Santander Premium Fund

Annual report for the year ended 31 October 2023

Santander
Asset Management

Contents

* These items along with each Fund's Investment Objective & Policy, Risk & Reward Indicator, Investment Commentary, Statement of Material Portfolio Changes and Portfolio Statement collectively constitute the Authorised Corporate Director's Report in accordance with the Collective Schemes Sourcebook.

Report of the Authorised Corporate Director

for the year ended 31 October 2023

Santander Premium Fund (the "Company") is an open-ended investment company with variable capital incorporated in England and Wales and authorised and regulated by the Financial Conduct Authority (FCA).

The Company is a UK UCITS and structured as an umbrella company under the Regulations. Provision exists for an unlimited number of Funds and each Fund would be a UK UCITS if it were itself an investment company with variable capital in respect of which an authorisation order made by the FCA were in force.

The assets of each Fund are treated as separate from those of every other Fund and are invested in accordance with that Fund’s own investment objective and policy. In addition, each Fund may have more than one class allocated to it. Where a new Fund or class is established, an updated prospectus will be prepared as soon as reasonably practical setting out the relevant information concerning the new Fund or class.

The Authorised Corporate Director (ACD) of the Company is Santander Asset Management UK Limited, which is a private company limited by shares, incorporated in Scotland. The ultimate holding company of the ACD is Banco Santander, S.A., which is incorporated in Spain.

As described in Accounting policy (a) Basis of Preparation on page 14, the ACD continues to adopt the going concern basis in the preparation of the accounts for the Santander Premium Funds, with the exception of Sterling Bond. The ACD is of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the financial statements for the Sterling Bond Fund as there is proposal of intent to merge the Fund with the Santander Sterling Bond Portfolio within the next accounting year subject to regulatory permission and shareholder approval, after which the ACD will commence the termination of the Fund. As such the financial statements for this Fund have been prepared on a basis other than going concern. In applying this basis of preparation, the Fund's assets and liabilities continue to be stated at their fair values which materially equate to their realisable values. Investments have been reclassified as current assets. Merger and termination costs for the Sterling Bond Fund will be borne by the Authorised Corporate Director and therefore no provision has been made in the Fund's financial statements for these costs. There is also no intention to close the other Funds in the Santander Premium Fund range.

The Company has no directors other than the ACD.

The ACD is authorised and regulated by the FCA.

The Funds in which shares are currently available are as follows:

UK Equities
Europe Ex UK Equities
United States Equities
Japan Equities
Sterling Bond

In the future, the Company may launch other Funds.

Each Fund has a specific portfolio of assets and investments to which its assets and liabilities are attributable and potential investors should view each Fund as a separate investment entity.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

The assets of each Fund are invested with the aim of achieving the investment objective and policy of that Fund. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA regulations, the Instrument of Incorporation and the Prospectus.

Investment of the assets of each Fund must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund.

Shareholders are not liable for the debts of the Company nor to make any further payment to the Company after paying in full for the purchase of shares.

For further information please refer to the latest Prospectus which is available on www.santanderassetmanagement.co.uk.

As at the year ended 31 October 2023 there were no Funds with holdings in a second Fund within the Santander Premium Fund.

Financial details and the ACD's review of the individual Funds for the year ended 31 October 2023 are given in pages 18 to 170 of this report.

Other information required for the ACD's report per COLL 4.5.9R are disclosed elsewhere in this report.

Significant Information

Remuneration Disclosure (unaudited)
Santander Asset Management UK Limited ("SAM UK") has a Remuneration Policy in place which is designed to support prudential soundness and risk management and ensure appropriate outcomes for customers and markets to reduce the likelihood of harm. The Remuneration Policy is aligned to Remuneration Codes under MiFIDPRU, AIFMD and UK UCITS as set out in Chapters 19G, 19B and 19E respectively of the FCA's Senior Management Arrangements, Systems and Controls (SYSC) Handbook (together "the Remuneration Codes"). The Remuneration Policy is subject to review on an at least annual basis and was last updated in June 2023.

As part of its 2023 annual review process, SAM UK created its own Board Remuneration Committee following Group changes which impacted its previous delegation arrangements to a SAM Global Remuneration Committee. No other material changes were made.

The SAM UK Board is responsible for approving the SAM UK Remuneration Policy and overseeing its application. The policy adopts a five pillar approach to Remuneration strategy:

Pillar 1 - Sound and Effective Risk Management
Pillar 2 - Long Term Sustainability

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

Pillar 3 - Competitiveness and Fairness

Pillar 4 - Adequate ratio between fixed and variable pay

Pillar 5 - Transparency

Salary and Benefits Structure

Salaries are designed based on the roles and responsibilities of the job and the knowledge and expertise required to carry them out. Salaries are periodically reviewed taking into account employee performance, external market data, internal relativity, equity & fairness and budget. Benefits and remuneration in kind are assigned based on responsibilities and accountabilities and includes regular and non-discretionary pension contributions. SAM UK may also provide additional remuneration elements to complement an employee package.

Variable Remuneration

Performance assessment and risk adjustment in relation to variable pay will be assessed in relation to each performance period. All employees are eligible for an annual bonus and for non-investment employees is expressed as target bonus based on a percentage of salary and is subject to a fixed to variable ratio of 1:2 for employees (in relation to annual bonus pool), except employees performing a control function (where the salary to bonus ratio is 1:1). For investment professional employees, the annual target bonus is achieved based on a balanced scorecard taking into account individual and team investment performance, role specific objectives and individual KPIs, including risk, regulator and conduct and compliance with SAM UK behaviours and subject to the 1:2 salary to bonus ratio. Target bonuses are adjusted according to SAM UK financial performance and to ensure it is affordable and does not create short or long term risks.

SAM UK may from time to time provide non-standard variable remuneration on a case by case basis, including guaranteed variable remuneration such as retention, termination or severance payments. Such remuneration will be at all times aligned with the five pillar approach and subject to governance approvals.

Consistent with the 5 pillars approach, SAM UK promotes effective risk management in the long-term interests of SAM UK and its customers, ensures alignment between risk and individual reward, supports positive behaviours in accordance with its values and designs its Remuneration Policy in such a way to discourage behaviours that can lead to misconduct and/or poor customer outcomes. Where misconduct failings or poor performance are identified, collective and/or individual adjustments on variable remuneration are considered and applied as appropriate.

SAM UK is required to identify individuals whose professional activities have a material impact on the risk profiles of the UK UCITS it manages (defined as ""Remuneration Code Staff"") and the UK UCITS Remuneration Code requires SAM UK to disclose specific information about those individuals. SAM UK's Remuneration Policy applies deferral arrangements where a proportion of variable pay for its Remuneration Code Staff is deferred, varying from 40% to 60% depending on the level of role and total compensation paid, and a certain proportion of payment is made in non-cash instruments. The Remuneration Policy has mechanisms in place to make risk adjustments for known future losses which are not accounted for at the time bonus levels are set, and also at an individual level, where a member of the bonus scheme is found to have acted inappropriately, or taken excessive risk, in order to achieve greater levels of reward.

Further information with respect to the Policy is available at www.santanderassetmanagement.co.uk.

Report of the Authorised Corporate Director (continued)

for the year ended 31 October 2023

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

The remuneration disclosure has been provided by SAM UK in its capacity as authorised fund manager of UK UCITS as at 31 December 2022. Remuneration information at an individual UK AIF or UCITS level is not readily available. The remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December 2022 with respect to all UK AIFs and UK UCITs it manages. It excludes remuneration paid to Material Risk Takers under the MIFIDPRU Remuneration Code. No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

For the year ended 31/12/2022 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Total remuneration awarded by the SAM UK during the financial year.	£9,047,829	£7,921,066	£16,996,895	78
Remuneration awarded to the Code Staff. **	£2,739,375	£4,908,913	£7,648,288	13

* The remuneration disclosed above is in relation to the remuneration awarded by the SAM UK during the financial year 1 January 2022 to 31 December 2022 and includes Remuneration Code Staff relating to SAM UK's Remuneration Code Staff identified under AIFMD and UK UCITS Remuneration Codes.

** Employees of the Manager who have a material impact on the risk profile of the Funds are Directors, Key Senior Management Roles and Investment Desk Heads, and are identified collectively as Remuneration Code Staff.

As of November 2023, SAM UK identified a small error in its end of year calculation and has now adjusted its total fixed remuneration as at 31/12/2022 by £4,911. This small adjustment is expressed in the above table.

Assessment of Value

Under COLL 6.6.20R (1), Santander Asset Management UK limited, the ACD of the Fund, must conduct an assessment at least annually for each UK authorised Fund it manages of whether the fees set out in the prospectus are justified in the context of overall value delivered to shareholders. This assessment of value must, as a minimum, consider the following seven criteria as set out by the regulator:

- Quality of Service
- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

SAM UK have chosen to publish our statements of value across our full range of UK authorised Funds in a separate composite report with a reference date of 31 December each year on our website at www.santanderassetmanagement.co.uk. Our composite reports will be available annually on 30 April.

Change to the application of swing pricing

The value of a Shareholder's investment can become diluted because of transaction costs linked to other Shareholders buying and selling shares in the Funds. To protect the value of Shareholders' holdings against such dilution, SAM UK applies a "dilution adjustment" (also known as "swing pricing") to the price of the Funds. In practice, the intent of this adjustment is to cover transaction costs so that existing Shareholders are not disadvantaged by bearing any of these costs.

Significant Information (continued)

Change to the application of swing pricing (continued)

Swing pricing can be applied in two ways:

(1) Non-dynamic swing pricing (also known as partial swing pricing), where the price of shares in a fund is adjusted when net buy and sell trades exceed a pre-set threshold each day.

(2) Dynamic swing pricing (also known as full swing pricing), where the price of shares in a fund is adjusted when net buy and sell trades exceed zero each day - i.e. there is no pre-set threshold.

For the period from 1 November 2022 to 21 May 2023, non-dynamic swing pricing applied.

The ACD wrote to Shareholders on 23 March 2023 to advise of an update to the Share Pricing Policy so that from 22 May 2023, dynamic swing pricing applied at all times. The ACD took this action in the best interests of Shareholders as it:

(i) provides equal treatment of all Shareholders, irrespective of the size of their transactions; and

(ii) protects existing Shareholders from dilution in the case of a consistent trend of net buy and sell trades which in isolation would not meet the pre-set threshold to apply a dilution adjustment, but could mount over time and cause dilution.

The ACD recognise that applying dynamic swing pricing to the price of shares in a Fund at all times will mean that this share price will swing more often which could cause more volatility. The ACD conducted volatility testing to assess this, which showed that this is unlikely to affect a Fund's performance.

The ACD is keeping the impact on Fund performance from the update to the Share Pricing Policy under regular review, and the appropriateness of the policy in general.

SPF – Basis of Preparation

The ACD continues to adopt the going concern basis in the preparation of the accounts for the Santander Premium Funds, with the exception of Sterling Bond. The ACD is of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the financial statements for the Sterling Bond sub-fund due to the merger of the sub-fund with the Santander Sterling Bond Portfolio within the next accounting year. The merger was approved by Shareholders at the extraordinary general meeting that held on 23 January 2024 and implemented on 2 February 2024. The ACD will subsequently commence the termination of the Sterling Bond sub-fund. As such the financial statements for this sub-fund have been prepared on a basis other than going concern. In applying this basis of preparation, the sub-fund's assets and liabilities continue to be stated at their fair values which materially equate to their realisable values. Investments have been reclassified as current assets. Merger and termination costs for the Sterling Bond Fund will be borne by the Authorised Corporate Director and therefore no provision has been made in the sub-fund's financial statements for these costs. There is also no intention to close the other sub-funds in the Santander Premium Fund range.

