	Royal Dutch Shell B	5.97
BP	6.42	BP	5.91
British American Tobacco	6.37	Vodafone Group	4.60
GlaxoSmithKline	6.37	British American Tobacco	3.85
Vodafone Group	3.39	HSBC Holdings	3.70
Total	3.29	AstraZeneca	3.29
National Grid	2.72	Roche Holdings	2.36
AstraZeneca	2.45	Aviva	2.32
Roche Holdings	1.95	BG Group	2.28

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. The sub-fund's portfolio consists predominantly of directly held investments. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. During the period under review the sub-fund had no material exposure to currency or interest rate risks. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the sub-fund.

The lowest risk and reward indicator does not mean risk free.

The risk and reward indicator shown is not guaranteed and may change over time.

Fund Performance

Performance Review

Percentage Price Change from 28 March 2013 to 31 March 2014	
Santander Enhanced Income Portfolio Ret Inc	9.52%
IMA UK Equity Income	12.64%
FTSE All Share TR	8.81%

Source: Lipper, bid to bid net revenue reinvested, net of fees.

Past performance is not a guarantee of future returns. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Overall, the sub-fund delivered 9.52% over the period under review, outperforming the composite benchmark (FTSE All-Share TR), which delivered 8.81% over the same period.

Santander Enhanced Income Portfolio

Fund Performance (continued)

Market Review

Throughout the period under review, global equity markets fluctuated as a combination of macroeconomic factors and geo-political tensions regarding Syria and the unrest between Ukraine and Russia influenced investors' risk appetite.

In early 2013, global markets were affected by the US Federal Reserve (Fed) hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing, which subsequently led to a sell-off in equity markets. This uncertainty surrounding possible implications of tapering decisions also caused Emerging Markets to lag. The eventual decision from the Fed to begin tapering in December led to further underperformances from Emerging Markets, whilst developed equity markets benefited.

European markets delivered positive returns as it was confirmed that the Eurozone had left recession during the third quarter of 2013. The UK also experienced market growth as strong housing and manufacturing data was recorded. The UK Government increased the growth forecast for 2014 as a result.

The new year began with a minor sell-off in equity markets, as investors looked to take profit from the strong December performances of developed equities. Uncertainty over the stability of the Chinese financial system added to concerns regarding inflation levels of Emerging Markets.

Towards the end of the period, tensions between Ukraine and Russia escalated to violence, which led to developed markets benefiting at the expense of Emerging Markets as investors moved towards traditionally safer assets.

Initially, the fluctuating economic data and mixed signals from Central Banks caused uncertainty within equity markets and investors looked to take profits as a result. However, investors' risk appetite was restored as developed economies regained support from Central Banks, helping the Santander Enhanced Income Portfolio to outperform its benchmark. The usual correlation between equity markets and bond markets continued throughout this period. Typically, when equity markets benefited, bond markets struggled.

Investment Outlook

Looking ahead, longer term challenges are likely to continue, with debt in the western world remaining (particularly in banking and government sectors).

We are still cautiously optimistic that the remainder of 2014 will be relatively healthy for the global economy because the US and Europe have showed continued signs of positive economic data. Central Banks also look set to continue their support for financial markets.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
31 March / 30 September	28 February / 31 May / 31 August / 30 November

Distribution Statement

On 31 May 2014 a final distribution of 3.0723p per share will be paid to Retail income shareholders, 4.1213p per share will be paid to Institutional income shareholders and 3.3176p per share will be paid to X income shareholders.

Santander Enhanced Income Portfolio

Summary of Accounts (continued)

Ongoing Charges Figure (OCF)

OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge, but also includes the costs for other services paid in respect of Depository, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2014	2013
Retail income		
ACD's periodic charge	1.65%	1.65%
Other expenses	0.05%	0.05%
Ongoing Charges Figure	1.70%	1.70%
Retail accumulation *		
ACD's periodic charge	n/a	1.65%
Other expenses	n/a	0.04%
Ongoing Charges Figure	n/a	1.69%
Institutional income		
ACD's periodic charge	0.75%	0.75%
Other expenses	0.05%	0.05%
Ongoing Charges Figure	0.80%	0.80%
Institutional accumulation **		
ACD's periodic charge	n/a	0.35%
Other expenses	n/a	0.02%
Ongoing Charges Figure	n/a	0.37%
X income		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.05%	0.02%
Ongoing Charges Figure	1.05%	1.02%

* The Retail accumulation share class closed on 20 March 2013.

** The Institutional accumulation share class closed on 26 September 2012.

Santander Enhanced Income Portfolio

Summary of Accounts (continued)

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2012	Retail income	183.0	23,288,622	42,626,628
	Retail accumulation	218.6	22,748	49,718
	Institutional income	187.5	8,454,566	15,849,459
	Institutional accumulation**	102.4	6,667	6,824
	X income***	n/a	n/a	n/a
31 March 2013	Retail income	195.5	25,632,511	50,105,205
	Retail accumulation****	n/a	n/a	n/a
	Institutional income	202.0	7,275,859	14,700,065
	X income	163.2	6,667	10,880
31 March 2014	Retail income	201.6	23,812,644	48,015,824
	Institutional income	210.3	5,893,630	12,394,650
	X income	169.6	6,667	11,304

Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2009*	Retail income	195.4	148.0	6.7500
2009*	Retail accumulation	200.4	148.0	6.7500
2009*	Institutional income	196.6	148.0	6.7500
2009*	Institutional accumulation	202.1	148.0	6.7500
2010	Retail income	203.9	172.8	11.5253
2010	Retail accumulation	218.1	184.7	11.6737
2010	Institutional income	205.6	174.7	11.5691
2010	Institutional accumulation	222.9	187.8	11.7101
2011	Retail income	205.8	167.7	11.9303
2011	Retail accumulation	230.3	193.7	13.9076
2011	Institutional income	209.7	171.3	12.3311
2011	Institutional accumulation	236.6	177.4	7.5752
2012	Retail income	191.5	169.5	11.4775
2012	Retail accumulation	233.2	202.4	13.3226
2012	Institutional income	197.1	174.0	11.7067
2012	Institutional accumulation**	227.4	197.4	n/a
2012	X income***	156.0	151.7	0.5350
2013	Retail income	205.9	187.5	11.8177
2013	Retail accumulation****	251.7	231.1	n/a
2013	Institutional income	213.1	193.4	11.3568
2013	X income	172.0	154.7	9.3262
2014*****	Retail income	206.8	195.3	3.0723
2014*****	Institutional income	216.5	204.3	4.1213
2014*****	X income	174.6	164.7	3.3176

* The sub-fund launched on 1 April 2009.

** The Institutional accumulation share class closed on 26 September 2012.

*** The X income share class commenced on 29 November 2012.

**** The Retail accumulation share class closed on 20 March 2013.

***** To 31 March 2014.

Appointments

Authorised Corporate Director (ACD), Registrar and Investment Adviser

Santander Asset Management UK Limited
287 St Vincent Street
Glasgow, G2 5NB, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Directors

Jeffrey Conrad Scott
Juan Alcaraz Lopez (resigned 6 May 2014)
Javier Marin Romano (resigned 30 May 2013)
Rami Aboukhair Hurtado (resigned 1 November 2013)
Robert David Askham
David William Stewart
Gail Elizabeth Glen (appointed 6 June 2013)
Lorna Taylor (appointed 14 June 2013)
Jorge de la Vega (appointed 16 October 2013, resigned 30 April 2014)
Stephen James Pateman (appointed 1 November 2013)

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Independent Auditor

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Chartered Accountants and Statutory Auditor
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