

Santander Premium Fund

Final Short Report
for the year ended 31 October 2013

This document contains the Short Report of the sub-funds of the Santander Premium Fund for the year ended 31 October 2013.

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Santander Premium Fund (the Company) is an open-ended investment company with variable capital, incorporated in the United Kingdom 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 Santander Asset Management UK Holdings Limited.

The fees payable to the Investment Adviser are included within the ACD's periodic charge.

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. 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.

UK Equities

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in UK equities.

Investment Policy and Strategy

Throughout the period the underlying assets of the sub-fund were managed by BlackRock Investment Management, Kames Capital, Santander Asset Management UK and State Street Global Advisors. 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 remained fully invested.

During the period under review the ACD monitored the investment activities of the appointed investment advisers to ensure consistent application of investment techniques, processes and compliance with the terms of their Investment Management Agreement.

Derivatives were used during this review period for the purpose of securing 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.

Investment Advisers

BlackRock Investment Management Limited
Kames Capital Plc
Santander Asset Management UK Limited
State Street Global Advisors Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
Basic Materials	8.00	8.49
Consumer Goods	11.94	13.56
Consumer Services	13.11	11.12
Financials	22.39	16.88
Health Care	5.79	6.50
Industrials	5.50	5.89
Oil & Gas	13.00	16.20
Technology	1.00	1.36
Telecommunications	6.95	6.43
Utilities	<u>2.77</u>	<u>3.15</u>
Total Equities	90.45	89.58
Collective Investment Schemes	8.87	8.83
Net other assets	<u>0.68</u>	<u>1.59</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

UK Equities

Fund Profile (continued)

Major Holdings

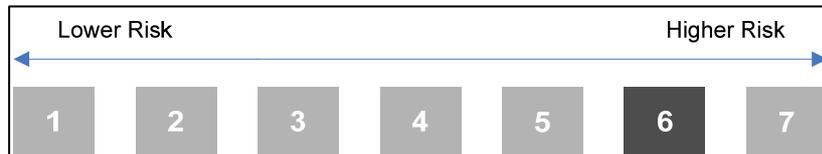
The top 10 holdings at the end of this period and the previous period are shown below.

Holding	% of sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
HSBC Holdings	5.88	Vodafone Group	5.47
Vodafone Group	5.27	HSBC Holdings	5.36
BP	4.65	GlaxoSmithKline	4.90
GlaxoSmithKline	4.19	BlackRock UK Equity 'I'	4.86
Cazenove UK Opportunities	3.55	BP	4.76
Royal Dutch Shell B	3.22	British American Tobacco	4.02
British American Tobacco	3.13	Royal Dutch Shell B	4.00
BlackRock UK Equity Fund A	3.09	M&G Recovery 'A'	3.97
Prudential	2.52	Rio Tinto	3.10
BHP Billiton	2.33	BG Group	2.30

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF UK Equities A	20.06%
FTSE All-Share TR	22.76%

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

Past performance is not a guarantee of future performance. 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 performance of 20.06%, slightly outperformed by the FTSE All-Share TR benchmark which delivered 22.76% over the same period.

Market Review

During the final few months of 2012, UK equity markets delivered positive returns despite emerging concerns regarding inflation rate rising above the Bank of England's 2% target level. Investors' risk appetite improved in the UK to boost the equity markets.

UK Equities

Fund Performance (continued)

Market Review (continued)

The New Year started with optimism for equity markets, driven largely by the progression made by US policy makers on tackling the 'fiscal cliff' and a more stable economic backdrop. This led to significant flows into equities. However, the level of optimism was diminished as a number of European events affected risk appetite; the bailout dilemma in Cyprus, Italy's rejection of the austerity policies demanded by the European Central Bank and International Monetary Fund, and weak manufacturing data in Germany and the UK reignited worries over growth prospects in Europe. Meanwhile, in the UK; the Chancellor of the Exchequer announced a cut to growth forecasts. This was closely followed by the news that the UK economy had contracted in the final quarter of 2012.

During the beginning of summer, concerns emerged after the US Federal Reserve hinted that it would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in equity markets as a wave of uncertainty spread across asset classes.

Uncertainty continued to grow concerning when the US Federal Reserve would alter its monetary policies, and in particular its Quantitative Easing programme. This enabled most equity markets to deliver positive returns. UK equities performed well following improvements in housing and manufacturing data, in addition to this it was revealed that the Eurozone had left recession status during the second quarter. At the end of the period under review, the US Federal Reserve did not announce any changes to its monetary policy, and the US economy remained strong, driven by the Private sector and the housing market.

