

**Santander Managed OEIC**

**Interim Short Report  
for the six months ended 30 September 2013  
(unaudited)**

This document contains the short report for the sub-funds of the Santander Managed OEIC for the six months ended 30 September 2013.

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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 Santander Asset Management UK 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.

#### **Significant Changes During the Period**

With effect from 30 September 2013, Santander Asset Management UK changed the name of Santander International Shares Portfolio to Santander Atlas Portfolio 6.

Please be assured that this change will not have any impact on the way the sub-fund is operated.

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.

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.

# 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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	99.86	100.09
Net other assets	0.14	(0.09)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### 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 30/09/13	Holding	% of net assets as at 31/03/13
Robecco Emerging Markets Equities Fund D	9.79	Robecco Emerging Markets Equities Fund D	9.64
M&G Global Emerging Market Fund	9.77	Lyxor ETF MSCI Emerging Markets Fund B	9.34
AXA Framlington Emerging Markets	9.66	Aberdeen Emerging Markets Fund	9.33
Aberdeen Emerging Markets Fund	9.08	Amundi Equity Emerging World Fund	9.18
Amundi Equity Emerging World Fund	8.94	Carmignac Emergents Fund	8.95
Schroder Global Emerging Markets Fund A	8.48	iShares MSCI Emerging Markets	8.19
Investec Global Strategy Fund Emerging Markets	7.44	M&G Global Emerging Market Fund	7.19
Schroder Emerging Europe Fund A	6.15	Schroder Emerging Asia Fund A	6.56
Lyxor ETF MSCI Emerging Markets Fund B	6.04	Schroder Global Emerging Markets Fund A	6.37
Fidelity South East Asia Fund	5.71	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 30 September 2013	
Santander Global Emerging Shares Portfolio	-9.48%
IMA Global Emerging Markets	-8.87%

Source: Lipper, bid to bid net income 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.

As a reflection on the underperforming emerging markets; the sub-fund delivered a negative return of -9.48% for the period under review, and was outperformed by the sub-fund's IMA Global Emerging Markets benchmark which also delivered a negative return of -8.87%.

### Market Review

The period under review was a very challenging time with regards to global growth momentum and markets. In the beginning of this period, global markets were affected by the US Federal Reserve hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing. This caused uncertainty amongst investors which ultimately resulted in a sell-off in equity markets. Pacific Basin and Japanese markets also became especially volatile following relatively disappointing Chinese economic data and also deterioration in the growth/inflation mix for a number of BRIC economies.

Towards the end of the period, there were significant improvements in the majority of global equity markets. The US Federal Reserve did not announce any change to its monetary policy, and the US economy remained strong, driven by the private sector and housing market. China also provided encouraging economic data on industrial production and exports, helping to push markets higher. Japanese markets also showed improvement, boosted by strong economic activity and a successful bid for the 2020 Olympic Games. Geo-political tensions regarding Syria also relaxed towards the end of the summer, reducing the initial impact on global markets.

# Santander Global Emerging Shares Portfolio

## Fund Performance

### Market Review (continued)

Meanwhile, European markets delivered positive returns as it was confirmed that the Eurozone had left recession; however, with unemployment still extremely high throughout Europe, it still remains a relatively volatile area. The UK also experienced market growth as strong housing and manufacturing data was recorded.

Despite these promising signs, emerging markets notably underperformed due to a number of reasons; the growth/inflation mix across this region remained worrying while economic issues such as currency volatility and current account deficits were a concern in countries such as India and Indonesia.

### Investment Outlook

Looking ahead, the global economy faces many challenges over the coming years and therefore volatility is likely to remain elevated across all markets in general. However, we 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 accommodative. From a global perspective, we anticipate that developed markets (US, UK, Japan, Europe) will continue to outperform developing markets (Asia, Latin America) in the shorter term as the latter are currently under financial stress.

## Summary of Accounts

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

### Distribution Statement

There will be no interim distribution payment for Retail accumulation shareholders on 30 November 2013.

### 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	Period to 30.09.13	Year to 31.03.13
<b>Retail accumulation</b>		
ACD's periodic charge	1.00%	1.00%
Synthetic OCF	1.03%	1.00%
Other expenses	0.04%	0.07%
Ongoing charges figure	2.07%*	2.07%

\* The current period OCF has been annualised based on the fees suffered during the accounting period.

# 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 2011	Retail accumulation	187.3	1,587,603	2,974,213
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
30 September 2013	Retail accumulation	162.9	15,210,967	24,774,856

### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008	Retail accumulation	164.1	79.90	2.5779
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

\* To 30 September 2013.