Post Balance Sheet Event

The ACD wrote to Shareholders on 11 September 2023 to advise them of the proposed Merger of Sterling Bond Fund ("Merging Fund") with Santander Sterling Bond Portfolio. Santander Asset Management UK Limited (SAM UK) acts as Authorised Corporate Director of both Santander Premium Fund and Santander Managed OEIC, of which the Merging Fund and Santander Sterling Bond Portfolio are sub funds of respectively. The Merger was approved after SAM UK called an extraordinary general

Significant Information (continued)

Post Balance Sheet Event (continued)

meeting ("EGM") of the Shareholders of the Merging Fund to vote on whether the Merger should take place. The Merger was implemented on 2 February 2024 (the "Effective Date") and a notice of successful Merger completion issued on 5 February 2024.

Authorised Corporate Director's Statement

This report has been prepared in accordance with the requirements of the Collective Investment Scheme's Sourcebook as issued and amended by the Financial Conduct Authority.

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director (ACD) is responsible for preparing the annual report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 (“the OEIC Regulations”), the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and the Company's Instrument of Incorporation. The OEIC Regulations and COLL requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company, and each of its Funds, and of its net revenue and net capital gains/(losses) on the property of the Company and each of its Funds for the period, and to comply with the United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In preparing the financial statements the ACD is required to:

- select suitable accounting policies and apply them consistently;
- make appropriate judgements and best estimates;
- state whether applicable accounting standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of an ACD's report which complies with the requirements of the Company's Instrument of Incorporation, Prospectus and COLL.

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 27 February 2024.

Pak Chan
Director
For and on behalf of Santander Asset Management UK Limited
Authorised Corporate Director of Santander Premium Fund
27 February 2024

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Santander Premium Fund

Statement of the Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Edinburgh
February 2024

Independent auditors' report to the Shareholders of Santander Premium Fund

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Santander Premium Fund (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 October 2023 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Santander Premium Fund is an Open Ended Investment Company ('OEIC') with 5 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual report (the "Annual Report"), which comprise: the Balance sheets as at 31 October 2023; the Statements of total return and the Statements of change in net assets attributable to shareholders for the year then ended; the Distribution tables; the Accounting and distribution policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to Accounting policy (a) Basis of preparation which describes the Authorised Corporate Director's reasons why the financial statements for Sterling Bond (the 'terminating sub-fund'), a sub-fund of Santander Premium Fund, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)
However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or its continuing sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report
In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements
As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Independent auditors' report to the Shareholders of Santander Premium Fund

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the Shareholders of Santander Premium Fund

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
27 February 2024

Accounting & distribution policies
for the year ended 31 October 2023

Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for the Financial Statements of UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

The ACD continues to adopt the going concern basis in the preparation of the accounts for the Santander Premium Funds, with the exception of Sterling Bond. The ACD is of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the financial statements for the Sterling Bond sub-fund as there is proposal of intent to merge the sub-fund with the Santander Sterling Bond Portfolio within the next accounting year subject to regulatory permission and shareholder approval, after which the ACD will commence the termination of the sub-fund. As such the financial statements for this sub-fund have been prepared on a basis other than going concern. In applying this basis of preparation, the sub-fund's assets and liabilities continue to be stated at their fair values which materially equate to their realisable values. Investments have been reclassified as current assets. Merger and termination costs for the Sterling Bond Fund will be borne by the Authorised Corporate Director and therefore no provision has been made in the sub-fund's financial statements for these costs. There is also no intention to close the other sub-funds in the Santander Premium Fund range.

b) Valuation of investments

Fair Value Hierarchy - Valuation techniques

Level 1 - Quoted prices for identical assets and liabilities in active markets that the entity can access at measurement date. This includes equities, government bonds, options, futures and exchange traded funds.
Level 2 - Observable inputs, such as publicly available market data about actual events and transactions. This includes Collective Investment Scheme securities, fixed interest securities excluding government bonds and forward foreign exchange trades.
Level 3 - Unobservable Inputs where relevant observable market data is not available. This includes suspended or de-listed assets.

All investments are valued at market value at close of business on 31 October 2023. Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Open future contracts and forward currency trades are valued at their fair market value using an independent pricing source.

Holdings in Collective Investment Schemes are valued using either the latest available bid price for dual priced funds or the latest available single price for single priced funds.

Suspended securities are valued on a case by case basis depending on the circumstances, details of which, if applicable, are disclosed in the portfolio statement of the individual Funds.

Accounting & distribution policies (continued)

for the year ended 31 October 2023

Accounting policies (continued)

c) Foreign exchange

The base currency of the Company and its Funds is Sterling, which is taken to be the Company's and its Funds' functional currency, due to this being the principal economic environment.

All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the dates of such transactions.

The resulting exchange differences are disclosed in the Statement of total return. Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate ruling on that date.

d) Revenue

Revenue is recognised in the Statement of total return on the following basis:

Dividends are recognised as revenue on the date when the securities are quoted ex-dividend. (In some markets in the Far East, dividends are not announced on ex-dividend date. In these cases, dividends will be estimated based on the last dividend received).

Income distributions from UK Real Estate Investment Trusts ('UK REITs') is split into two parts, a Property Income Distribution (PID) made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to corporate tax as schedule A revenue, while the non-PID element is treated as franked revenue.

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. All REIT dividend revenue is recognised on an accruals basis and the allocation between income and capital is estimated when the security goes ex-dividend. US REITs issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, then the estimated allocation is adjusted accordingly.

Distributions from Collective Investment Schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation is deducted from the cost of the investment and does not form part of the Fund's distribution.

Excess income and accumulation dividends from Offshore Collective Investment Schemes are recognised as revenue when the excess income report has been published by the external fund house.

Interest on debt securities, bank deposits and short-term deposits is recognised on an earned basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund. Debt securities are accounted for on an effective yield basis irrespective of the level of discount or premium. The amortised amount is accounted for as revenue and forms part of the distributable revenue of the Fund.

Management fee rebates in respect of holdings in other Collective Investment Schemes are recognised on an accruals basis. Where it is the policy of the underlying fund to charge its fees to capital, the rebate is recognised as capital.

Accounting & distribution policies (continued)

for the year ended 31 October 2023

Accounting policies (continued)

d) Revenue (continued)

Otherwise the rebate is recognised as revenue. If information is not available to determine if the policy of the underlying scheme is to charge its fees to revenue or capital, the rebate is recognised as revenue. The percentage rebate is included in the calculation of the Ongoing Charges Figure (OCF).

Ordinary scrip dividends are recognised wholly as revenue on the basis of the market values of the shares on the date that they are quoted ex-dividend. Where an enhancement is offered the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital. The ordinary element of scrip dividends is treated as revenue and forms part of the Fund's distributions.

Revenue is allocated to the share class on a daily basis in line with the apportionment factor which is calculated daily.

e) Expenses

All expenses, other than those relating to the purchase and sale of investments, are paid out of the scheme property of the Funds as they are incurred, as detailed in the Prospectus. These can be paid from revenue or capital dependent on the specific investment objective of the Fund. Expenses payable from the revenue of the Fund are included in the final distribution. Expenses payable from capital property of the Fund may constrain the capital growth of the Fund.

For all Funds expenses are charged to the relevant share class against revenue.

If expenses should be deducted from revenue but in the opinion of the ACD, there is insufficient revenue property for this purpose, the payment may be made from the capital property of the relevant Fund.

Audit fees relates to statutory audit of the Funds financial statements.

f) Taxation

Tax payable on revenue is recognised as an expense in the period in which revenue arises. The tax effects of tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Overseas revenue received is predominately exempt from UK Corporation tax. The exempt overseas revenue and the tax implication is included within the notes to the financial statements.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates or substantively enacted tax rates by the balance sheet date are used in the determination of current and deferred taxation.

Tax payable on revenue is calculated based on the revenue allocated to the specific share class.

Tax payable on net capital gains is recognised as an expense in the period in which gains arise.

Accounting & distribution policies (continued)

for the year ended 31 October 2023

Accounting policies (continued)

g) Efficient portfolio management

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts are used for efficient portfolio management purposes. Where such instruments are used to protect or enhance revenue and the circumstances support it, the revenue or expenses derived there from are included in the Statement of total return as revenue related items. Where such instruments are used to protect or enhance capital and the circumstances support it, the gains and losses derived there from are included in the Statement of total return as capital related items.

h) Cash flow statement

The Funds are not required to produce a cash flow statement as it meets the exemption criteria set out in FRS 102 7.1A as the Funds' investments are highly liquid and carried at market value and a Statement of change in net assets is provided for the Funds.

i) Dilution Adjustment

The ACD may require a dilution adjustment on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. For the period from 1st November 2022 to 21st May 2023 the dilution adjustment may have been charged in the following circumstances: where the Company property was in continual decline; on a Fund experiencing large levels of net sales relative to its size; where a Fund was experiencing net sales or net redemptions on a day equivalent to 3% or more of the size of that Fund on that day; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution adjustment. From 22nd May 2023 onwards, a dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Shares on an aggregated basis.

Distribution policies

a) Basis of distribution

The distribution policy of each Fund is to distribute all available revenue after deduction of expenses and taxation payable from revenue. Distributions attributable to income shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the Fund on behalf of the shareholders. The Sterling Bond Fund is known as a ‘bond fund’ and therefore pays interest distributions.

b) Revenue

All revenue is included in the final distribution of each Fund with reference to the Accounting policies for revenue disclosed in note d.

c) Expenses

Expenses payable from the revenue of each Fund are included in the final distribution, with reference to the Accounting policies for expenses in note e.

d) Allocation of revenue and expenses to multiple share classes

All revenue and expenses which are directly attributable to a particular share class are allocated to that share class. All revenue and expenses which are attributable to each Fund are allocated to the Fund and are normally allocated across the share classes pro rata to the net asset value of each class on a daily basis.

UK Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary

Investment Objective

The Fund’s objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon.

The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: FTSE All Share Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 1.05% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by investing at least 80% in a wide range of shares (also known as “equities”) in companies listed, at the time of purchase, in the UK, which can include Real Estate Investment Trusts (a type of property investment company) and other investment trusts. The majority of the Fund’s assets will be invested in the shares of companies domiciled or incorporated in the UK.

The Fund may also invest up to 10% in shares in companies listed, at the time of purchase, in developed markets outside of the UK. The Fund will at all times be invested between 90% and 100% in shares.

The Fund may also invest globally in developed markets up to 10% in cash, cash like and other money market instruments.

The Fund will invest directly, but may gain exposure indirectly to property through investment in Real Estate Investment Trusts.

The Fund may use Derivatives for Efficient Portfolio Management(including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process

The ACD’s investment philosophy is that the Fund’s investment objectives can be achieved from a consistent process using skilled investment managers focused on long term investment views.

The ACD has appointed three Sub-Investment Managers to provide investment management services in relation to the Fund. The proportion of the Fund's assets under the management of each Sub-Investment Manager(each such portion of the Fund a “Mandate”) will be determined by the ACD. The ACD has selected each Sub-Investment Manager based on its ability to deliver the outperformance target associated with its Mandate.

The ACD has in place an internal analysis and due diligence process to select and monitor the management of each Mandate, and it can change the management of a Mandate, or the Mandate itself, at its discretion when it believes that this is in the best interests of Shareholders in the Fund.

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Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Investment Strategy and Process (continued)

All of the Mandates are actively managed. This means that each Sub-Investment Manager will have the discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change, and it will select investments that it believes will best achieve each Mandate's outperformance target. An assessment will be completed by the relevant Sub-Investment Manager on investment opportunities before investment decisions are made on a Mandate.

Each Sub-Investment Manager will select investments that it believes will best achieve its Mandate's outperformance target. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

Although the Sub-Investment Managers may have different investment styles or biases, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole is to meet its investment objectives. Each Sub-Investment Manager will use its discretion to select companies that it believes will increase in value overtime and provide capital growth, with the potential for income, for the Fund.