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, UK equity markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, we remain positive while our investment approach is cautious. Our Fund Managers believe that UK equity markets will continue to make gains over the medium term as the global growth environment has recently improved. Inflationary pressures remain subdued and monetary policy is still very supportive. We anticipate that developed markets (US, UK, Japan, Europe) will continue to outperform developing markets (such as Asia) in the shorter term. This is expected because the latter are currently going through a challenging phase, especially from a growth/inflation perspective, and will therefore be more sensitive.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 3.0553p per share will be reinvested on behalf of Sterling Accumulation A 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 Depositary, custody, publication, FCA, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.02%	0.01%
Ongoing Charges Figure (OCF)	1.02%	1.01%

UK Equities

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 October 2011	Sterling Accumulation A	198.4	299,364,788	594,003,377
31 October 2012	Sterling Accumulation A	212.2	267,957,666	568,704,695
31 October 2013	Sterling Accumulation A	254.8	236,479,649	602,516,149

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	205.2	121.6	5.0226
	Sterling Accumulation B	205.2	122.1	51.0699
2009	Sterling Accumulation A	178.9	118.1	4.2640
	Sterling Accumulation B	179.3	118.6	4.3810
2010	Sterling Accumulation A	209.3	166.3	3.6586
	Sterling Accumulation B*	195.0	168.1	2.0152
2011	Sterling Accumulation A	215.7	174.0	4.1861
2012	Sterling Accumulation A	216.6	191.7	5.6554
2013 **	Sterling Accumulation A	256.7	214.7	5.9445

* Sterling Accumulation B Shares closed on 22 June 2010.

** To 31 October 2013.

Europe (excluding UK) Equities

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in Europe (excluding UK) equities, with the appointment of sub-fund advisers, and the selection of securities to achieve high risk-adjusted returns over the longer term.

Investment Policy and Strategy

Throughout the period the underlying assets of the sub-fund were managed by Santander Asset Management UK, Santander Asset Management (Madrid) and State Street Global Advisors. 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 remained fully invested.

During the period under review the ACD monitored the investment activities of the appointed investment advisers to ensure consistent application of investment techniques, processes, and compliance with the terms of their Investment Management Agreement.

Derivatives were used during this review period for the purpose of securing 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.

Investment Advisers

Santander Asset Management UK Limited
Santander Asset Management (Madrid), S.A.
State Street Global Advisors Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
Austria	1.30	0.58
Belgium	1.61	1.04
Denmark	2.45	4.38
Finland	1.20	1.23
France	19.90	17.91
Germany	18.27	20.76
Greece	0.00	0.11
Ireland	0.52	0.30
Italy	4.50	4.08
Luxembourg	1.17	0.75
Netherlands	8.71	7.10
Norway	2.31	2.08
Portugal	0.00	0.21
Spain	5.92	6.53
Sweden	4.89	5.12
Switzerland	<u>16.80</u>	<u>16.71</u>
Total Equities	89.55	88.89
Collective Investment Schemes	8.58	8.53
Future contracts	0.00	0.00
Net other assets	<u>1.87</u>	<u>2.58</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

Europe (excluding UK) Equities

Fund Profile (continued)

Major Holdings

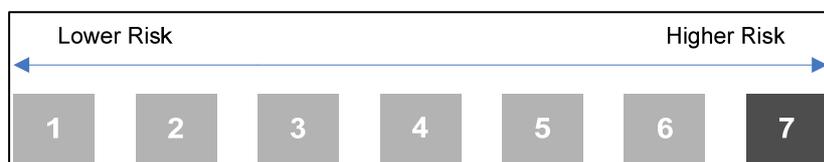
The top 10 holdings at the end of this period and the previous period are shown below.

Holding	% of sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
BlackRock European Dynamic Fund A	8.58	BlackRock European Dynamic Fund A	8.53
Roche Holding	4.10	Roche Holding	4.18
Novartis	2.98	Novo Nordisk	3.07
Total	2.45	Total	2.91
Nestle	2.44	Bayer	2.57
Bayer	2.40	SAP	2.52
ING Groep	2.27	Nestle	2.38
AXA	2.02	ING Groep	2.09
BNP Paribas	1.94	Cie Financiere Richemont	1.97
Siemens	1.69	Novartis	1.93

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF Europe (ex UK) Equities A	34.26%
FTSE World Europe ex UK TR GBP	32.52%

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

Past performance is not a guarantee of future performance. 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.

Over this period of review, the sub-fund recorded positive return of 34.26%. The sub-fund outperformed the FTSE World Europe ex UK TR GBP benchmark which recorded a positive return of 32.52% over the same period.

Market Review

During the final few months of 2012, European equity markets delivered positive returns despite mixed economic data. In China, improvements were seen in industrial production, retail sales and the Manufacturing sector, but the Eurozone itself slipped back into negative growth during the third quarter of 2012. Despite this challenging environment, most European equity markets delivered positive returns at the end of the year, due to an overall improvement in investors' risk appetite.

Europe (excluding UK) Equities

Fund Performance (continued)

Market Review (continued)

The New Year started with optimism for equity markets; leading to significant flows into equities. However, the level of optimism diminished as a number of European events affected risk appetite and increased market volatility. The bailout dilemma in Cyprus, Italy's rejection of the austerity policies demanded by the European Central Bank and International Monetary Fund, and weak manufacturing data in Germany and the UK reignited worries over growth prospects in Europe. These factors triggered a 'risk off' environment in Spring 2013, culminating in concerns at the beginning of summer, that the US Federal Reserve would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in both equity and bond markets as a wave of uncertainty spread across asset classes. Disappointing economic data from China added to market volatility.