# 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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	96.99	98.83
Net other assets	3.01	1.17
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### Major Holdings

The holdings at the end of this period and all holdings in the previous period are shown below.

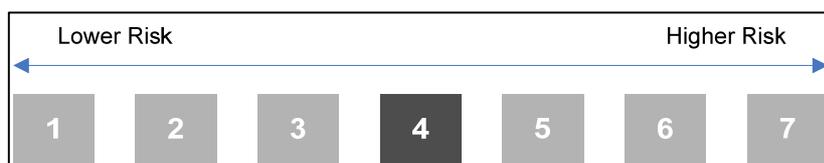
Holding	% of net assets as at 30/09/13	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	31.18	Santander Corporate Bond Fund	31.79
Santander Sterling Government Bond Fund	21.64	Santander Sterling Government Bond Fund	22.09
Jupiter Strategic Bond Fund	8.54	Jupiter Strategic Bond Fund	8.12
Insight UK Corporate All Maturities Bond Fund	6.28	M&G Strategic Corporate Bond Fund	7.29
Fidelity MoneyBuilder Income D	6.23	Fidelity MoneyBuilder Income D	6.32
Kames Investment Grade Bond B	5.97	Insight UK Corporate All Maturities Bond Fund	6.27
Legal & General Dynamic Bond Trust	5.68	Legal & General Dynamic Bond Trust	5.71
M&G Strategic Corporate Bond Fund	4.77	Kames Investment Grade Bond B	4.53
Kames Strategic Bond B	3.58	Kames Strategic Bond B	3.33
M&G Corporate Bond Fund	2.25	M&G Corporate Bond Fund	2.56
Santander Sterling Strategic Bond Fund	0.87	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 30 September 2013	
Santander Investment Portfolio Retail Acc	-1.40%
IMA £ Strategic Bond	-0.18%
25% FTA All Stocks Gilt/75% IBOXX £ Non Gilts	-1.44%

Source: Lipper, bid to bid net income 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 -1.40% over the period, and was outperformed by the sub-fund's IMA £ Strategic Bond Sector benchmark which delivered -0.18%. However, the sub-fund outperformed its composite benchmark (25% FTA All Stocks Gilt/75% IBOXX £ Non Gilts) which delivered -1.44% over the same period.

### Market Review

Throughout the period under review equities outperformed bonds in what was an increasingly challenging environment. Initial concerns over the US Federal Reserve tapering its monetary policies resulted in a sell-off in both bond and equity markets in June. The wave of uncertainty that was evident as a result caused bond prices to fall as demand dropped, yields were affected, and spreads widened. In addition, disappointing Chinese economic data resulted in a negative impact on both bond and equity markets.

Towards the second half of this period, equity markets produced more positive returns. Concerns over the US monetary policies improved and Chinese economic data became more positive, resulting in the majority of global markets delivering positive returns. Investors' appetite for European equity markets was improved as it was revealed that the Eurozone had left recession status in the second quarter. Improvements in the UK housing and manufacturing markets influenced a positive return from UK equity markets.

# Santander Investment Portfolio

## Fund Performance (continued)

### Market Review (continued)

Bond markets were still suffering from the effects of the sell-off. Additional geopolitical issues such as the escalating tensions regarding proposed US-led military intervention in Syria in August and the political instability in Italy saw European bond markets struggle further. Although concerns over US Quantitative Easing programme relaxed towards the end of this period, the initial damage of the sell-off meant that the UK bond market struggled to stimulate investor's risk appetite when compared with equity markets. Equity markets remained strong towards the end of this period, with UK, European and US markets all delivering positive returns.

Overall, the period under review was characteristically volatile, with the bond market in particular struggling to stimulate investor's risk appetite. Equities proved resilient in the wake of a testing financial market to outperform bonds overall.

### Investment Outlook

As the global economy is expected to face difficulties over the coming year, we expect market volatility to remain relatively high. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets.

In the UK, we expect the economy to continue to show signs of improvement as the Manufacturing, Housing and Services sectors remain strong. The improving rate of unemployment is also expected to remain promising throughout the coming year.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 a final distribution of 1.3787p per share will be reinvested on behalf of Retail accumulation shareholders and 1.0028p 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	Period to 30.09.13	Year to 31.03.13
<b>Retail accumulation</b>		
ACD's periodic charge	0.50%	0.50%
Synthetic OCF	0.49%	0.48%
Other expenses	0.01%	0.02%
Ongoing charges figure (OCF)	1.00%*	1.00%
<b>X accumulation*</b>		
ACD's periodic charge	0.50%	0.50%
Synthetic OCF	0.49%	0.48%
Other expenses	0.01%	0.01%
Ongoing charges figure (OCF)	1.00%*	0.99%

\* The current period OCF have been annualised based on the fees suffered during the accounting period.