With regard to the Fund's objective to outperform the Target Benchmark, the ACD will put in place a set of investment guidelines, in respect of each Mandate, which need to be considered when assets are selected.

Each Sub-Investment Manager:

- has a target to outperform the Target Benchmark. Although this is calculated on a different basis (i.e. before the deduction of the Fund's fees) to the Fund's outperformance target, this is aligned with the investment objectives of the Fund overall; and
- is subject to Tracking Error against the Target Benchmark which is commensurate to the outperformance target noted above.

In respect of one Mandate representing approximately 45% of the Fund, as part of its investment process the Sub-Investment Manager will consider a number of factors with a focus on:

- Quality: companies that have, for example, consistent profits and strong cash flow, low debt and actual or potential asset growth;
- Momentum: a company's share price has performed well over a short period and is expected to continue to do so; and
- Value: a company's share price is lower than expected based on the company's characteristics and financial results.

To help inform its investment views and in addition to its own analysis, this Sub-Investment Manager uses external research as well as a third-party screening process which identifies and ranks some of the companies the Fund may invest in based on quality, momentum and value. The Mandate's portfolio will typically consist of shares in companies which predominantly have good quality and momentum characteristics and offer capital growth.

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Investment commentary (continued)

Investment Strategy and Process (continued)
While this Sub-Investment Manager will favour long term investments and avoid a high turnover of the Mandate's portfolio and associated costs which can negatively impact the Fund's performance, it can change the Mandate's investments, including to hold shorter term investments, where it believes these will provide capital growth.

The companies this Sub-Investment Manager invests in can be of any size, however it will have a bias to investing in medium sized companies (for example those companies in the FTSE 250 Index). This is because this Sub-Investment Manager believes that these companies have good quality and momentum characteristics as well as delivering higher capital growth than other companies.

In respect of another Mandate representing approximately 45% of the Fund, when selecting companies to invest in the Sub-Investment Manager will focus on:

- established companies with a strong competitive position and long-term outlook in their market, and strong financial records. The Sub-Investment Manager will tend to invest in these companies with the aim of holding such investments for a 3 to 5 year period; and
- companies with low market share in an industry, but which the Sub-Investment Manager believes are leading the evolution of that industry and/or offer a unique business proposition.

The Sub-Investment Manager will tend to invest in these companies with the aim of holding such investments for a 1 to 3 year period.

This Sub-Investment Manager will primarily rely on internal research with several inputs to make its investment decisions, alongside a range of valuation tools. The companies this Sub-Investment Manager invests in can be of any size.

The Mandate representing approximately 10% of the Fund is managed by a third Sub-Investment Manager, which can invest in companies of any size but has a bias to investing in medium to small sized companies which offer the potential for growth.

On the basis of the outperformance target and Tracking Error applied to each Mandate, it is expected that average outperformance for the Fund will typically not be greater than 1.05% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling three year period. The outperformance targets for the Mandates (and therefore their contribution to any Fund level outperformance) are targets only and are not guaranteed.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of up to 6%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 6% provided this is consistent with the investment strategy of the Fund.

The Sub-Investment Managers are also subject to Tracking Error against the Target Benchmark. This means that although each Sub-Investment Manager has discretion to select investments for its Mandate, the degree to which each Mandate is permitted to deviate from the Target Benchmark will be restricted, which will limit the extent to which the Fund overall might outperform the Target Benchmark. The Sub-Investment Managers do not have to invest in the same assets that make up the Target

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Investment commentary (continued)

Investment Strategy and Process (continued)

Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up the Target Benchmark, but some of the Fund's investments will reflect the constituents of the Target Benchmark.

Further Information

The Target Benchmark for the Fund has been selected as it is representative of shares listed in the UK and therefore broadly in line with the investment policy of the Fund.

The Target Benchmark is provided by FTSE International Limited, which as at the date of this Prospectus is included in the public register of administrators and benchmarks established and maintained by the FCA.

In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees" includes all fees, costs, charges, expenses and liabilities which are deducted from the value of Fund property for the purpose of calculating its NAV.

If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.

Variable remuneration of the individual employed by the ACD who is responsible for the selection and ongoing oversight of the Sub-Investment Managers is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment may be made by comparing Fund performance relative to the Target Benchmark.

The base currency of the Fund is UK Sterling

Sub-Investment Managers

The Fund is comprised of various mandates, one of which is managed directly by Santander Asset Management UK Limited, with management delegated for other mandates to Sub-Investment Managers. The Sub-Investment Managers are:

BlackRock Investment Management (UK) Limited

Aegon Asset Management UK Plc

Schroder Investment Management Limited

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

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include counterparty risk, country risk, derivatives risk, investment style and management risk, liquidity risk, smaller and medium sized companies risk

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Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Risk Profile (continued)

and stock market risk which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

Risk and Reward Indicator

Lower Risk ← → Higher Risk

Typically Lower Rewards | Typically Higher Rewards

1	2	3	4	5	**6**	7

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 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.

Performance

Capital Growth

Percentage price change from 31 October 2018 to 31 October 2023 (5 years)		
	Cumulative	
UK Equities Sterling Accumulation A Shares	11.81%	
Percentage price change from 31 October 2020 to 31 October 2023 (3 years)		
	Annualised	**Cumulative**
UK Equities Sterling Accumulation A Shares	5.95%	18.95%
FTSE All Share Index TR*	11.66%	39.20%
Percentage price change from 31 October 2022 to 31 October 2023 (1 year)		
UK Equities Sterling Accumulation A Shares	5.48%	
FTSE All Share Index TR	5.85%	

Source Morningstar - NAV at noon, bid to bid, net of fees, revenue reinvested (accumulation class only).
Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to 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.

* Please note that the Benchmark was reclassified from Constraint to Target on 30 October 2020. Prior to this date the Fund was not aiming to outperform the Benchmark.

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Investment commentary (continued)

Market Review

UK shares rose slightly during the period[46], as increases in the share values of bigger companies[47] offset those of medium-sized businesses falling to one-year lows.[48] Export-oriented firms benefitted from a weak pound, which made exports from the UK more competitive.[49] However, domestically-focused companies struggled due to sluggish economic growth.[50]

The Israel-Hamas conflict drove oil prices upwards, aiding the performance of oil companies. In contrast, weakening demand paired with high interest rates, which make borrowing money more expensive and limit firms' ability to grow, resulted in medium-sized businesses falling in value. The outbreak of conflict also drove cautious investors away from smaller, riskier companies.[51]

Inflation in the UK has fallen more slowly than in other developed countries[52] because of staffing shortages following Brexit and its reliance on food and natural gas imports, both of which are particularly susceptible to inflation.[53]

After raising interest rates 14 times over the last two years in a bid to reduce inflation, the Bank of England (BoE) held interest rates steady in September amid concerns about flagging economic growth.[54] However, the BoE[55], US Federal Reserve[56] and European Central Bank[57] stressed that interest rates may remain higher for longer than had been expected.

As high interest rates meant investors could earn comparable returns to bonds for less risk through saving their money, investors demanded higher bond yields so that bonds would remain a worthwhile investment. This resulted in bond yields surging to levels not seen for decades.[58] In turn, the greater returns offered by bonds made them more attractive to investors, putting pressure on stock markets.[59]

While the UK economy has avoided a recession, which is defined as two successive quarters of negative growth, concerns remain that the impact of the rate hikes has yet to be fully felt.[60] A key index of UK business activity fell to its lowest level since January in October, indicating that the economy is on course for a fourth-quarter contraction.[61]

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon. The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: FTSE All Share Index TR.

[46] *FTSE All-Share Index, 31 October 2023*
[47] *FTSE 100 Index, 31 October 2023*
[48] *FTSE 250 Index, 31 October 2023*
[49] *Bloomberg, 26 September 2023*
[50] *Reuters, 12 October 2023*
[51] *Interactive Investor, 25 October 2023*
[52] *Associated Press, 16 November 2023*
[53] *Reuters, May 26 2023*
[54] *Bloomberg, 21 September 2023*
[55] *BBC, 11 May 2023*
[56] *Reuters, 23 October 2023*
[57] *Associated Press, 26 August 2023*
[58] *Business Insider, 8 October 2023*
[59] *Business Insider, 4 October 2023*
[60] *The Guardian, 12 October 2023*
[61] *Reuters, 24 October 2023*

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Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
It is expected that average outperformance for the Fund will typically not be greater than 1.05% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

The Fund is actively managed by three separate Sub-Investment Managers. The Fund is at least 90% invested in shares and at least 80% in companies listed in the UK. It may invest up to 10% in shares listed in developed markets and up to 10% in cash/cash-like instruments.

The Fund has produced a cumulative return of 11.81% over the last five years, achieving its objective to provide a combination of capital growth and income over a period of five or more years.

Over the past three years, the Fund cumulatively returned 18.95% (5.95% annualised). The Fund has not met its objective to outperform the Target Benchmark, which cumulatively returned 39.20% (11.66% annualised).

Although the Fund outperformed the benchmark until the end of 2021, it fell behind in 2022, which was a very challenging year for the Funds investment style. While the Fund's approach is flexible in that it invests in companies of all sizes, it favours shares of companies which predominantly have good quality (consistent profits and strong cash flow, low debt and actual or potential asset growth) and momentum (share price has and is expected to continue to perform well) characteristics and offer capital growth. Value investors, who look for shares trading for less than what they believe they're worth, generally performed better than growth investors in 2022.[62]

The Fund delivered a return of 5.48% in the 12 months through 31 October 2023, while the Target Benchmark returned 5.85%.

The Fund holds more shares in small- and medium-sized companies than the Target Benchmark, affecting its relative performance as the larger companies performed better on average.

Positive contributions to the Fund's performance were found in overweight holdings, relative to the benchmark – meaning the Fund held more of these assets than the benchmark – in miniature war games manufacturer Games Workshop, multi-national foods processor company Associated British Foods, car dealership Vertu Motors and software reseller Bytes Technology.

Engineering services company Hill & Smith, Hikma Pharmaceuticals, Dechra Pharmaceuticals, and heating and plumbing products distributor Ferguson also aided the Fund's performance. Clothing, footwear and home products retailer Next and Baltic Classifieds Group were positive contributors too.

However, holding fewer shares than the benchmark in the international banking group HSBC detracted significantly from performance, as the group's shares rose in value.[63] Overweight positions in industrial and electrical products distributor RS Group, Diversified Energy and fashion brand Burberry also hindered performance.

[62] *Institutional Investor, 28 March 2023*
[63] *London Stock Exchange, 31 October 2023*

UK Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
Chemicals company Synthomer, Watches of Switzerland, Auction Technology Group and business process outsourcer iEnergizer also weighed negatively on the Fund's performance.

Shares in several companies were sold, including Tullow Oil, Diversified Energy, alcohol beverage company Diageo, data analytics firm Experian, RS Group, Apple, publishing and education company Pearson and Dechra Pharmaceuticals. Overall, the Fund's holdings in the utilities sector were reduced.

The money freed up by these sales was reallocated to B&M European Value Retail, financial services company Alpha Group International and Bytes Technology. Additionally, investments in existing holdings such as private equity firm 3i Group, Associated British Foods and equipment rental group Ashtead were increased.

During the reporting period, the Fund's holdings of internet market research and data-analytics firm YouGov, QinetiQ Security & Defence Contractors, home construction company Bellway, property company Grainger, real estate investment trust Workspace Group, retailer WH Smith and industrial flow control equipment manufacturer Rotork were also slowly added to.

Market Outlook
The Sub-Investment Managers believe the UK stock market remains undervalued compared to its developed market peers.[64]

They expect the small- and medium-sized companies the Fund invests in to achieve subdued growth in the short term, followed by increased growth, which is dependent on the UK avoiding a recession.

One Sub-Investment Manager highlights that activist investors (investors that typically buy a company's shares then put pressure on management to change how it's run), overseas investors and private equity firms are benefitting from attractive valuations and buying UK shares.