However, the US Federal Reserve did not subsequently announce any changes to its monetary policy. This unexpected development, combined with encouraging economic data on industrial production and exports from China, as well as improving trends in Japan, helped the majority of European equity markets deliver positive returns for the third quarter of 2013. European (ex UK) equities delivered strong returns after it was revealed that the Eurozone had left recession in the second quarter. This helped to restore investor's risk appetite and improved the confidence within the market. Geopolitical tensions regarding a US-led military attack on Syria also relaxed towards the end of the summer, reducing the initial impact on global markets.

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, European ex. UK equity markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, we remain positive while our investment approach is cautious. Our Fund Managers believe that the majority of equity markets will continue to make gains over the medium term as the global growth environment has recently improved. Inflationary pressures remain subdued and monetary policy is still very supportive. We anticipate that European markets (along with other developed markets) will continue to outperform developing markets (such as Asia) in the shorter term. This is expected because the latter are currently going through a challenging phase, especially from a growth/inflation perspective, and will therefore be more sensitive.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 1.8265p per share will be reinvested on behalf of Sterling Accumulation A 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 Depositary, custody, publication, FCA, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.05%	0.06%
Ongoing Charges Figure (OCF)	1.05%	1.06%

Europe (excluding UK) Equities

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 October 2011	Sterling Accumulation A	190.9	57,425,124	109,626,112
31 October 2012	Sterling Accumulation A	198.1	52,338,143	103,677,326
31 October 2013	Sterling Accumulation A	265.6	46,298,090	122,976,250

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	227.1	132.3	4.7601
	Sterling Accumulation B	226.5	131.9	4.8013
2009	Sterling Accumulation A	211.8	126.0	4.2515
	Sterling Accumulation B	211.2	125.6	4.2308
2010	Sterling Accumulation A	215.3	175.2	3.5049
	Sterling Accumulation B*	211.0	174.7	1.3155
2011	Sterling Accumulation A	236.2	158.7	4.1602
2012	Sterling Accumulation A	212.1	165.6	3.7224
2013 **	Sterling Accumulation A	269.2	209.7	3.5647

* The Sterling Accumulation B share class closed on 22 June 2010.

** To 31 October 2013.

United States Equities

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in United States equities, with the appointment of sub-fund advisers, and the selection of securities to achieve high risk-adjusted returns over the longer term.

Investment Policy and Strategy

Throughout the period the underlying assets of the sub-fund were managed by Santander Asset Management UK, Goldman Sachs Asset Management International and Deutsche Asset Management UK. 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 remained fully invested.

During the period under review the ACD monitored the investment activities of the appointed investment advisers to ensure consistent application of investment techniques, processes, and compliance with the terms of their Investment Management Agreement.

Derivatives were used during this review period for the purpose of securing 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.

Investment Advisers

Deutsche Asset Management UK Limited
Goldman Sachs Asset Management International
Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
Basic Materials	2.64	2.38
Consumer Goods	13.64	11.19
Consumer Services	11.11	12.49
Financials	14.87	13.89
Health Care	9.19	9.00
Industrials	9.97	9.01
Oil & Gas	8.58	9.84
Technology	14.42	16.63
Telecommunications	2.77	2.41
Utilities	<u>2.26</u>	<u>2.84</u>
Total Equities	89.45	89.68
Collective Investment Scheme	8.70	8.77
Futures	0.00	0.01
Net other assets	<u>1.85</u>	<u>1.54</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

Major Holdings

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

Holding	% of sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
Robeco US Premium Equity Fund IE	8.70	Robeco US Premium Equity Fund IE	8.77
Apple	3.40	Apple	4.61
General Electric	2.59	Exxon Mobil	3.63
Google	2.57	General Electric	2.41
Johnson & Johnson	2.27	Google	2.12
Exxon Mobil	1.70	Johnson & Johnson	1.92
ConocoPhillips	1.70	JPMorgan Chase	1.60
CVS Caremark	1.51	Philip Morris International	1.58
Comcast A Special	1.41	Oracle	1.56
United Parcel Service	1.39	Microsoft	1.54

United States Equities

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF United States Equities A	29.96%
FTSE USA TR GBP	28.05%

Source Lipper - bid to bid, net of fees, net income reinvested.

Past performance is not a guarantee of future performance. 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 performance of 29.96% during this period, outperforming the FTSE USA TR GBP benchmark which delivered 28.05% during the same period.

Market Review

During the final few months of 2012, US equity markets delivered positive returns despite mixed economic data; in China, improvements were seen in industrial production, retail sales and the Manufacturing sector. Whilst in Europe, it was revealed that the Eurozone had slipped back into recession during the third quarter of 2012. Despite this challenging environment, US equity markets delivered positive returns at the end of the year, due to an overall improvement in investors' risk appetite.