# 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 2011	Retail accumulation	182.2	230,791,143	420,513,027
31 March 2012	Retail accumulation	197.7	340,714,864	673,478,905
31 March 2013	Retail accumulation X accumulation**	215.1 152.4	399,984,453 846,073	860,199,997 1,289,535
30 September 2013	Retail accumulation X accumulation	212.0 150.3	374,496,849 972,906	787,621,412 1,461,851

### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008*	Retail accumulation	152.2	150.0	n/a
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
2012	X Accumulation**	150.9	149.6	0.2435
2013***	Retail accumulation	220.4	208.4	3.7478
2013***	X accumulation	156.1	147.7	2.7189

\*The sub-fund commenced on 12 December 2008.

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

\*\*\*To 30 September 2013.

# 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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	99.75	99.61
Net other assets	<u>0.25</u>	<u>0.39</u>
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### 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 30/09/13	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	20.35	Santander Euro Equity Class IKP	20.05
Santander Sterling Government Bond Fund	13.55	Santander Sterling Government Bond Fund	12.74
M&G Optimal Income Fund A	7.11	M&G Optimal Income Fund A	7.68
Santander UK Growth Unit Trust	5.78	Fidelity MoneyBuilder Income D	6.17
Insight Investment Discretionary Fund	5.09	Insight Investment Discretionary Fund	5.98
Fidelity MoneyBuilder Income D	4.99	Santander UK Growth Unit Trust	5.89
Jupiter Strategic Bond Fund	4.47	Legal & General Dynamic Bond Trust	4.38
Legal & General Dynamic Bond Trust	4.45	Jupiter Strategic Bond Fund	4.28
Cazenove UK Opportunities	3.90	Jupiter Japan Income Fund	3.94
Jupiter Japan Income Fund	3.81	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 30 September 2013	
Santander Max 50% Shares Portfolio Retail Acc	1.09%
IMA Mixed Investment 20-60% Shares	0.49%
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	0.53%

Source: Lipper, bid to bid net income 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 1.09% during the period under review. Outperforming both the IMA Mixed Investment (20-60%) Shares which delivered 0.49% and its 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 0.53% return.

### Market Review

Throughout the period under review equities outperformed bonds in what was an increasingly challenging environment. Initial concerns over the US Federal Reserve tapering its monetary policies resulted in a sell-off in both bond and equity markets in June. The wave of uncertainty that was evident as a result caused bond prices to fall as demand dropped, yields were affected, and spreads widened. In addition, disappointing Chinese economic data resulted in a negative impact on both bond and equity markets.

Towards the second half of this period, equity markets produced more positive returns. Concerns over the US monetary policies improved and Chinese economic data became more positive, resulting in the majority of global markets delivering positive returns. Investors' appetite for European equity markets was improved as it was revealed that the Eurozone had left recession status in the second quarter. Improvements in the UK housing and manufacturing markets influenced a positive return from UK equity markets.

# Santander Max 50% Shares Portfolio

## Fund Performance (continued)

### Market Review (continued)

Bond markets were still suffering from the effects of the sell-off. Additional geopolitical issues such as the escalating tensions regarding proposed US-led military intervention in Syria in August and the political instability in Italy saw European bond markets struggle further. Although concerns over US Quantitative Easing programme relaxed towards the end of this period, the initial damage of the sell-off meant that the UK bond market struggled to stimulate investor's risk appetite when compared with equity markets. Equity markets remained strong towards the end of this period, with UK, European and US markets all delivering positive returns.

Overall, the period under review was characteristically volatile, with the bond market in particular struggling to stimulate investor's risk appetite. Equities proved resilient in the wake of a testing financial market to outperform bonds overall.

### Investment Outlook

Looking ahead, the economy faces many challenges over the coming year and therefore volatility is likely to remain elevated across all markets in general. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 a final distribution of 1.1579p per share will be paid to Retail income shareholders, 1.2414p per share will be reinvested on behalf of Retail accumulation shareholders and 0.9299p 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.