This Sub-Investment Manager noticed investors shifting from financially stable and well-established companies to businesses believed to be undervalued.

Another Sub-Investment Manager believes that some of the perceived risks to the UK economy –stubborn inflation, political instability, weakening demand and a crumbling housing market – have been overstated. In their view, potential wage increases should support consumer spending while softening the blow of higher mortgage costs.

[64] *Bloomberg, 10 July 2023*

UK Equities

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Investment commentary (continued)

Market Outlook (continued)

The manager also notes that unemployment is still low, inflation is easing and revisions to statistics reveal that Britain recovered faster from the COVID-19 pandemic than had previously been believed.[65]

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
December 2023

[65] *The Guardian, 29 September 2023*

Summary of material portfolio changes

for the year ended 31 October 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
Shell	4,493,108		TotalEnergies	4,735,401	
HSBC	3,702,136		Shell	4,559,114	
GSK	2,950,221		Experian	3,971,216	
Prudential	2,799,446		Diageo	3,760,738	
Pernod Ricard	2,686,562		RS	3,277,565	
Standard Chartered	2,461,732		Drax	3,138,160	
3i	2,387,040		Dechra Pharmaceuticals	3,137,309	
Howden Joinery	2,384,897		Anglo American	3,113,646	
InterContinental Hotels	2,355,035		Rightmove	3,062,951	
Anglo American	2,054,067		National Grid	2,808,199	
Bytes Technology	1,959,468		RELX	2,787,244	
Watches of Switzerland	1,891,629		Croda International	2,457,248	
ME International	1,865,024		Prudential	2,402,980	
NatWest	1,834,004		AstraZeneca	2,385,685	
B&M European Value Retail	1,831,071		Spirax-Sarco Engineering	2,233,601	
Microsoft	1,818,855		HSBC	2,169,241	
WH Smith	1,817,315		United Utilities	2,125,456	
4imprint	1,810,809		British American Tobacco	2,012,205	
Burberry	1,806,217		Greencoat UK Wind	1,979,411	
Rotork	1,776,602		Apple	1,836,849	
Total cost of purchases for the year	103,849,373	14	Total proceeds from sales for the year	123,471,470	14

Portfolio statement

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Equities 97.71% (98.86%)			
Advertising 0.09% (0.07%)			
Ascential	65,765	172,173	0.09
		172,173	0.09
Aerospace & Defence 0.74% (0.79%)			
Melrose Industries	301,780	1,409,313	0.74
		1,409,313	0.74
Agriculture nil (0.91%)			
Apparel 0.59% (nil)			
Burberry	65,549	1,109,089	0.59
		1,109,089	0.59
Banks 7.14% (4.68%)			
Bank of Georgia	9,807	326,083	0.17
DNB Bank	108,051	1,604,469	0.85
HSBC	1,379,960	8,170,743	4.31
NatWest	469,014	835,549	0.44
Standard Chartered	412,514	2,598,838	1.37
		13,535,682	7.14
Beverages 1.03% (2.20%)			
Diageo	13,724	426,336	0.22
Pernod Ricard	10,511	1,533,550	0.81
		1,959,886	1.03
Biotechnology nil (0.04%)			
Building Materials nil (0.77%)			
Chemicals 0.03% (1.73%)			
Synthomer	28,861	54,692	0.03
		54,692	0.03
Commercial Services 10.14% (11.35%)			
4imprint	39,706	1,989,271	1.05
Ashtead	100,836	4,742,317	2.50
Capita	1,661,890	278,699	0.15
Experian	14,795	368,544	0.19

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Commercial Services (continued)			
QinetiQ	773,401	2,559,957	1.35
RELX	269,633	7,733,074	4.08
Rentokil Initial	59,878	249,572	0.13
YouGov	150,182	1,306,583	0.69
		19,228,017	10.14
Computers 1.62% (2.61%)			
Bytes Technology	426,109	2,097,308	1.11
Computacenter	35,028	898,118	0.47
GB	34,531	82,529	0.04
		3,077,955	1.62
Cosmetics & Personal Care 3.21% (2.74%)			
Unilever	156,555	6,088,424	3.21
		6,088,424	3.21
Distribution & Wholesale 0.61% (2.98%)			
Bunzl	32,379	948,057	0.50
Ferguson	1,763	217,378	0.11
		1,165,435	0.61
Diversified Financial Services 6.15% (4.27%)			
Alpha International	21,582	340,996	0.18
Ashmore	253,027	428,881	0.23
Hargreaves Lansdown	93,888	663,413	0.35
IntegraFin	539,785	1,181,050	0.62
International Personal Finance	1,069,252	1,379,335	0.73
London Stock Exchange	58,112	4,810,511	2.54
Mastercard	1,960	607,617	0.32
OSB	626,856	1,878,060	0.99
Sosandar	3,204,115	368,473	0.19
		11,658,336	6.15
Electricity 0.75% (4.75%)			
National Grid	18,918	185,131	0.10
SSE	75,526	1,232,207	0.65
		1,417,338	0.75

Portfolio statement (continued)
as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Electronic & Electrical Equipment nil (0.50%)			
Electronics 1.49% (0.41%)			
DiscoverIE	22,628	139,615	0.07
Luceco	1,117,424	1,247,045	0.66
Oxford Instruments	30,109	541,962	0.28
RS	133,369	903,175	0.48
		2,831,797	1.49
Engineering & Construction 0.76% (0.62%)			
Balfour Beatty	109,993	339,438	0.18
Renew	153,551	1,100,961	0.58
		1,440,399	0.76
Food & Beverages 2.19% (3.10%)			
Cranswick	69,891	2,441,992	1.29
Hilton Food	23,879	155,930	0.08
Kitwave	554,303	1,380,214	0.73
Tesco	62,926	169,648	0.09
		4,147,784	2.19
Food Services 1.75% (2.26%)			
Compass	159,713	3,310,850	1.75
		3,310,850	1.75
Forestry & Paper 0.12% (0.13%)			
Smurfit Kappa	8,561	229,777	0.12
		229,777	0.12
Healthcare Products 0.44% (0.18%)			
NMC Health*	2,016	-	-
Thermo Fisher Scientific	2,300	842,742	0.44
		842,742	0.44
Home Builders 1.51% (0.62%)			
Bellway	44,081	919,530	0.49
Berkeley	27,342	1,103,523	0.58
Persimmon	19,091	193,965	0.10
Taylor Wimpey	574,809	636,888	0.34
		2,853,906	1.51

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Home Furnishings 1.11% (0.69%)			
Howden Joinery	331,020	2,110,583	1.11
		2,110,583	1.11
Household Goods 1.08% (1.13%)			
Reckitt Benckiser	37,232	2,047,760	1.08
		2,047,760	1.08
Insurance 1.84% (2.10%)			
Just	341,446	257,450	0.14
Legal & General	1,356,439	2,862,087	1.51
Phoenix	80,727	366,339	0.19
		3,485,876	1.84
Internet 3.80% (3.76%)			
Alphabet	8,578	876,781	0.46
Auction Technology	223,322	1,252,836	0.66
Baltic Classifieds	1,070,263	2,112,699	1.11
Future	105,582	933,873	0.49
Rightmove	430,786	2,037,618	1.08
		7,213,807	3.80
Investment Companies nil (0.81%)			
Trian Investors**	1,042	-	-
		-	-
Leisure Time nil (0.67%)			
Lodging 1.06% (nil)			
InterContinental Hotels	14,190	824,155	0.43
Whitbread	35,849	1,193,055	0.63
		2,017,210	1.06
Machinery Construction & Mining nil (0.47%)			
Machinery Diversified 1.86% (1.95%)			
IMI	102,325	1,499,061	0.79
Rotork	563,737	1,649,494	0.87
Spirax-Sarco Engineering	4,644	380,437	0.20
		3,528,992	1.86

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Media 0.44% (0.36%)			
Bloomsbury Publishing	209,013	831,872	0.44
		831,872	0.44
Mining 6.57% (6.04%)			
Anglo American	107,279	2,249,104	1.19
BHP	54,166	1,266,401	0.67
Glencore	202,985	883,188	0.46
Rio Tinto	153,566	8,068,358	4.25
		12,467,051	6.57
Miscellaneous Manufacturing 2.74% (0.99%)			
Chemring	462,903	1,293,814	0.68
Diploma	33,604	955,026	0.50
Hill & Smith	83,077	1,369,109	0.72
ME International	1,132,747	1,588,111	0.84
		5,206,060	2.74
Oil & Gas 10.61% (11.93%)			
Aker BP	114,102	2,702,666	1.42
BP	481,793	2,421,010	1.28
Diversified Energy	228,030	152,438	0.08
Harbour Energy	379,367	960,936	0.51
Marathon Petroleum	14,619	1,821,698	0.96
Serica Energy	457,379	1,064,778	0.56
Shell	415,563	10,995,797	5.80
		20,119,323	10.61
Oil & Gas Services 0.57% (nil)			
Ashtead Technology	225,180	1,080,864	0.57
		1,080,864	0.57
Packaging & Containers nil (0.59%)			
Pharmaceuticals & Biotechnology 7.14% (6.20%)			
AstraZeneca	62,846	6,439,201	3.40
CVS	72,651	1,062,884	0.56
Ergomed	8,503	114,110	0.06
GSK	231,696	3,376,738	1.78
Hikma Pharmaceuticals	14,217	270,265	0.14
Indivior	28,191	444,008	0.23

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Pharmaceuticals & Biotechnology (continued)			
Novo Nordisk	11,592	917,501	0.48
Roche	4,367	924,572	0.49
		13,549,279	7.14
Private Equity 3.05% (1.08%)			
3i	228,662	4,422,323	2.33
Intermediate Capital	104,770	1,366,725	0.72
		5,789,048	3.05
Real Estate 0.89% (0.70%)			
Grainger	321,840	731,221	0.39
Harworth	963,074	953,443	0.50
Intu Properties***	15,267	-	-
		1,684,664	0.89
Real Estate Investment Trusts 0.52% (0.39%)			
LXI REIT	207,137	177,413	0.09
Urban Logistics REIT	137,043	142,250	0.08
Workspace	139,623	672,983	0.35
		992,646	0.52
Retailers 9.27% (6.23%)			
Associated British Foods	111,728	2,262,492	1.19
B&M European Value Retail	323,872	1,712,635	0.90
City Pub	1,034,637	910,481	0.48
Dunelm	116,160	1,132,560	0.60
Grafton	157,917	1,217,698	0.64
Joules****	312,262	-	-
Next	77,822	5,357,266	2.83
Vertu Motors	1,512,804	1,149,731	0.61
Watches of Switzerland	508,710	2,548,637	1.34
WH Smith	111,634	1,293,838	0.68
		17,585,338	9.27
Tech - Software & Services 1.44% (0.45%)			
Microsoft	9,830	2,738,742	1.44
		2,738,742	1.44

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Telecommunications 1.95% (2.08%)			
Gamma Communications	354,291	3,705,884	1.95
		3,705,884	1.95
Toys, Games & Hobbies 1.34% (1.21%)			
Games Workshop	25,748	2,542,615	1.34
		2,542,615	1.34
Transportation 0.07% (0.16%)			
Clarkson	4,960	130,944	0.07
		130,944	0.07
Travel & Leisure nil (nil)			
Patisserie Holdings*****	267,002	-	-
		-	-
Water nil (1.16%)			
Total Equities		185,362,153	97.71
Futures -0.03% (nil)			
FTSE 250 Index	16	(48,208)	(0.03)
		(48,208)	(0.03)
Portfolio of investments		**185,313,945**	**97.68**
Net other assets		**4,395,395**	**2.32**
Total net assets		**189,709,340**	**100.00**

Figures in brackets represent sector distribution at 31 October 2022.

All equity shares are listed ordinary shares unless otherwise stated.