The New Year started with optimism for equity markets; leading to significant flows into equities. However, the level of optimism diminished as a number of European events affected risk appetite and increased market volatility. European equity markets struggled as political instability in Italy grew, economic data was weak, and the bailout dilemma in Cyprus continued. UK Equity markets also suffered as the country's credit rating was cut to AA1, growth forecasts were cut, and it was revealed that the UK economy had contracted in the final quarter of 2012. These factors triggered a 'risk off' environment, but despite this, most equity markets still delivered positive returns. US equities were the standout performers, with two major indices (the Dow Jones Industrial Average Index and the S&P 500 Index) ending March at record highs.

During the beginning of summer, concerns emerged after the US Federal Reserve hinted that it would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in equity markets as a wave of uncertainty spread across asset classes. Disappointing economic data from China and also deterioration in the growth/inflation mix for a number of BRIC economies had a predominately negative impact on Pacific equity markets. However, US equities managed to deliver slight gains.

United States Equities

Fund Performance (continued)

Market Review (continued)

The US Federal Reserve did not announce any changes to its monetary policy, and in particular its Quantitative Easing programme. This unexpected development, combined with encouraging economic data on industrial production and exports from China, as well as improving trends in Japan, helped the majority of global equity markets deliver positive returns for the third quarter of 2013. Geopolitical tensions regarding a US-led military attack on Syria also relaxed towards the end of the summer, helping to maintain confidence within US markets. US equity markets were also boosted by the economy remaining strong, driven by the Private sector and the housing market.

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, US equity markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, we remain positive while our investment approach is cautious. Our Fund Managers believe that the majority of equity markets will continue to make gains over the medium term as the global growth environment has recently improved. Inflationary pressures remain subdued and monetary policy is still very supportive. We anticipate that developed markets (US, UK, Japan, Europe) will continue to outperform developing markets (such as Asia) in the shorter term. This is expected because the latter are currently going through a challenging phase, especially from a growth/inflation perspective, and will therefore be more sensitive.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 0.8457p per share will be reinvested on behalf of Sterling Accumulation A 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 Depositary, custody, publication, FCA, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.04%	0.04%
Ongoing Charges Figure (OCF)	1.04%	1.04%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 October 2011	Sterling Accumulation A	144.7	86,277,129	124,833,108
31 October 2012	Sterling Accumulation A	160.7	76,184,888	122,426,255
31 October 2013	Sterling Accumulation A	209.1	65,840,153	137,698,850

United States Equities

Summary of Accounts (continued)

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	130.1	87.38	0.9203
	Sterling Accumulation B	130.2	87.44	0.9364
2009	Sterling Accumulation A	124.9	84.90	1.2125
	Sterling Accumulation B	125.0	84.97	1.1708
2010	Sterling Accumulation A	144.9	118.0	0.8597
	Sterling Accumulation B*	140.3	118.5	0.3876
2011	Sterling Accumulation A	153.2	122.9	0.9356
2012	Sterling Accumulation A	166.4	145.3	1.1081
2013 **	Sterling Accumulation A	211.6	159.2	2.2799

* Sterling Accumulation B share class closed on 22 June 2010.

** To 31 October 2013.

Japan Equities

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in Japanese equities, with the appointment of sub-fund advisers, and the selection of securities to achieve high risk-adjusted returns over the longer term.

Investment Policy and Strategy

Throughout the period the underlying assets of the fund were managed by Amundi Japan, CPR Asset Management, DIAM International Limited and Santander Asset Management UK Limited. The portfolio remained fully invested.

During the period under review the ACD monitored the investment activities of the appointed investment advisers to ensure consistent application of investment techniques, processes, and compliance with the terms of their Investment Management Agreement.

Derivatives were used during this review period in order to secure 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.

Investment Advisers

Amundi Japan Ltd (Appointed 25 July 2013)
 CPR Asset Management S.A. (Resigned 24 July 2013)
 DIAM International Limited (Resigned 21 December 2012)
 Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
Basic Materials	3.50	4.86
Consumer Goods	19.98	14.27
Consumer Services	15.02	14.66
Financials	17.40	15.32
Health Care	5.52	4.87
Industrials	17.12	22.51
Oil & Gas	0.88	1.33
Technology	3.85	5.43
Telecommunications	4.30	3.19
Utilities	<u>2.45</u>	<u>1.27</u>
Total Equities	90.02	87.71
Collective Investment Scheme	8.49	8.59
Future contracts	0.00	0.01
Net other assets	<u>1.49</u>	<u>3.69</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

Major Holdings

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

Holding	% of sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
Jupiter Japan Income Fund	8.49	Jupiter Japan Income Fund	8.59
Toyota Motor	5.26	Toyota Motor	3.11
Mitsubishi UFJ Financial Group	2.67	Mitsubishi UFJ Financial Group	2.82
Softbank	2.26	Sumitomo Mitsui Financial Group	2.32
Sumitomo Mitsui Financial Group	2.12	Hondo Motor	1.74
Hondo Motor	1.95	Hitachi	1.73
Mizuho Financial Group	1.91	Softbank	1.51
Central Japan Railway	1.50	Mizuho Financial Group	1.51
Japan Tobacco	1.39	Komatsu	1.49
East Japan Railway	1.37	Mitsui	1.45

Japan Equities

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF Japan Equities A	31.13%
FTSE Japan TR GBP	34.62%

Source Lipper - bid to bid, net of fees, net income reinvested.