### Ongoing Charges Figure (OCF)

Expense Type	Period to 30.09.13	Year to 31.03.13
<b>Retail income</b>		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.58%	0.57%
Other expenses	0.01%	0.02%
Ongoing charges figure	1.49%	1.49%
<b>Retail accumulation</b>		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.58%	0.57%
Other expenses	0.01%	0.02%
Ongoing charges figure	1.49%	1.49%
<b>X accumulation*</b>		
ACD's periodic charge	0.90%	0.90%
Synthetic OCF	0.58%	0.57%
Other expenses (including transaction charges)	0.01%	0.01%
Ongoing charges figure	1.49%	1.48%

# Santander Max 50% 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 2011	Retail income	183.6	11,905,553	21,862,164
	Retail accumulation	190.1	196,361,345	373,258,986
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
30 September 2013	Retail income	204.6	8,203,785	16,783,158
	Retail accumulation	221.9	364,500,693	808,956,427
	X accumulation	160.6	2,729,947	4,385,370

### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008*	Retail income	154.0	150.0	n/a
2008*	Retail accumulation	154.0	150.0	n/a
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	2.7126
2013***	Retail accumulation	229.0	210.1	2.9186
2013***	X accumulation	165.8	152.0	2.1449

\* The sub-fund commenced on 12 December 2008.

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

\*\*\* To 30 September 2013.

# 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.

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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	99.32	99.56
Net other assets	0.68	0.44
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### Major Holdings

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

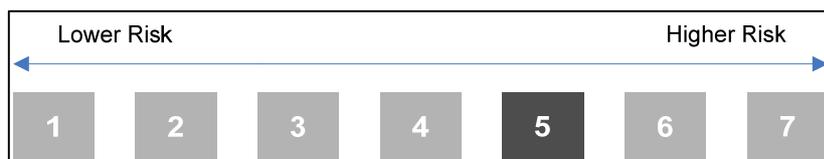
Holding	% of net assets as at 30/09/13	Holding	% of net assets as at 31/03/13
Santander Corporate Bond Fund	12.30	Santander Corporate Bond Fund	12.73
Santander UK Growth Unit Trust	7.80	Santander UK Growth Unit Trust	7.97
M&G Optimal Income Fund A	7.15	M&G Optimal Income Fund A	6.93
JPMorgan US Select Equity Fund C	5.63	JPMorgan US Select Equity Fund C	6.02
JPMorgan Income Opportunity A	4.82	JPMorgan Income Opportunity A	4.77
BNY Mellon Absolute Return Equity Fund	4.69	Legal & General Dynamic Bond Trust	4.19
BlackRock European Dynamic Fund A	4.63	Fidelity Investment Funds European Fund	3.91
Legal & General Dynamic Bond Trust	4.19	BlackRock UK Equity Fund A	3.87
Robeco US Premium Equity Fund IE	3.92	BlackRock European Dynamic Fund A	3.76
Cazenove UK Opportunities X	3.80	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 30 September 2013	
Santander Max 70% Shares Portfolio Retail Acc	2.87%
IMA Mixed Investment 40-85% Shares	1.81%
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	1.60%

Source: Lipper, bid to bid net income 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 2.87% over the period. The sub-fund outperformed its IMA Mixed Investment (40-85%) Shares which delivered 1.81% and also its 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 1.60% over the same period.

### Market Review

Throughout the period under review equities outperformed bonds in what was an increasingly challenging environment. Initial concerns over the US Federal Reserve tapering its monetary policies resulted in a sell-off in both bond and equity markets in June. The wave of uncertainty that was evident as a result caused bond prices to fall as demand dropped, yields were affected, and spreads widened. In addition, disappointing Chinese economic data resulted in a negative impact on both bond and equity markets.

Towards the second half of this period, equity markets produced more positive returns. Concerns over the US monetary policies improved and Chinese economic data became more positive, resulting in the majority of global markets delivering positive returns. Investors' appetite for European equity markets was improved as it was revealed that the Eurozone had left recession status in the second quarter. Improvements in the UK housing and manufacturing markets influenced a positive return from UK equity markets.

# Santander Max 70% Shares Portfolio

## Fund Performance (continued)

### Market Review (continued)

Bond markets were still suffering from the effects of the sell-off. Additional geopolitical issues such as the escalating tensions regarding proposed US-led military intervention in Syria in August and the political instability in Italy saw European bond markets struggle further. Although concerns over US Quantitative Easing programme relaxed towards the end of this period, the initial damage of the sell-off meant that the UK bond market struggled to stimulate investor's risk appetite when compared with equity markets. Equity markets remained strong towards the end of this period, with UK, European and US markets all delivering positive returns.

Overall, the period under review was characteristically volatile, with the bond market in particular struggling to stimulate investor's risk appetite. Equities proved resilient in the wake of a testing financial market to outperform bonds overall.

### Investment Outlook

Looking ahead, the economy faces many challenges over the coming year and therefore volatility is likely to remain elevated across all markets in general. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 an interim distribution of 0.9126p per share will be reinvested on behalf of Retail accumulation shareholders and an interim distribution of 0.6210p 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.