Futures securities are derivative instruments listed on recognised exchanges.

* NMC Health shares were suspended on 27 February 2020 following liquidation and are priced at zero.

** Trian Investors shares were suspended on 26 April 2023 and are priced at zero.

*** Intu Properties shares were suspended on 02 July 2020 following liquidation and are priced at zero.

**** Joules shares were suspended on 16 November 2022 and have been priced at zero since 21 November 2022.

***** Patisserie Holdings shares were suspended on 10 October 2018 following a fraud investigation and are priced at zero.

Comparative tables

Change in net asset value per share	Sterling Accumulation A Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	324.22	385.34	288.51
Return before operating charges	18.15	(58.63)	99.30
Operating charges	(2.40)	(2.49)	(2.47)
Return after operating charges	15.75	(61.12)	96.83
Distributions	(9.35)	(9.94)	(10.70)
Retained distributions on accumulation shares	9.35	9.94	10.70
Closing net asset value per share	339.97	324.22	385.34
*after direct transaction costs of	0.85	0.65	0.64
Performance	**2023**	**2022**	**2021**
Return after operating charges**	4.86%	(15.86)%	33.56%
Closing net asset value (£'s)	189,709,340	201,892,128	272,621,998
Closing number of shares	55,801,156	62,269,844	70,749,217
Operating charges	0.68%	0.70%	0.69%
Direct transaction costs*	0.24%	0.18%	0.18%
	p	p	p
Highest share price	374.8	398.2	398.1
Lowest share price	336.3	311.1	289.0

*Direct transaction costs include broker commissions and taxes paid by the Fund on each purchase or sale transaction, some of the direct transaction costs for the year were recovered directly from investors joining and leaving the Fund. Direct transaction costs incurred by the underlying funds held are not included in the direct transaction cost % disclosed.

**The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figures quoted in the Investment commentary. The Investment commentary performance figure is calculated using the last available published price for the given share class in the year compared to the equivalent for the prior year. The published price may contain an adjustment for dilution in accordance with the Fund pricing policy, while the price per the financial statements values the Fund on a bid-price basis.

Financial Statements - UK Equities

Statement of total return

for the year ended 31 October 2023

	Note	2023 £	2023 £	2022 £	2022 £
Income					
Net capital gains/(losses)	1		5,181,020		(46,450,287)
Revenue	2	6,926,674		8,165,513	
Expenses	3	(1,402,447)		(1,614,663)	
Interest payable and similar charges	4	(21,290)		(15,503)	
Net revenue before taxation		5,502,937		6,535,347	
Taxation	5	(101,850)		(136,216)	
Net revenue after taxation			5,401,087		6,399,131
Total return before distributions			10,582,107		(40,051,156)
Distributions	6		(5,401,087)		(6,399,131)
Change in net assets attributable to shareholders from investment activities			5,181,020		(46,450,287)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023 £	2023 £	2022 £	2022 £
Opening net assets attributable to shareholders		201,892,128		272,621,998
Amounts receivable on issue of shares	1,864,032		1,463,750	
Amounts payable on cancellation of shares	(24,671,811)		(32,201,071)	
		(22,807,779)		(30,737,321)
Dilution adjustment		42,884		58,607
Change in net assets attributable to shareholders from investment activities		5,181,020		(46,450,287)
Retained distribution on accumulation shares		5,401,087		6,399,131
Closing net assets attributable to shareholders		189,709,340		201,892,128

Balance sheet

as at 31 October 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		185,362,153	199,582,034
Current assets:			
Debtors	7	275,035	475,543
Cash and bank balances	8	21,239,600	10,351,327
Total assets		206,876,788	210,408,904
Liabilities:			
Investment liabilities		(48,208)	-
Creditors			
Bank overdrafts	8	(16,776,191)	(7,972,107)
Other creditors	9	(343,049)	(544,669)
Total liabilities		(17,167,448)	(8,516,776)
Net assets attributable to shareholders		189,709,340	201,892,128

Notes to the financial statements

for the year ended 31 October 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Non-derivative securities	5,321,547	(46,443,623)
Derivative contracts	(91,732)	103,167
Currency losses	(29,441)	(41,528)
Transaction charges	(19,354)	(68,303)
Net capital gains/(losses)	5,181,020	(46,450,287)

2. Revenue

	2023	2022
	£	£
UK dividends	5,981,104	6,480,914
Overseas UK tax exempt revenue	763,601	1,461,124
Unfranked revenue	40,110	42,823
Bank interest	36,053	3,871
Margin interest	397	-
Scrip dividends	105,409	176,781
Total revenue	6,926,674	8,165,513

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	1,360,019	1,567,389
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	25,108	28,757
Other expenses:		
Audit fees	12,695	12,694
Safe custody fees	3,144	4,416
FCA fee	59	162
Tax service fees	1,422	1,245
	17,320	18,517
Total expenses	1,402,447	1,614,663

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	10	125
Margin interest	21,280	15,378
Total interest payable and similar charges	21,290	15,503

Notes to the financial statements (continued)

for the year ended 31 October 2023

5. Taxation	**2023**	**2022**
	£	**£**
a) Analysis of the tax charge for the year		
Overseas withholding tax	101,850	150,516
Current tax charge	101,850	150,366
Prior year adjustment	-	(150)
Deferred tax credit(note 5c)	-	(14,150)
Total tax charge(note 5b)	101,850	136,216

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	**2022**
	£	**£**
Net revenue before taxation	5,502,937	6,535,347
Corporation tax @ 20% (2022 - 20%)	1,100,587	1,307,069
Effects of:		
Movement in excess management expenses	269,436	302,545
Overseas withholding tax	101,850	150,516
Prior year adjustment	-	(150)
Revenue exempt from UK corporation tax	(1,370,023)	(1,623,764)
Total tax charge (note 5a)	101,850	136,216

	2023	**2022**
c) Provision for deferred taxation	**£**	**£**
Opening provision	-	14,150
Deferred tax credit (note 5a)	-	(14,150)
Closing provision	-	-

At the year end there is a potential deferred tax asset of £16,560,805 (2022 - £16,291,369) in relation to surplus management expenses and non-trade loan relationship deficits. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	2023	**2022**
	£	**£**
Interim accumulation distributions paid	2,993,409	3,356,590
Final accumulation distributions payable	2,407,678	3,042,541
Distributions	5,401,087	6,399,131

Notes to the financial statements (continued)

for the year ended 31 October 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	5,401,087	6,399,131
Add:		
Undistributed revenue brought forward	22	22
Deduct:		
Undistributed revenue carried forward	(22)	(22)
Distributions	5,401,087	6,399,131

Details of the distribution per share are disclosed in the distribution table on page 48.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	-	6,547
Sales awaiting settlement	21,109	79,857
Accrued revenue	151,946	272,571
Overseas withholding tax	101,980	116,568
Total debtors	275,035	475,543

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	83,546	-
Cash and bank balances	21,156,054	10,351,327
Total cash and bank balances	21,239,600	10,351,327
Bank overdraft*	16,776,191	7,972,107

As at 31 October 2023, the weighted average of the floating interest rate on bank balances was 0.82% (2022 - 0.00%).

*The bank overdrafts only incur interest on a net overdraft position as a compensated interest grouping agreement is in place.

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	201,163	194,827
Purchases awaiting settlement	-	97,075
Accrued expenses	141,886	252,767
Total other creditors	343,049	544,669

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests at least 80% in a wide range of shares issued by listed companies in the UK and is made up of directly held securities and / or investment trusts. The main risk arising from the Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives but the exposure to derivatives is not expected to alter the overall risk exposure of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £18,531,395 (2022 - £19,958,204). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

Interest rate risk is the risk that the value of investments will fluctuate as a result of changes in interest rates. Cash balances and investments in fixed interest securities will be subject to such risk.

By a careful assessment of economic and other relevant factors, the Manager and appropriate Sub-Investment Manager will seek to invest in those companies most likely to benefit, or be protected, from anticipated changes in interest rates. There are no material amounts of interest bearing financial assets and liabilities, other than equities, which do not have maturity dates.

Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 October 2023, 2.35% of the Fund's assets were interest bearing (2022 - 1.18%).

As the only interest bearing assets held by the Fund are bank balances and no significant interest was received for the bank balances in note 8, changes in interest rates would have no material impact on assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

c) Currency risk

The Fund invests in companies which may derive portions of their revenues in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the equity securities can therefore be affected by currency movements.

By diversifying the portfolio of the Fund, where this is appropriate and consistent with the Fund's objectives, the foreign currency risk of a particular investment is reduced. The Manager and appropriate Sub-Investment Manager monitors the Currency exposure of the portfolio on an ongoing basis to make sure the actual exposure is consistent with his understanding of future currency movements.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

c) Currency risk (continued)

However, note that the currency risk can be hedged to limit the currency risk or to protect the value of the assets converted in the base currency of the Fund.

The Fund does not hold any significant currency balances as at the balance sheet date, consequently, no sensitivity analysis has been presented.

d) Credit risk

Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The risk also applies when the Fund invests in the units of Collective Investment Schemes that themselves are exposed to credit risk from underlying issuers or counterparties. The main contributor to credit risk is the risk of default from underlying issuers of fixed income securities.

The Manager and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

Liquidity risk may result in the inability of the Fund to meet redemptions of shares that investors may wish to sell. The Fund is required to meet daily redemption and therefore may face liquidity risk in an adverse event, such as during periods of elevated market stress levels.

The Fund may invest in smaller capitalisation companies that tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. The Sub-Investment Manager seeks to limit liquidity risk of the Fund by selecting a diversified range of equity securities.

f) Counterparty risk

In some instances, transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

Counterparties selected by the Manager and appropriate Sub-Investment Manager are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

g) Country Risk

Investing all or significant proportions of a Fund's assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain markets which only apply to the single country, as a result share price fluctuations may be greater.

h) Derivatives Risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The Fund may also use derivatives for investment purposes to help the Fund achieve its investment objectives. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

h) Derivatives Risk (continued)

However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

i) Investment Style and Investment Management Risk

Shareholders in a Fund face a risk that the investment choices made by the ACD and/or any Sub-Investment Manager(s) for that Fund on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Fund with one investment style may outperform or underperform other Funds that employ different investment styles.

Further, each Fund is subject to the risk that the ACD and/or any Sub-Investment Manager(s) appointed for that Fund may not select instruments which optimally achieve the implementation of an investment style for that Fund.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

j) Smaller and Medium Sized Companies Risk
Securities of smaller and medium sized companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in these companies may involve higher risk than investment in larger companies. The securities of smaller and medium sized companies may trade less frequently and be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group, and full development of them takes time. These factors may result in above-average fluctuations in the price of a Fund which invests in smaller companies.

11. Related party transactions

The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £312,365 (2022 - £224,682) was due to the ACD at the year end date.

Material shareholders

As at 31 October 2023, 97.2% (2022 - 97.3%) of the shares in issue were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has one share class; Sterling Accumulation A Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
Sterling Accumulation A Shares	**No of shares**	**No of shares**
Opening shares in issue	62,269,844	70,749,217
Shares issued in the year	525,002	399,757
Shares cancelled in the year	(6,993,690)	(8,879,130)
Closing shares in issue	55,801,156	62,269,844

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	185,362,153	48,208
Level 3: Unobservable data**	-	-
	185,362,153	48,208

Notes to the financial statements (continued)

for the year ended 31 October 2023

13. Fair value disclosure (continued)

	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	199,582,034	-
Level 3: Unobservable data**	-	-
	199,582,034	-

* Details of the securities included within the fair value hierarchy are detailed on page 14 accounting policy (b) valuation of investments.