Past performance is not a guarantee of future performance. 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 recorded a positive return of 31.13% during this period of review. The sub-fund's benchmark; FTSE Japan TR GBP delivered a slightly higher return of 34.62%.

Market Review

During the final few months of 2012, Japanese equity markets delivered positive returns despite mixed economic data; the Eurozone had slipped back into recession during the third quarter of 2012. Whilst in China, improvements were seen in industrial production, retail sales and the Manufacturing sector. Japanese equity markets in particular benefited well from the improved Chinese economic data. Despite the challenging environment, Japanese equity markets delivered positive returns at the end of the year, due to an overall improvement in investors' risk appetite.

The New Year started with optimism for equity markets; leading to significant flows into equities. Renewed economic instability throughout Europe caused a 'risk-off' environment. However, Japanese equity markets still delivered positive returns. Japanese equities in particular produced a strong performance, finding support from the nation's highly accommodative policy environment.

During the beginning of summer, concerns emerged after the US Federal Reserve hinted that it would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in equity markets as a wave of uncertainty spread across asset classes. Japanese markets also became particularly volatile following relatively disappointing Chinese economic data and also deterioration in the growth/inflation mix for a number of BRIC economies. However, Japanese equity markets proved resilient as they delivered slight gains.

Japan Equities

Fund Performance (continued)

Market Review (continued)

The US Federal Reserve did not announce any changes to its monetary policy, and in particular its Quantitative Easing programme. This unexpected development, combined with encouraging economic data on industrial production and exports from China, as well as improving economic trends in Japan, helped the majority of global equity markets deliver positive returns for the third quarter of 2013. Geopolitical tensions regarding a US-led military attack on Syria also relaxed towards the end of the summer, reducing the initial impact on global markets. Japan's bid to host the 2020 Olympic Games was successful and Japanese equity markets reflected this by performing well soon after as investors saw opportunities.

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, Japanese equity markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, we remain positive while our investment approach is cautious. Our Fund Managers believe that the majority of equity markets will continue to make gains over the medium term as the global growth environment has recently improved. Inflationary pressures remain subdued and monetary policy is still very supportive. We anticipate that Japanese markets (along with other developed markets) will continue to outperform developing markets (such as Asia) in the shorter term. This is expected because the latter are currently going through a challenging phase, especially from a growth/inflation perspective, and will therefore be more sensitive.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 0.9006p per share will be reinvested on behalf of Sterling Accumulation A 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 annual charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.06%	0.04%
Ongoing Charges Figure (OCF)	1.06%	1.04%
Sterling Accumulation D		
ACD's periodic charge	n/a	0.75%
Other expenses	n/a	0.04%
Ongoing Charges Figure (OCF)	n/a	0.79%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 October 2011	Sterling Accumulation A	114.6	47,707,526	54,668,362
	Sterling Accumulation D	118.1	65,247,431	77,052,743
31 October 2012	Sterling Accumulation A	105.9	43,453,106	46,009,811
	Sterling Accumulation D**	109.4	57,605,392	63,015,651
31 October 2013	Sterling Accumulation A	138.7	39,080,447	54,222,625

Japan Equities

Summary of Accounts (continued)

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	133.2	87.60	0.9948
	Sterling Accumulation B	133.5	87.70	2.1146
	Sterling Accumulation D	136.0	89.60	1.6198
2009	Sterling Accumulation A	114.5	88.30	0.6414
	Sterling Accumulation B	114.7	88.50	0.6664
	Sterling Accumulation D	117.5	90.50	0.8369
2010	Sterling Accumulation A	132.5	110.2	0.7628
	Sterling Accumulation B*	127.6	110.6	0.4099
	Sterling Accumulation D	136.3	113.3	1.0798
2011	Sterling Accumulation A	135.0	108.9	1.0621
	Sterling Accumulation D	139.0	112.1	1.3416
2012	Sterling Accumulation A	122.3	104.3	1.3460
	Sterling Accumulation D	191.7	107.7	1.6863
2013 ***	Sterling Accumulation A	150.7	111.9	1.2348
	Sterling Accumulation D**	167.8	124.5	n/a

* Sterling Accumulation B share class closed on 22 June 2010.

** The Sterling Accumulation D share class closed on 23rd October 2013.

*** To 31 October 2013.

Pacific Basin (excluding Japan) Equities

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in Pacific Basin (excluding Japan) equities, with the appointment of sub-fund advisers, and the selection of securities to achieve high risk-adjusted returns over the longer term.

Investment Policy and Strategy

Throughout the period the underlying assets of the sub-fund were managed by RCM (UK) Limited and Santander Asset Management UK. The portfolio remained fully invested.

During the period under review the ACD monitored the investment activities of the appointed investment adviser to ensure consistent application of investment techniques, processes, and compliance with the terms of their Investment Management Agreement.