### Ongoing Charges Figure (OCF)

Expense Type	Period to 30.09.13	Year to 31.03.13
<b>Retail accumulation</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.66%	0.72%
Other expenses	0.01%	0.02%
Ongoing charges figure	1.77%*	1.84%
<b>X accumulation**</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.66%	0.72%
Other expenses	0.01%	0.01%
Ongoing charges figure	1.77%*	1.83%

\* The current period OCF have been annualised based on the fees suffered during the accounting period.

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

# Santander Max 70% 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 2011	Retail accumulation	199.6	255,936,056	510,838,948
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
30 September 2013	Retail accumulation	232.2	404,311,415	938,674,578
	X accumulation	166.0	946,652	1,571,636

### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008*	Retail accumulation	155.3	150.0	n/a
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
2012	X accumulation**	152.6	149.9	0.1239
2013***	Retail accumulation	239.7	212.4	2.2350
2013***	X accumulation	172.1	152.5	1.5891

\* The sub-fund commenced on 12 December 2008.

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

\*\*\* To 30 September 2013.

# Santander Global 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.

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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	99.67	100.28
Net other assets	<u>0.33</u>	<u>(0.28)</u>
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### 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 30/09/13	Holding	% of net assets as at 31/03/13
Santander UK Growth Unit Trust	8.64	Santander UK Growth Unit Trust	8.83
BlackRock European Dynamic Fund A	8.12	JPMorgan US Select Equity Fund C	7.49
Santander Euro Equity Class IKP	7.69	BlackRock European Dynamic Fund A	7.47
JPMorgan US Select Equity Fund C	7.53	Santander Euro Equity Class IKP	6.28
Jupiter Japan Income Fund	5.63	Jupiter Japan Income Fund	5.46
Nomura Funds Ireland – Japan Strategic Value Fund	4.85	BlackRock UK Equity Fund A	4.79
Aberdeen Global Asia Pacific	4.35	Nomura Funds Ireland – Japan Strategic Value Fund	4.77
Investec Asian Pacific Equity Fund	3.77	Aberdeen Global Asia Pacific Equity Fund	4.46
iShares MSCI Europe Ex-UK	3.76	Amundi Funds – Equity Emerging World Fund	4.15
BlackRock UK Equity Fund A	3.60	Investec Asian Pacific Equity Fund	3.90

# Santander Global 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 30 September 2013	
Santander Global Shares Portfolio Retail Acc	3.85%
IMA Global	2.37%
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)	2.60%

Source: Lipper, bid to bid net income 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 strong return of 3.85%, outperforming both the IMA Global benchmark which delivered 2.37% and its composite benchmark (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)) which delivered 2.60%.

### Market Review

The period under review was a very challenging time with regards to global growth momentum and markets. In the beginning of this period, global markets were affected by the US Federal Reserve hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing. This caused uncertainty amongst investors which ultimately resulted in a sell-off in equity markets. Pacific Basin and Japanese markets also became especially volatile following relatively disappointing Chinese economic data and also deterioration in the growth/inflation mix for a number of BRIC economies.

Towards the end of the period, there were significant improvements in the majority of global equity markets. The US Federal Reserve did not announce any change to its monetary policy, and the US economy remained strong, driven by the Private sector and housing market. China also provided encouraging economic data on industrial production and exports, helping to push markets higher. Japanese markets also showed improvement, boosted by strong economic activity and a successful bid for the 2020 Olympic Games. Geo-political tensions regarding Syria also relaxed towards the end of the summer, reducing the initial impact on global markets.

# Santander Global Shares Portfolio

## Fund Performance (continued)

### Market Review (continued)

Meanwhile, European markets delivered positive returns as it was confirmed that the Eurozone had left recession; however, with unemployment still extremely high throughout Europe, it still remains a relatively volatile area. The UK also experienced market growth as strong housing and manufacturing data was recorded.

Despite these promising signs, emerging markets notably underperformed due to a number of reasons; the growth/inflation mix across this region remained worrying while economic issues such as currency volatility and current account deficits were a concern in countries such as India and Indonesia.

### Investment Outlook

Looking ahead, the economy faces many challenges over the coming year and therefore volatility is likely to remain elevated across all markets in general. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets.

From a global perspective; with developing markets (Asia, Latin America) going through a challenging time, we anticipate that developed markets will continue to outperform the former in the short term.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 an interim distribution of 0.4308p per share will be reinvested on behalf of Retail accumulation shareholders and a final distribution of 0.3108p 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.