** For details of the securities included within level 3 please refer to the portfolio statement on page 33. This figure is made up of 5 securities (2022: 4 securities)

Notes to the financial statements (continued)

for the year ended 31 October 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	887,135	532	4,439	892,106	0.06	0.50
Equities	102,520,494	43,700	393,073	102,957,267	0.04	0.38
Total purchases	103,407,629	44,232	397,512	103,849,373		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	1,681,488	971	8,087	1,690,546	0.06	0.48
Equities	84,598,402	37,844	342,173	84,978,419	0.04	0.40
Total purchases	86,279,890	38,815	350,260	86,668,965		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	2,434,857	(1,460)	(1)	2,433,396	0.06	-
Equities	121,098,365	(59,729)	(562)	121,038,074	0.05	-
Total sales	123,533,222	(61,189)	(563)	123,471,470		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	3,093,001	(597)	(91)	3,092,313	0.02	-
Equities	107,074,574	(44,994)	(1,009)	107,028,571	0.04	-
Total sales	110,167,575	(45,591)	(1,100)	110,120,884		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	105,421	398,075
Total costs as % of Average NAV	0.05%	0.19%
2022	**£**	**£**
Total costs from purchases & sales	84,406	351,360
Total costs as % of Average NAV	0.03%	0.15%

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

In the case of equity securities broker commissions and transfer taxes are paid by the Fund on each purchase or sale transaction and are a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.16% (2022 - 0.27%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 October 2023

15. Post balance sheet events

Subsequent to the year end, the net asset value per share of the Sterling Accumulation A share class has increased from 339.97p to 375.45p as at 20th February 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 October 2023

Distributions on Sterling Accumulation A Shares in pence per share

Payment date	Payment type	Distribution paid/payable 2023	Distribution paid 2022
30.06.23	interim	5.0387	5.0505
31.12.23	final	4.3147	4.8860

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Europe Ex UK Equities
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Investment commentary

Investment Objective
The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon.

The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: MSCI Europe Ex UK Index.

It is expected that average outperformance for the Fund will typically not be greater than 0.65% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy
The Fund is actively managed and aims to achieve its objectives by investing at least 90% in shares (also known as "equities"). Of the Fund's direct investments:

– at least 90% will be in shares in companies listed, at the time of purchase, in Europe excluding the UK; and
– a maximum of 10% will be in shares in companies listed, at the time of purchase, in other countries.

The Fund can invest in shares of any size of company. However as a result of its investment strategy and process, it will favour large sized companies. The ACD assesses large companies to be those which, at the time of purchase, are considered to form the top 80% by market capitalisation of shares listed in developed European markets excluding UK.

The Fund may invest globally (in developed markets only).

The Fund may also invest up to 5% in cash, cash like and other money market instruments.

At least 90% of the Fund will be invested directly. Up to 10% of the Fund can invest indirectly in these asset classes, and in any amount, by purchasing units of Actively Managed and/or Passively Managed Collective Investment Schemes. These Collective Investment Schemes may be managed by the ACD or other companies (including within the Santander Group).

The Fund may use Derivatives for Efficient Portfolio Management(including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process
The ACD's investment philosophy is that the Fund's investment objectives can be achieved from a consistent process using skilled investment managers focused on long term investment views.

The ACD has appointed one Sub-Investment Manager to provide investment management services in relation to at least 90% of the Fund. The remainder of the Fund is managed by the ACD. The proportion of the Fund's assets under the management of each of the ACD and Sub-Investment Manager(each such portion of the Fund a "Mandate") is determined by the ACD. The ACD has selected the Sub-Investment Manager based on its ability to deliver the outperformance target associated with its Mandate.

Europe Ex UK Equities
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Investment commentary (continued)

Investment Strategy and Process (continued)
The ACD has in place an internal analysis and due diligence process to select and monitor the management of each Mandate, and it can change the management of a Mandate, or the Mandate itself, at its discretion when it believes that this is in the best interests of Shareholders in the Fund.

The Fund is actively managed which means that the ACD and, subject to the investment guidelines agreed with the ACD, the Sub- Investment Manager, will have the discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change.

Each of the Sub-Investment Manager and ACD will select investments that it believes will best achieve its Mandate's outperformance target. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

An assessment will be completed, by the ACD or the Sub-Investment Manager, on investment opportunities before investment decisions are made on their respective Mandates.

Although the ACD and the Sub-Investment Manager may have a different investment style or bias, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole seeks to meet its investment objectives.

With regard to the Fund's objective to outperform the Target Benchmark, the ACD will put in place a set of investment guidelines, in respect of each Mandate, which need to be considered when assets are selected.

In respect of the Mandate representing at least 90% of the Fund managed by the Sub-Investment Manager, the Sub-Investment Manager:

– has a target to outperform the Target Benchmark. Although this is measured over a different period, and calculated on a different basis (i.e. before the deduction of the Fund's fees), to the Fund's outperformance target, this is aligned with the investment objectives of the Fund overall; and
– is subject to a tracking error (as described below) which is commensurate to the outperformance target noted above, and will reference the Target Benchmark.

The Sub-Investment Manager will use its discretion to select companies that it believes will increase in value overtime and provide capital growth, with the potential for income, for the Fund.

The Sub-Investment Manager's investment style does not focus on a particular type of company, or sector, but rather how a company's expected return can contribute to the Fund's ability to meet its investment objectives. It will aim to invest in companies with strong and predictable earnings, dominant in their market, and aim to avoid those companies that are viewed as too expensive as well as avoiding short term trends.

Europe Ex UK Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Investment Strategy and Process (continued)
As part of its investment process the Sub-Investment Manager's research tool ranks some of the companies the Fund may invest in, based on a number of factors which focus on:

– Growth: companies whose earnings are expected to increase at an average rate above their industry or the overall market;
– Quality: companies that have, for example, consistent profits and strong cash flow, low debt and actual or potential asset growth;
– Momentum: a company's share price has performed well over a short period and is expected to continue to do so; and
– Value: a company's share price is lower than expected based on the company's characteristics and financial results.

In addition to this input to the investment process, the Sub-Investment Manager's selection of which companies to invest in also considers market and geopolitical environment and company operating and financial conditions by using sector and industry specialists.

As a result of the investment process, the Sub-Investment Manager will favour large sized companies and will tend to invest in between 40-60 companies.

The ACD manages the Mandate representing the remainder of the Fund in line with the Fund's investment objective to outperform the Target Benchmark, and is also subject to the Fund level Tracking Error described below. Typically the ACD will invest its Mandate in Collective Investment Scheme(s) which complement the Mandate managed by the Sub-Investment Manager and which the ACD believes will help the Fund to achieve its outperformance objective.

The Fund's strategy is complemented by the use of Derivatives for Efficient Portfolio Management. It is expected that Derivatives will be used regularly (for example to manage risk or to respond quickly to developments in financial markets).

On the basis of the outperformance target and risk management measures applied to each Mandate, it is expected that average outperformance for the Fund will typically not be greater than 0.65% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling three year period. The outperformance targets for the Mandates (and therefore their contribution to any Fund level outperformance) are targets only and are not guaranteed.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of between 4-8% with a target of 6%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 8% provided this is consistent with the investment strategy of the Fund.

The tracking error means that although the Sub-Investment Manager and the ACD have discretion to select investments for their respective Mandate, the degree to which each Mandate is permitted to deviate from the Target Benchmark will be restricted, which will limit the extent to which the Fund overall might outperform the Target Benchmark. The Sub-Investment Manager and the ACD do not have to invest in the same assets that make up the Target Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up the Target Benchmark, but some of the Fund's investments will reflect the constituents of the Target Benchmark.

Europe Ex UK Equities
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Investment commentary (continued)

Further Information
The Target Benchmark for the Fund has been selected as it is representative of shares listed in Europe excluding UK and broadly in line with the investment policy of the Fund.

The Target Benchmark is provided by MSCI Limited, which as at the date of this Prospectus is included in the public register of administrators and benchmarks established and maintained by the FCA.

In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees" includes all fees, costs, charges, expenses and liabilities which are deducted from the value of Fund property for the purpose of calculating its NAV.

If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.

Variable remuneration of those individuals employed by the ACD who are responsible for: managing a Mandate; and/or the selection and ongoing oversight of the Sub-Investment Manager, is determined by assessing a number of different factors. Insofar as these relate to the investment performance of a Mandate, any assessment may be made by comparing Mandate performance relative to the Target Benchmark and may also include a comparison against a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Sub-Investment Managers
The fund is comprised of various mandates, one of which is managed directly by Santander Asset Management UK Limited, with management delegated for other mandates to Sub-Investment Managers. The Sub-Investment Manager is Santander Asset Management S.A., SGIIC.

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

Risk Profile
The main risks within the portfolio relate to changes in the prices of securities held. Other risks include counterparty risk, country risk, currency risk, derivatives risk, investment style and management risk, liquidity risk and stock market risk which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

Europe Ex UK Equities

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Investment commentary (continued)

Risk and Reward Indicator

Lower Risk ⟵⟶ Higher Risk

Typically Lower Rewards — Typically Higher Rewards

1	2	3	4	5	6	7

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 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.

Performance

Capital Growth

Percentage price change from 31 October 2018 to 31 October 2023 (5 years)		
		Cumulative
Europe Ex UK Equities Sterling Accumulation A Shares		38.67%
Percentage price change from 31 October 2020 to 31 October 2023 (3 years)		
	Annualised	**Cumulative**
Europe Ex UK Equities Sterling Accumulation A Shares	11.41%	38.33%
MSCI Europe Ex UK Index*	9.25%	30.41%
Percentage price change from 31 October 2022 to 31 October 2023 (1 year)		
Europe Ex UK Equities Sterling Accumulation A Shares		11.01%
MSCI Europe Ex UK Index		10.66%

Source Morningstar - NAV at noon, bid to bid, net of fees, revenue reinvested (accumulation class only).

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to 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.

* Please note that the Benchmark was reclassified from Constraint to Target on 7 July 2021. Prior to this date the Fund was not aiming to outperform the Benchmark. Benchmark prior to 7 July 2021 - FTSE World Europe Ex UK Index.

Europe Ex UK Equities

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Investment commentary (continued)

Market Review

Shares in the Eurozone were higher at the end of October than they had been a year before, despite three straight months of losses dragging the region's stock markets to a 10-month low near the end of the reporting period.[8] Weak economic growth in Europe is negatively impacting company earnings, while the conflict in the Middle East is causing investors to be more cautious.[9]

Comments from the European Central Bank (ECB) about needing to keep interest rates higher for longer[10] also weighed down shares, as investors worried it could cause the economy to contract for another quarter. While the ECB kept rates unchanged at its October meeting, it opened the door to more increases should inflation not slow quickly enough. Interest rates are at a record high following 10 hikes since July 2022.[11]

Shares were also hit when European bond yields surged to multi-year records in October.[12] Higher-yield bonds have become a more attractive investment and shareholders may decide to sell their shares in favour of bonds.

October also saw yields on 10-year US government bonds soar to 16-year highs[13], while those on 30-year UK government bonds reached levels not seen since 1998.[14] When interest rates rise, it becomes more expensive for companies to borrow money, limiting their ability to grow[15] and weighing negatively on returns.

The Eurozone economy experienced a slight contraction in the third quarter compared to the previous three months. Economists had predicted growth would stay the same. The ECB expects the Eurozone economy to grow by 0.7% this year and 1% in 2024. Inflation across the region dropped to a two-year low in October, increasing expectations that interest rates will remain on hold.[16]

A survey of business leaders suggested that the economy may slow in the final quarter of the year. S&P Global's Purchasing Managers' Index, a survey-based economic indicator designed to provide a timely insight into changing business conditions in the goods-producing sector, unexpectedly fell to a three-year low in October after manufacturers reduced staff, while hiring in the services sector nearly ground to a standstill.[17]

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon. The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3-year period: MSCI Europe Ex-UK Index.