Investment Adviser

RCM (UK) Limited
Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
Australia	19.08	17.72
China	8.47	8.67
Hong Kong	22.82	22.64
India	5.34	7.55
Indonesia	2.26	2.57
Malaysia	1.81	2.52
Singapore	3.39	4.02
South Korea	14.74	13.69
Taiwan	9.21	8.67
Thailand	<u>2.79</u>	<u>2.32</u>
Total Equities	89.91	90.37
Collectives	8.52	8.85
Net other assets	<u>1.57</u>	<u>0.78</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 sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
Aberdeen Global Asia Pacific Equity Fund	8.52	Aberdeen Global Asia Pacific Equity Fund	8.85
Australia & New Zealand Banking Group	5.42	Samsung Electronics	5.61
BHP Billiton	4.28	Australia & New Zealand Banking Group	4.58
Taiwan Semiconductor Manufacturing	3.45	BHP Billiton	3.92
Suncorp Group	3.40	CNOOC	2.71
Sands China	3.32	Taiwan Semiconductor Manufacturing	2.67
AIA Group	3.22	Telstra	2.45
Bank of Queensland	2.62	AIA Group	2.34
Samsung Electronics	2.25	China Construction Bank	2.29
China Mobile	2.22	China Mobile	2.21

Pacific Basin (excluding Japan) Equities

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF Pacific (ex Japan) Equities A	11.95%
FTSE AW Asia Pacific ex Japan TR GBP	11.87%

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

Past performance is not a guarantee of future performance. 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.

During the period under review, the sub-fund recorded positive returns of 11.95%. The sub-fund outperformed its benchmark; FTSE AW Asia Pacific ex Japan TR GBP, which delivered a slightly lower return of 11.87% during the same period.

Market Review

During the final few months of 2012, Pacific (ex Japan) equity markets delivered positive returns despite news that the Eurozone had slipped back into recession during the third quarter of 2012. Whilst in China, improvements were seen in industrial production, retail sales and the Manufacturing sector. Pacific equity markets in particular benefited well from the improved Chinese economic data.

The New Year started with optimism for equity markets; leading to significant flows into equities. European and UK equity markets struggled due to political and economic issues. These factors triggered a 'risk off' environment at the end of the period under review, but despite this, most equity markets still delivered positive returns. Pacific equities in particular produced a strong performance, finding support from the region's highly accommodative policy environment and thriving on the strong Chinese economy.

During the beginning of summer, concerns emerged after the US Federal Reserve hinted that it would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in equity markets as a wave of uncertainty spread across asset classes. Pacific ex. Japan markets also became particularly volatile following relatively disappointing Chinese economic data and also deterioration in the growth/inflation mix for a number of BRIC economies.

Pacific Basin (excluding Japan) Equities

Fund Performance (continued)

Market Review (continued)

The US Federal Reserve did not announce any changes to its monetary policy, and in particular its Quantitative Easing programme. This unexpected development, combined with encouraging economic data on industrial production and exports from China, helped the majority of Pacific ex. UK equity markets deliver positive returns for the third quarter of 2013. Geopolitical tensions regarding a US-led military attack on Syria also relaxed towards the end of the summer, reducing the initial impact on global markets.

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, Pacific ex. Japan equity markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, we remain positive while our investment approach is cautious. Our Fund Managers believe that the majority of equity markets will continue to make gains over the medium term as the global growth environment has recently improved. Inflationary pressures remain subdued and monetary policy is still very supportive. We anticipate that developing markets (such as Asia) will continue to be outperformed by developed markets (US, UK, Japan, Europe) in the shorter term. This is expected because the latter are currently going through a challenging phase, especially from a growth/inflation perspective, and will therefore be more sensitive.

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 5.5958p per share will be reinvested on behalf of Sterling Accumulation A shareholders and 5.3674p per share on behalf of Sterling Accumulation B 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 Depositary, custody, publication, FCA, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.17%	0.07%
Ongoing Charges Figure (OCF)	1.17%	1.07%
Sterling Accumulation B		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.17%	0.07%
Ongoing Charges Figure (OCF)	1.17%	1.07%
Sterling Accumulation D *		
ACD's periodic charge	n/a	0.75%
Other expenses	n/a	0.05%
Ongoing Charges Figure (OCF)	n/a	0.80%

*The Sterling Accumulation D Share class closed on 23rd October 2013.

Pacific Basin (excluding Japan) Equities

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 October 2011	Sterling Accumulation A	426.0	10,242,399	43,632,624
	Sterling Accumulation B	425.4	95,539	406,456
	Sterling Accumulation D	437.6	23,856,439	104,386,027
31 October 2012	Sterling Accumulation A	433.8	9,082,730	39,396,733
	Sterling Accumulation B	433.2	91,974	398,405
	Sterling Accumulation D	446.7	21,657,618	96,736,824
31 October 2013	Sterling Accumulation A	485.5	8,067,408	39,163,618
	Sterling Accumulation B	484.8	91,974	445,891
	Sterling Accumulation D*	n/a	n/a	n/a