### Ongoing Charges Figure (OCF)

Expense Type	Period to 30.09.13	Year to 31.03.13
<b>Retail accumulation</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.77%	0.79%
Other expenses	0.01%	0.02%
Ongoing charges figure	1.88%*	1.91%
<b>X accumulation*</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.77%	0.79%
Other expenses	0.01%	0.01%
Ongoing charges figure	1.88%*	1.90%

\*The current period OCF has been annualised based on the fees suffered during the accounting period.

# Santander Global 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 2011	Retail accumulation	219.8	97,527,287	214,327,617
31 March 2012	Retail accumulation	208.9	119,373,670	249,384,889
31 March 2013	Retail accumulation X accumulation**	237.6 170.6	112,922,311 33,085	268,356,222 56,443
30 September 2013	Retail accumulation X accumulation	243.5 174.8	108,871,695 34,818	265,146,657 60,872

### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008*	Retail accumulation	158.5	150.0	n/a
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	254.4	214.5	1.2139
2013***	X accumulation	182.6	154.0	0.6204

\* The sub-fund commenced on 12 December 2008.

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

\*\*\* To 30 September 2013.

# Santander Atlas Portfolio 6

## Fund Facts

### Investment Objective

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

### Investment Policy and Strategy

This objective can be achieved by investing in regulated collective investment schemes, as well as cash. The underlying funds will predominantly invest in global equities and bonds, generally with a 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 30/09/13	% of total net assets as at 31/03/13
Collective Investment Schemes	87.16	99.37
Futures	(0.05)	0.00
Net other assets	<u>12.89</u>	<u>0.63</u>
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

### 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 30/09/13	Holding	% of net assets as at 31/03/13
Cazenove UK Opportunities	8.10	Santander UK Growth Unit Trust	12.45
Royal London UK All Share Tracker Fund	7.93	BlackRock European Dynamic Fund A	6.63
Kames UK Equity Fund B	6.53	JPMorgan US Select Equity Fund C	6.57
Nomura Funds Ireland – Japan Strategic Value Fund	5.62	Jupiter Japan Income Fund	6.40
BlackRock North American Equity Tracker Fund	5.61	Fidelity European Fund	5.98
Brown Advisory American Fund	5.55	Nomura Funds Ireland – Japan Strategic Value Fund	5.85
BlackRock Emerging Markets Equity Tracker Fund	5.54	BlackRock UK Equity Fund A	5.08
iShares MSCI Europe ex-UK	5.48	Cazenove UK Opportunities	4.17
BNY Mellon Absolute Return Equity Fund	4.93	Threadneedle UK Equity Income Fund	4.00
Aberdeen Global Asia Pacific Equity Fund	4.28	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 30 September 2013	
Santander Atlas Portfolio 6 FOF Ret Acc	3.89%
IMA Flexible Investment	1.65%
37% FTSE All Share TR/20% FT World Europe ex UK/12% FT World Japan/15% FT World USA/8% FT All World Asia Pacific ex Japan /2% MSCI Daily TR Net Emerging Markets (GBP)	3.13%

Source: Lipper, bid to bid net income 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 3.89%, outperforming both the IMA Flexible Investment benchmark which delivered 1.65% and also its composite benchmark (37% FTSE All Share TR/20% FT World Europe ex UK/12% FT World Japan/15% FT World USA/8% FT All World Asia Pacific ex Japan/2% MSCI Daily TR Net Emerging Markets (GBP)) which delivered 3.13%.

#### Market Review

The period under review was a very challenging time with regards to global growth momentum and markets. In the beginning of this period, global markets were affected by the US Federal Reserve hinting that it would begin tapering its bond buying programme and withdraw Quantitative Easing. This caused uncertainty amongst investors which ultimately resulted in a sell-off in equity markets. Pacific Basin and Japanese markets also became especially volatile following relatively disappointing Chinese economic data and also deterioration in the growth/inflation mix for a number of BRIC economies.

# Santander Atlas Portfolio 6 (continued)

## Fund Performance (continued)

### Market Review (continued)

Towards the end of the period, there were significant improvements in the majority of global equity markets. The US Federal Reserve did not announce any change to its monetary policy, and the US economy remained strong, driven by the Private sector and housing market. China also provided encouraging economic data on industrial production and exports, helping to push markets higher. Japanese markets also showed improvement, boosted by strong economic activity and a successful bid for the 2020 Olympic Games. Geo-political tensions regarding Syria also relaxed towards the end of the summer, reducing the initial impact on global markets.

Meanwhile, European markets delivered positive returns as it was confirmed that the Eurozone had left recession; however, with unemployment still extremely high throughout Europe, it still remains a relatively volatile area. The UK also experienced market growth as strong housing and manufacturing data was recorded.