[8] *S&P Euro, 31 October 2023*
[9] *Bloomberg, 20 October 2023*
[10] *Bloomberg Television, 4 October 2023*
[11] *Bloomberg, 26 October 2023*
[12] *Reuters, 6 October 2023*
[13] *CNBC, 19 October 2023*
[14] *The Guardian, 4 October 2023*
[15] *Reuters, 27 September 2023*
[16] *CNBC, 31 October 2023*
[17] *Bloomberg, 24 October 2023*

Europe Ex UK Equities
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Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
It is expected that average outperformance for the Fund will typically not be greater than 0.65% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3-year period, although no level of outperformance is guaranteed.

The Fund is actively managed by a Sub-Investment Manager and at least 90% of its investments are in shares listed in Europe (excluding the UK). Up to 10% of its investments can be in shares of companies listed in other countries.

The Fund has produced a cumulative return of 38.67% over the past five years, achieving its objective to provide a combination of capital growth and income over a period of five or more years.

The past three years have seen the Fund cumulatively return 38.33% (11.41% annualised). It has, therefore, met its objective to outperform the Target Benchmark, which cumulatively returned 30.41% (9.25% annualised).

The Fund's capital growth over the five year period and outperformance over the three year period can be attributed to good share selection by the Sub-Investment Manager and by investing more in large company shares than the Target Benchmark, which outperformed over the period.

The Fund delivered a return of 11.01% in the 12 months through 31 October 2023, while the Target Benchmark returned 10.66%.

Investments in pharmaceutical and healthcare companies Novo Nordisk and Sanofi paid off. At the same time, the decision to invest the Fund's assets in the shares of TotalEnergies instead of Siemens Energy enhanced returns. The Sub-Investment Manager's holding of Inditex, the world's largest clothing retailer, and choice not to hold any car manufacturers, also contributed positively to the Fund's returns. Their decision to allocate about 2%-3% of the Fund's holdings over the period to cash weighed negatively on returns.

The first half of the reporting period delivered underperformance in the Fund's holdings against the benchmark. This was because the Sub-Investment Manager's strategy was to invest in companies that typically provide stable earnings and consistent returns, even during an economic downturn. During this period, markets performed strongly, and the Sub-Investment Manager's more defensive approach did not keep up with the benchmark. However, as summer started, market volatility increased and the higher-quality, more defensive shares were able to cushion the Fund from the sharp moves experienced in stock markets.

The Fund held fewer shares in the technology sector than the benchmark, which hurt returns. Tech stocks have soared this year on optimism about the future of artificial intelligence.[18] An overweight position in energy shares relative to the benchmark had a positive impact on performance, as crude oil prices rose following the conflict between Israel and Hamas.

[18] *The Guardian, 23 July 2023*

Europe Ex UK Equities
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Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
The Sub-Investment Manager's flexible investment strategy remained consistent during the period. Its investment process is not designed to produce any particular style or sector bias. Instead, it aims to select individual companies whose share prices have the potential to outperform the Target Benchmark. The manager continues to be selective in stock picking including avoiding short term trends.

New positions were started in French aerospace engine manufacturer Safran Group; as well as inspection, verification, testing and certification services company SGS; banking group BNP Paribas; gas producer Equinor; the world's leading chocolate maker Barry Callebaut; and Universal Music Group.

Market Outlook
The Sub-Investment Manager believes the global economic backdrop is gradually improving after the turmoil of 2022 and 2023, two years marked by inflation, rising interest rates and high energy prices.

The Sub-Investment Manager is optimistic that good news on inflation, combined with a potential reduction or stabilisation in energy prices and interest-rate cuts, could allow the economy to avoid a recession, defined as two successive quarters of negative growth.

While central banks emphasise the need to keep interest rates higher for a prolonged period, given that inflation is proving to be more stubborn than anticipated, the Sub-Investment Manager believes that rates are close to their peak. They expect the first interest-rate cuts will happen in 2024, offering a modest boost to economic growth.

As for inflation, the Sub-Investment Manager expects a considerably lower inflation rate in Europe in 2024 compared to the challenges faced in 2023. However, they are cautious about potential fluctuations in the early part of the year, driven by possible spikes in oil prices if producing countries opt to restrict their production.

Although the Sub-Investment Manager's overall view is positive, it is essential to note that geopolitical risks are high and that an escalation in the war in Ukraine or Israel and Hamas conflict could severely affect the global economy.

Companies have held up better than expected throughout the year. However, the Sub-Investment Manager noted that the third quarter saw some slowdown in earnings compared with the robust performance in the first half of the year. Nevertheless, overall company results remain promising, meaning that central banks are likely to succeed in slowing down economic growth enough to control inflation without causing a recession, achieving what is known as a soft landing.

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
December 2023

Summary of material portfolio changes

for the year ended 31 October 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
Intesa Sanpaolo	1,766,714		Sanofi	2,409,017	
BNP Paribas	1,592,893		Airbus	1,942,218	
Roche	1,552,939		Nestle	1,933,231	
Safran	1,523,261		UBS	1,792,131	
DHL	1,463,008		Pernod Ricard	1,687,319	
Nokia	1,422,816		DHL	1,678,389	
ING Groep	1,375,196		Eni	1,608,859	
Heineken	1,343,825		Banco Santander	1,528,904	
SGS	1,267,743		Nordea Bank	1,462,838	
Equinor	1,239,540		Amadeus IT	1,421,456	
Bayer	1,203,852		Thales	1,361,602	
Danone	1,120,707		Fresenius	1,257,438	
Universal Music	902,604		Nokia	1,145,846	
Kering	891,859		Publicis Groupe	1,064,354	
Mowi	778,103		A. P. Moller Maersk A	950,247	
Barry Callebaut	760,370		ASML	880,339	
Vonovia	708,889		Salmar Asa	739,560	
Salmar Asa	694,289		Mowi	707,251	
Novartis	564,066		Industria de Diseno Textil	643,459	
Iberdrola	561,640		TotalEnergies	628,683	
Total cost of purchases for the year	28,027,832	14	Total proceeds from sales for the year	32,840,161	14

Portfolio statement

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Equities 91.12% (89.94%)			
Denmark 6.52% (5.89%)			
Novo Nordisk	48,709	3,855,291	6.52
Finland nil (2.13%)			
France 33.10% (33.88%)			
AXA	63,989	1,556,180	2.63
BNP Paribas	31,724	1,500,193	2.54
Capgemini	6,026	872,367	1.47
Cie Generale des Etablissements Michelin	49,998	1,219,846	2.06
Danone	23,341	1,141,585	1.93
EssilorLuxottica	10,689	1,584,659	2.68
Kering	1,845	615,589	1.04
L'Oreal	5,474	1,886,255	3.19
LVMH Moet Hennessy Louis Vuitton	4,235	2,488,139	4.21
Safran	12,133	1,553,548	2.63
Schneider Electric	11,619	1,464,861	2.48
TotalEnergies	37,283	2,052,424	3.47
Vinci	18,032	1,639,144	2.77
		19,574,790	33.10
Germany 16.03% (14.88%)			
Bayer	19,200	678,326	1.15
Deutsche Boerse	9,354	1,262,898	2.14
Deutsche Post	33,617	1,073,765	1.82
Deutsche Telekom	99,614	1,772,670	3.00
Merck	8,900	1,097,722	1.85
Muenchener Rueckversicherungs	5,153	1,695,748	2.87
RWE	38,449	1,211,694	2.05
Vonovia	36,096	681,958	1.15
		9,474,781	16.03
Italy 2.47% (2.37%)			
Intesa Sanpaolo	683,426	1,462,039	2.47
Netherlands 10.54% (9.13%)			
ASML	3,148	1,550,076	2.62
Heineken	18,011	1,329,116	2.25
ING Groep	128,625	1,347,591	2.28

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Netherlands (continued)			
Koninklijke Ahold Delhaize	45,903	1,119,137	1.89
Universal Music	44,079	886,917	1.50
		6,232,837	10.54
Norway 2.11% (nil)			
Equinor	45,083	1,245,276	2.11
Republic of Ireland 5.14% (4.12%)			
CRH	34,916	1,541,719	2.61
Linde	4,758	1,498,829	2.53
		3,040,548	5.14
Spain 4.91% (8.05%)			
Iberdrola	195,567	1,787,793	3.02
Industria de Diseno Textil	39,365	1,116,093	1.89
		2,903,886	4.91
Switzerland 10.30% (9.49%)			
Barry Callebaut	445	553,681	0.94
Givaudan	482	1,318,156	2.23
Novartis	7,109	544,231	0.92
Roche	11,537	2,442,589	4.13
SGS	18,355	1,228,653	2.08
		6,087,310	10.30
Total Equities		53,876,758	91.12
Collective Investment Schemes 6.64% (6.80%)			
BlackRock European Dynamic Fund A Acc	229,180	1,938,770	3.28
BlackRock European Dynamic Fund FA Acc	823,696	1,989,555	3.36
		3,928,325	6.64

Portfolio statement (continued)

as at 31 October 2023

Portfolio of investments	**57,805,083**	**97.76**
Net other assets	**1,326,021**	**2.24**
Total net assets	**59,131,104**	**100.00**

Figures in brackets represent sector distribution at 31 October 2022.

All equity shares are listed ordinary shares unless otherwise stated.

Collective Investment Scheme securities are not listed and are valued using publicly available market data unless otherwise stated.

Comparative tables

Change in net asset value per share	Sterling Accumulation A Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	452.07	496.96	363.08
Return before operating charges	51.12	(41.52)	137.40
Operating charges	(3.65)	(3.37)	(3.52)
Return after operating charges	47.47	(44.89)	133.88
Distributions	(8.92)	(9.83)	(8.81)
Retained distributions on accumulation shares	8.92	9.83	8.81
Closing net asset value per share	499.54	452.07	496.96
*after direct transaction costs of	0.38	0.26	0.96
Performance	**2023**	**2022**	**2021**
Return after operating charges**	10.50%	(9.03)%	36.87%
Closing net asset value (£'s)	59,131,104	59,339,470	73,307,337
Closing number of shares	11,837,122	13,126,088	14,751,185
Operating charges	0.72%	0.72%	0.77%
Direct transaction costs*	0.08%	0.06%	0.20%
	p	p	p
Highest share price	539.8	520.0	508.3
Lowest share price	463.8	415.8	363.9

*Direct transaction costs include broker commissions and taxes paid by the Fund on each purchase or sale transaction, some of the direct transaction costs for the year were recovered directly from investors joining and leaving the Fund. Direct transaction costs incurred by the underlying funds held are not included in the direct transaction cost % disclosed.

**The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figures quoted in the Investment commentary. The Investment commentary performance figure is calculated using the last available published price for the given share class in the year compared to the equivalent for the prior year. The published price may contain an adjustment for dilution in accordance with the Fund pricing policy, while the price per the financial statements values the Fund on a bid-price basis.