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	407.8	208.6	4.6171
	Sterling Accumulation B	408.1	208.7	5.4905
	Sterling Accumulation D	415.7	213.4	7.4438
2009	Sterling Accumulation A	390.8	236.6	6.2449
	Sterling Accumulation B	391.1	236.7	6.0876
	Sterling Accumulation D	400.8	242.2	6.6334
2010	Sterling Accumulation A	485.4	356.4	6.2192
	Sterling Accumulation B	484.8	356.6	6.2267
	Sterling Accumulation D	497.6	365.6	5.4420
2011	Sterling Accumulation A	490.5	372.3	6.6374
	Sterling Accumulation B	489.9	371.8	6.5756
	Sterling Accumulation D	502.9	382.4	7.2459
2012	Sterling Accumulation A	457.9	391.7	6.3707
	Sterling Accumulation B	457.3	391.2	6.3361
	Sterling Accumulation D	471.8	403.0	8.0428
2013 **	Sterling Accumulation A	509.1	432.2	6.5161
	Sterling Accumulation B	508.5	431.7	6.2462
	Sterling Accumulation D*	693.6	469.8	n/a

* The Sterling Accumulation D share class closed on 23 October 2013.

** To 31 October 2013.

Sterling Bond

Fund Facts

Investment Objective

The sub-fund's investment objective is to achieve a long term total return of capital appreciation and income receipts from investment primarily in Sterling fixed interest securities, with the appointment of sub-fund advisers, and the selection of securities to achieve high risk-adjusted returns over the longer term.

Investment Policy and Strategy

Throughout the period the underlying assets of the fund were managed by Santander Asset Management alongside BlackRock Investment Management and Western Asset Management. 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 remained fully invested.

During the period under review the ACD monitored the investment activities of each of the appointed investment advisers to ensure consistent application of investment techniques, processes, and compliance with the terms of their Investment Management Agreement.

Derivatives were used during this review period for the purpose of securing 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.

Investment Advisers

BlackRock Investment Management Limited
Santander Asset Management UK Limited
Western Asset Management Company Limited

Fund Profile

Portfolio of Investments

Spread of investments Fixed interest securities grouped by ratings *	% of total net assets as at 31/10/13	% of total net assets as at 31/10/12
AAA to AA	34.59	34.29
AA- to A+	5.86	7.74
A to A-	19.87	21.58
BBB+ to BBB	19.63	17.61
below BBB to unrated	<u>3.76</u>	<u>4.12</u>
Total fixed interest securities	83.71	85.34
Collectives	9.14	8.58
Forward currency trades	0.01	0.00
Net other assets	<u>7.14</u>	<u>6.08</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

* source: S&P / Moody's / Fitch

Major Holdings

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

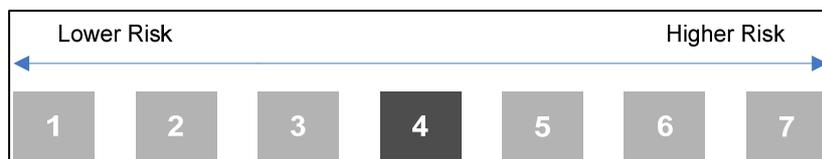
Holding	% of sub-fund as at 31/10/13	Holding	% of sub-fund as at 31/10/12
M&G Strategic Corporate Bond Fund	5.10	M&G Strategic Corporate Bond Fund	4.74
Jupiter Strategic Bond Fund	4.04	Jupiter Strategic Bond Fund	3.84
KFW 5.75% 2032	2.18	Treasury 4.5% 2013	1.95
Treasury 1.75% 2017	2.18	Treasury 3.75% 2019	1.71
Treasury 3.75% 2019	1.57	Treasury 1.75% 2017	1.64
European Investment Bank 5% 2039	1.38	Treasury 4.25% 2040	1.38
Treasury 4.25% 2032	1.28	Treasury 5% 2025	1.35
Treasury 4.25% 2040	1.23	Treasury 4.25% 2032	1.16
European Investment Bank 4.375% 2015	1.21	Treasury 4.75% 2015	0.94
Treasury 5% 2025	1.04	Treasury 3.75% 2020	0.92

Sterling Bond

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. 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

Percentage price change from 31 October 2012 to 31 October 2013	
Santander PF Sterling Bond A	2.45%
20% FT All Stocks/80% iBoxx £ Non Gilt	2.92%

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

Past performance is not a guarantee of future performance. 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 2.45%, slightly outperformed by the benchmark; 20% FT All Stocks/80% iBoxx £ Non Gilt which delivered a slightly higher return of 2.92% over the same period.

Market Review

During the final few months of 2012, bond markets delivered positive returns despite emerging concerns regarding inflation rate rising above the Bank of England's target level. Corporate bonds outperformed UK Government bonds due to the health of Corporate sector balance sheets.

The New Year started with investors' risk appetite increasing, driven largely by the progression made by US policy makers on tackling the 'fiscal cliff' and a more stable economic backdrop. This led to significant flows into equities and as a result, corporate and government bonds posted negative returns at the beginning of the year. The Chancellor of the Exchequer announced a cut to growth forecasts. This was closely followed by the news that the UK economy had contracted in the final quarter of 2012. These factors triggered a 'risk off' environment, in which investors moved away from equities and, as a result, helped bond markets recoup some of their earlier losses, with both corporate and government bonds delivering positive returns at the end of the first quarter of 2013.