Despite these promising signs, emerging markets notably underperformed due to a number of reasons; the growth/inflation mix across this region remained worrying while economic issues such as currency volatility and current account deficits were a concern in countries such as India and Indonesia.

### Investment Outlook

Looking ahead, the economy faces many challenges over the coming year and therefore volatility is likely to remain elevated across all markets in general. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 an interim distribution of 0.8253p per share will be re-invested in the sub-fund on behalf of Retail accumulation shareholders and an interim distribution of 0.5972p per share will be re-invested in the sub-fund 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.

## Santander Atlas Portfolio 6 (continued)

### Summary of Accounts (continued)

#### Ongoing Charges Figure (OCF)

Expense Type	Period to 30.09.13	Year to 31.03.13
<b>Retail accumulation</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.54%	0.77%
Other expenses	0.01%	0.02%
Ongoing charges figure	1.65%*	1.89%
<b>X accumulation**</b>		
ACD's periodic charge	1.10%	1.10%
Synthetic OCF	0.54%	0.77%
Other expenses	0.01%	0.01%
Ongoing charges figure	1.65%*	1.88%

\*The current period OCF has been annualised based on the fees suffered during the accounting period.

No OCF has been calculated for the Institutional accumulation share class as this share class commenced on 30 September 2013.

#### Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2011	Retail accumulation	217.5	72,140,425	156,888,791
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
30 September 2013	Retail accumulation	245.3	105,725,748	259,373,897
	X accumulation	175.1	160,721	281,462
	Institutional accumulation****	150.0	6,667	10,000

#### Share Prices and Distributions

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution Per Share (pence)
2008*	Retail accumulation	158.7	150.0	n/a
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	255.5	215.0	1.6279
	X accumulation	182.4	153.5	0.9019
	Institutional accumulation****	n/a	n/a	0.0000

\* The sub-fund commenced on 12 December 2008.

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

\*\*\* To 30 September 2013.

\*\*\*\* The Institutional accumulation share class commenced on 30 September 2013.

# 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 30/09/13	% of total net assets as at 31/03/13
Fixed Interest Investments:		
A to A-*	2.51	3.23
BBB+ to BBB*	0.88	0.89
Below BBB to unrated*	<u>3.86</u>	<u>4.35</u>
Total fixed interest investments	7.25	8.47
Equities	89.58	89.40
Written call options	(0.05)	0.00
Net other assets	<u>3.22</u>	<u>2.13</u>
<b>Total net assets</b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

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

# Santander Enhanced Income Portfolio

## Fund Profile (continued)

### Major Holdings

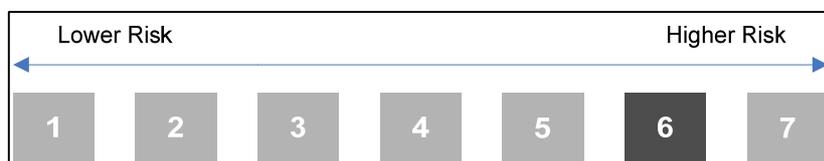
The top 10 holdings at the end of this period and the previous period are shown below.

Holding	% of net assets as at 30/09/13	Holding	% of net assets as at 31/03/13
Royal Dutch Shell B	7.61	GlaxoSmithKline	6.42
HSBC Holdings	6.28	Royal Dutch Shell B	5.97
Vodafone Group	5.96	BP	5.91
BP	5.65	Vodafone Group	4.60
GlaxoSmithKline	5.57	British American Tobacco	3.85
British American Tobacco	4.77	HSBC Holdings	3.70
AstraZeneca	3.13	AstraZeneca	3.29
Roche Holdings	2.69	Roche Holdings	2.36
Banco Santander	2.33	Aviva	2.32
Imperial Tobacco Group	2.21	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 30 September 2013	
Santander Enhanced Income Portfolio Ret Inc	2.31%
IMA UK Equity Income	5.91%
FTSE 350 Higher Yield TR	3.42%

Source: Lipper, bid to bid net income 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 2.31% during the period under review. The sub-fund was outperformed by both the IMA UK Equity Income benchmark which delivered 5.91% and the composite benchmark of the FTSE 350 Higher Yield TR, which delivered 3.42%.

# Santander Enhanced Income Portfolio

## Fund Performance (continued)

### Market Review

Throughout the period under review, equities outperformed bonds in what was an increasingly challenging environment. Initial concerns over the US Federal Reserve tapering its monetary policies resulted in a sell-off in both bond and equity markets in June. The wave of uncertainty that was evident as a result caused bond prices to fall as demand dropped, yields were affected, and spreads widened. In addition, disappointing Chinese economic data resulted in a negative impact on both bond and equity markets.