During the beginning of summer, concerns emerged after the US Federal Reserve hinted that it would begin to taper its bond buying programme and withdraw Quantitative Easing. This resulted in a sell-off in both equity and bond markets as a wave of uncertainty spread across asset classes; damaging bond yields.

Uncertainty continued to grow concerning when the US Federal Reserve would alter its monetary policies, and in particular its Quantitative Easing programme. European markets continued to struggle for direction following renewed political instability in Italy and prolonged issues regarding the bailout dilemma in Cyprus. At the end of the period under review, the US Federal Reserve did not announce any changes to its monetary policy, and it was revealed that the Eurozone had officially left recession. This provided some stability to bond markets in comparison to the previous quarter. As a result, both corporate and government bonds started to deliver positive returns by the end of the period under review.

Sterling Bond

Fund Performance (continued)

Market Review (continued)

Throughout the period under review, the financial environment fluctuated and became notably challenging. However, UK bond markets proved resilient and produced positive returns during this period.

Investment Outlook

Looking ahead, bond market returns are likely to be lower than those experienced in the past few years. We expect there will be downward pressure on returns over the medium term because if economic growth continues to recover from current subdued levels. This will result in central banks gradually removing support for bond markets; leading to raised interest rates. Although this means that nominal returns will be lower, they should continue to be positive on a total return basis (i.e. capital plus income).

Summary of Accounts

Accounting Dates	Distribution Payment Dates
30 April / 31 October	30 June / 31 December

Distribution Statement

On 31 December 2013 a final distribution of 2.5985p per share will be reinvested on behalf of Sterling Accumulation A 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 annual charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA, publication, audit fees and transaction charges. Collectively these fees are known as other expenses.

Expense Type	2013	2012
Sterling Accumulation A shares		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.02%	0.02%
Ongoing Charges Figures (OCF)	1.02%	1.02%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 October 2011	Sterling Accumulation A	216.6	224,813,621	486,951,427
31 October 2012	Sterling Accumulation A	239.5	212,767,151	509,524,525
31 October 2013	Sterling Accumulation A	245.7	195,483,114	480,295,860

Sterling Bond

Summary of Accounts (continued)

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008	Sterling Accumulation A	199.7	171.1	8.4671
	Sterling Income D *	153.3	149.5	n/a
2009	Sterling Accumulation A	197.6	156.3	7.2581
	Sterling Income D	167.3	135.5	7.5118
2010	Sterling Accumulation A	214.8	194.8	5.8039
	Sterling Income D **	168.7	162.2	3.3927
2011	Sterling Accumulation A	220.7	204.2	5.9982
2012	Sterling Accumulation A	243.3	220.2	5.2207
2013 ***	Sterling Accumulation A	251.9	236.7	5.2193

* Sterling Income D share class commenced on 9 December 2008.

** Sterling Income D share class closed on 18 May 2010.

*** To 31 October 2013.

Appointments

Authorised Corporate Director (ACD) and Registrar

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
Javier Marin Romano (Resigned 30 May 2013)
Gail Elizabeth Glen (Appointed 6 June 2013)
Lorna Taylor (Appointed 14 June 2013)
Rami Aboukhair Hurtado
Robert David Askham
David William Stewart
Jorge de la Vega (Appointed 16 October 2013)

Investment Advisers

Amundi Japan Ltd (Appointed 25 July 2013)
Hibiya Dai Bld., 1-2-2
Uchisaiwaicho
Chiyoda-Ku, 100-0011 Japan

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL, United Kingdom
Authorised and regulated by the Financial Conduct Authority

CPR Asset Management S.A. (Resigned 24 July 2013)
10 Place des Martyrs du Lycee Buffon
75015
Paris

Deutsche Asset Management UK Limited
One Appold Street
London EC2A 2UU, United Kingdom
Authorised and regulated by the Financial Conduct Authority

DIAM International Limited (resigned 21 December 2012)
Bracken House
One Friday Street
London EC4M 9JA, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Goldman Sachs Asset Management International
4th Floor, Peterborough Court
133 Fleet Street
London EC4A 2BB, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Kames Capital plc
Kames House
3 Lochside Crescent
Edinburgh Park
Edinburgh EH12 9SA, United Kingdom
Authorised and regulated by the Financial Conduct Authority

RCM (UK) Limited
155 Bishopsgate
London EC2M 3AD, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Appointments (continued)

Investment advisers (continued)

Santander Asset Management S.A., SGIC
Ciudad Grupo Santander
Avenida De Cantabria
28660 Boadilla Del Monte
Madrid
Spain

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287 St Vincent Street
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State Street Global Advisors Limited
20 Churchill Place
London E14 5HJ, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Western Asset Management Company Limited
10 Exchange Square
Primrose Street
London EC2A 2EN, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Depositary

National Westminster Bank plc
Trustee & Depositary Service
Young Building
1st Floor
3 Redheughs Avenue
Edinburgh EH12 9RH, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Independent Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Lomond House
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