From midsummer onwards, equity markets produced more positive returns. Concerns over the US monetary policies improved and Chinese economic data became more positive, resulting in the majority of global markets delivering positive returns. It was revealed that the Eurozone had officially left recession status during the second quarter; helping to improve investors' appetite for European equity markets. The UK equity markets also experienced a positive return during this period; due to a broad economic recovery as a result of improvements in the UK housing and manufacturing markets, and improved unemployment data. The UK bond market struggled to stimulate investor's risk appetite when compared with equity markets; resulting in equity prices progressively increasing when compared to the prices of bonds.

In conclusion, the period under review was characteristically volatile due to a number of domestic and global economic factors. UK bond markets in particular struggled to stimulate investors' risk appetite. However, equity markets proved resilient in wake of a testing financial market to outperform bonds overall.

### Investment Outlook

Looking ahead, the economy faces many challenges over the coming year and therefore volatility is likely to remain elevated across all markets in general. The growth environment has recently improved, whilst inflationary pressures remain subdued, and in combination with extremely accommodative monetary policy, this continues to be a broadly supportive environment for markets. However, medium term challenges will mean that volatility levels remain elevated, and that the magnitude of gains will be lower than compared to the recent past. We expect equities to continue to outperform bonds during the short to medium term.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2013 an interim distribution of 2.9450p per share will be paid to Retail income shareholders, 2.8619p per share will be paid to Institutional income shareholders and 2.3037p 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	Period to 30.09.13	Year to 31.03.13
<b>Retail income</b>		
ACD's periodic charge	1.65%	1.65%
Other expenses	0.02%	0.05%
Ongoing Charges Figure (OCF)	1.67%*	1.70%
<b>Retail accumulation **</b>		
ACD's periodic charge	n/a	1.65%
Other expenses	n/a	0.04%
Ongoing Charges Figure (OCF)	n/a	1.69%
<b>Institutional income</b>		
ACD's periodic charge	0.75%	0.75%
Other expenses	0.02%	0.05%
Ongoing Charges Figure (OCF)	0.77%*	0.80%
<b>Institutional accumulation ***</b>		
ACD's periodic charge	n/a	0.35%
Other expenses	n/a	0.02%
Ongoing Charges Figure (OCF)	n/a	0.37%
<b>X income ****</b>		
ACD's periodic charge	1.00%	1.00%
Other expenses	0.02%	0.02%
Ongoing Charges Figure (OCF)	1.02%*	1.02%

\* The current period OCF has been annualised based on the fees suffered during the accounting period.

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

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

\*\*\*\* The X income share class commenced on 29 November 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 2011	Retail income	197.8	12,018,554	23,768,576
	Retail accumulation**	221.2	6,667	14,745
	Institutional income	201.1	4,675,115	9,399,421
	Institutional accumulation	226.6	33,551,041	76,032,835
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
	Institutional accumulation***	n/a	n/a	n/a
	X income****	163.2	6,667	10,880
30 September 2013	Retail income	194.1	24,697,124	47,929,749
	Retail accumulation**	n/a	n/a	n/a
	Institutional income	201.7	6,861,865	13,839,244
	Institutional accumulation***	n/a	n/a	n/a
	X income****	162.7	6,667	10,848

### 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
	Retail accumulation	218.1	184.7	11.6737
	Institutional income	205.6	174.7	11.5691
	Institutional accumulation	222.9	187.8	11.7101
2011	Retail income	205.8	167.7	11.9303
	Retail accumulation	230.3	193.7	13.9076
	Institutional income	209.7	171.3	12.3311
	Institutional accumulation	236.6	177.4	7.5752
2012	Retail income	191.5	169.5	11.4775
	Retail accumulation	233.2	202.4	13.3226
	Institutional income	197.1	174.0	11.7067
	Institutional accumulation***	227.4	197.4	n/a
	X income****	156.0	151.7	0.5350
2013*****	Retail income	205.9	187.5	8.8727
2013*****	Retail accumulation**	251.7	231.1	n/a
2013*****	Institutional income	213.1	193.4	9.0034
2013*****	X income	172.0	154.7	7.4306

\* The sub-fund launched on 1 April 2009.

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

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

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

\*\*\*\*\* To 30 September 2013.

# 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  
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

## **Depositary**

National Westminster Bank plc  
Trustee & Depositary Services  
Younger Building  
1<sup>st</sup> Floor  
3 Redheughs Avenue  
Edinburgh EH12 9RH  
United Kingdom  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

## **Independent Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Lomond House  
9 George Square  
Glasgow G2 1QQ  
United Kingdom

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