Financial Statements - Europe Ex UK Equities

Statement of total return

for the year ended 31 October 2023

	Note	2023 £	2023 £	2022 £	2022 £
Income					
Net capital gains/(losses)	1		5,151,147		(7,682,158)
Revenue	2	1,685,086		1,964,128	
Expenses	3	(440,917)		(455,182)	
Interest payable and similar charges	4	(2,628)		(16,083)	
Net revenue before taxation		1,241,541		1,492,863	
Taxation	5	(157,629)		(184,820)	
Net revenue after taxation			1,083,912		1,308,043
Total return before distributions			6,235,059		(6,374,115)
Distributions	6		(1,083,912)		(1,308,043)
Change in net assets attributable to shareholders from investment activities			5,151,147		(7,682,158)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023 £	2023 £	2022 £	2022 £
Opening net assets attributable to shareholders		59,339,470		73,307,337
Amounts receivable on issue of shares	606,121		593,515	
Amounts payable on cancellation of shares	(7,091,193)		(8,207,494)	
		(6,485,072)		(7,613,979)
Dilution adjustment		16,035		20,227
Change in net assets attributable to shareholders from investment activities		5,151,147		(7,682,158)
Retained distribution on accumulation shares		1,109,524		1,308,043
Closing net assets attributable to shareholders		59,131,104		59,339,470

Balance sheet

as at 31 October 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		57,805,083	57,403,593
Current assets:			
Debtors	7	391,544	434,170
Cash and bank balances	8	6,034,112	3,636,492
Total assets		64,230,739	61,474,255
Liabilities:			
Creditors			
Bank overdrafts	8	(4,901,327)	(2,002,529)
Other creditors	9	(198,308)	(132,256)
Total liabilities		(5,099,635)	(2,134,785)
Net assets attributable to shareholders		59,131,104	59,339,470

Notes to the financial statements

for the year ended 31 October 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Non-derivative securities	5,234,826	(7,628,090)
Derivative contracts	(63,177)	19,260
Currency losses	(4,565)	(59,188)
Forward currency contracts	–	113
Transaction charges	(15,937)	(14,253)
Net capital gains/(losses)	5,151,147	(7,682,158)

2. Revenue

	2023	2022
	£	£
Overseas UK tax exempt revenue	1,628,444	1,920,659
Bank interest	18,180	1,306
Rebates from holdings in Collective Investment Schemes	38,462	42,163
Total revenue	1,685,086	1,964,128

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	411,109	425,297
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	7,590	7,852
Other expenses:		
Audit fees	13,760	13,759
Safe custody fees	6,977	6,867
FCA fee	59	162
Tax service fees	1,422	1,245
	22,218	22,033
Total expenses	440,917	455,182

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	2,361	15,824
Margin interest	267	259
Total interest payable and similar charges	2,628	16,083

Notes to the financial statements (continued)

for the year ended 31 October 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	157,629	189,622
Current tax charge	157,629	189,622
Deferred tax credit(note 5c)	-	(4,802)
Total tax charge(note 5b)	157,629	184,820

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	1,241,541	1,492,863
Corporation tax @ 20% (2022 - 20%)	248,308	298,573
Effects of:		
Movement in excess management expenses	77,380	80,757
Overseas withholding tax	157,629	189,622
Revenue exempt from UK corporation tax	(325,688)	(384,132)
Total tax charge (note 5a)	157,629	184,820

	2023	2022
c) Provision for deferred taxation	£	£
Opening provision	-	4,802
Deferred tax credit (note 5a)	-	(4,802)
Closing provision	-	-

At the year end there is a potential deferred tax asset of £2,273,231 (2022 - £2,195,851) in relation to surplus management expenses and non-trade loan relationship deficits. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	2023	2022
	£	£
Interim accumulation distributions paid	528,305	687,710
Final accumulation distributions payable	555,607	645,944
Distributions	1,083,912	1,333,654

Notes to the financial statements (continued)

for the year ended 31 October 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023 £	2022 £
Net revenue after taxation per Statement of total return	1,083,912	1,308,043
Add:		
Undistributed revenue brought forward	1	1
Revenue deficit carried forward	-	25,611
Deduct:		
Undistributed revenue carried forward	(1)	(1)
Distributions	1,083,912	1,333,654

Details of the distribution per share are disclosed in the distribution table on page 73.

7. Debtors

	2023 £	2022 £
Accrued revenue	24,907	45,923
Overseas withholding tax	324,600	365,626
Rebates from holdings in Collective Investment Schemes	42,037	22,621
Total debtors	391,544	434,170

8. Cash and bank balances

	2023 £	2022 £
Cash and bank balances	6,034,112	3,636,492
Total cash and bank balances	6,034,112	3,636,492
Bank overdraft*	4,901,327	2,002,529

As at 31 October 2023, the weighted average of the floating interest rate on bank balances was 1.40% (2022 - 0.00%).

*The bank overdrafts only incur interest on a net overdraft position as a compensated interest grouping agreement is in place.

9. Other creditors

	2023 £	2022 £
Amounts payable on cancellation of shares	135,788	49,762
Accrued expenses	62,520	82,494
Total other creditors	198,308	132,256

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests at least 90% in a wide range of shares issued by listed companies in Europe (excluding UK). At least 90% of the fund is made up of directly held securities and up to 10% in Collective Investment Schemes managed either by third party managers or the ACD. The main risk arising from the Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

a) Market price risk (continued)
Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives but the exposure to derivatives is not expected to alter the overall risk exposure of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,780,508 (2022 - £5,740,360). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk
Interest rate risk is the risk that the value of investments will fluctuate as a result of changes in interest rates. Collectives which hold cash balances and invest in fixed interest securities will be subject to such risk.

By a careful assessment of economic and other relevant factors, the Manager and appropriate Sub-Investment Manager will seek to invest in those companies most likely to benefit, or be protected, from anticipated changes in interest rates. There are no material amounts of interest bearing financial assets and liabilities, other than equities, which do not have maturity dates.

Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 October 2023, 1.92% of the Fund's assets were interest bearing (2022 - 6.13%).

As the only interest bearing assets held by the Fund are bank balances and no significant interest was received for the bank balances in note 8, changes in interest rates would have no material impact on assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

c) Currency risk
The Fund invests in companies which may derive portions of their revenues in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the equity securities can therefore be affected by currency movements.

By diversifying the portfolio of the Fund, where this is appropriate and consistent with the Fund’s objectives, the foreign currency risk of a particular investment is reduced. The Manager and appropriate Sub-Investment Manager monitors the Currency exposure of the portfolio on an ongoing basis to make sure the actual exposure is consistent with his understanding of future currency movements.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

c) Currency risk (continued)
However, note that the currency risk can be hedged to limit the currency risk or to protect the value of the assets converted in the base currency of the Fund.

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £2,809,565 (2022 - £2,808,550). A 5% weakening in GBP would increase the value by £3,105,309 (2022 - £3,104,186).

For numerical disclosure see note 15.

d) Credit risk
Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The risk also applies when the Fund invests in the units of Collective Investment Schemes that themselves are exposed to credit risk from underlying issuers or counterparties. The main contributor to credit risk is the risk of default from underlying issuers of fixed income securities.

The Manager and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk
Liquidity risk may result in the inability of the Fund to meet redemptions of shares that investors may wish to sell. The Fund is required to meet daily redemption and therefore may face liquidity risk in an adverse event, such as during periods of elevated market stress levels.

The Fund may invest in smaller capitalisation companies that tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. The Sub-Investment Manager seeks to limit liquidity risk of the Fund by selecting a diversified range of equity securities.

f) Counterparty risk
In some instances, transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

Counterparties selected by the Manager and appropriate Sub-Investment Manager are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

g) Country Risk
Investing all or significant proportions of a Fund's assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country, and bonds in a single country will be sensitive to that country’s interest rate environment. As a result, shares and bond price fluctuations may be greater.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

h) Derivatives Risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The Fund may also use derivatives for investment purposes to help the Fund achieve its investment objectives. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

i) Investment Style and Investment Management Risk

Shareholders in a Fund face a risk that the investment choices made by the ACD and/or any Sub-Investment Manager(s) for that Fund on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Fund with one investment style may outperform or underperform other Funds that employ different investment styles.

Further, each Fund is subject to the risk that the ACD and/or any Sub-Investment Manager(s) appointed for that Fund may not select instruments which optimally achieve the implementation of an investment style for that Fund.

11. Related party transactions

The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and

Notes to the financial statements (continued)

for the year ended 31 October 2023

11. Related party transactions (continued)

cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £170,048 (2022 - £64,259) was due to the ACD at the year end date.

Material shareholders

As at 31 October 2023, 96.5% (2022 - 96.5%) of the shares in issue in the Europe Ex UK Equities Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

Banco Santander S.A.

a) The value of purchase transactions was nil (2022 - £1,300,428) and sales transactions was £1,528,904 (2022 - nil).

b) Revenue receivable for the year was £24,808 (2022 - £17,392) and the outstanding amount was nil (2022 - £24,965).

c) The aggregate value of investments held at the year end was nil (2022 - £1,233,812).

12. Shareholders' funds

The Fund currently has one share class; Sterling Accumulation A Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
Sterling Accumulation A Shares	**No of shares**	**No of shares**
Opening shares in issue	13,126,088	14,751,185
Shares issued in the year	115,594	129,818
Shares cancelled in the year	(1,404,560)	(1,754,915)
Closing shares in issue	11,837,122	13,126,088

13. Fair value disclosure

	2023	
	Investment Assets £	**Investment Liabilities £**
Quoted prices for identical instruments in active markets*	53,876,758	-
Observable inputs using market data*	3,928,325	-
	57,805,083	-

	2022	
	Investment Assets £	**Investment Liabilities £**
Quoted prices for identical instruments in active markets*	53,365,594	-
Observable inputs using market data*	4,037,999	-
	57,403,593	-

* Details of the securities included within the fair value hierarchy are detailed on page 14 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 October 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Equities	27,989,688	8,397	29,747	28,027,832	0.03	0.11
Total purchases	27,989,688	8,397	29,747	28,027,832		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	14,989	-	-	14,989	-	-
Equities	23,058,351	6,918	20,850	23,086,119	0.03	0.09
Total purchases	23,073,340	6,918	20,850	23,101,108		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	600,998	-	-	600,998	-	-
Equities	32,248,844	(9,675)	(6)	32,239,163	0.03	-
Total sales	32,849,842	(9,675)	(6)	32,840,161		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	642,079	-	-	642,079	-	-
Equities	27,672,352	(8,554)	(2)	27,663,796	0.03	-
Total sales	28,314,431	(8,554)	(2)	28,305,875		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	18,072	29,753
Total costs as % of Average NAV	0.03%	0.05%
2022	**£**	**£**
Total costs from purchases & sales	15,472	20,852
Total costs as % of Average NAV	0.03%	0.03%

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

In the case of equity securities broker commissions and transfer taxes are paid by the Fund on each purchase or sale transaction and are a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.06% (2022 - 0.40%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 October 2023

15. Currency risk

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 10.

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
Danish Krone	48,327	3,855,291	3,903,618
Euro	1,009,503	45,252,145	46,160,648
Norwegian Krone	-	1,245,276	1,245,276
Polish Zloty	5,165	-	5,165
Swedish Krona	320	-	320
Swiss Franc	-	6,087,311	6,087,311
UK Sterling	205,897	(75,658)	130,239
US Dollar	56,808	1,541,719	1,598,527
2022			
Danish Krone	80,284	3,493,786	3,574,070
Euro	1,364,156	44,238,646	45,602,802
Norwegian Krone	28,552	–	28,552
Polish Zloty	4,807	–	4,807
Swedish Krona	341	–	341
Swiss Franc	–	5,633,162	5,633,162
UK Sterling	444,903	4,037,999	4,482,902
US Dollar	12,834	–	12,834

16. Post balance sheet events

Subsequent to the year end, the net asset value per share of the Sterling Accumulation A share class has increased from 499.54p to 559.14p as at 20th February 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 October 2023

Distributions on Sterling Accumulation A Shares in pence per share

Payment date	Payment type	Distribution paid/payable 2023	Distribution paid 2022
30.06.23	interim	4.2220	4.9117
31.12.23	final	4.6938	4.9211

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

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Investment commentary

Investment Objective

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon.

The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: MSCI USA Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.70% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by investing at least 95% in shares (also known as "equities"). Of the Fund's direct investments:

– at least 80% (and typically at least 90%) will be in shares in companies listed, at the time of purchase, in the United States; and
– a maximum of 20% will be in shares in companies listed, at the time of purchase, outside of the United States.

The Fund may invest globally (in developed markets only) but at least 95% of the Fund's assets must be denominated in or hedged to US Dollars.

The Fund may also invest up to 5% in cash, cash like and other money market instruments.

At least 90% of the Fund will be invested directly. Up to 10% of the Fund can invest indirectly in these asset classes, and in any amount, by purchasing units of Actively Managed and/or Passively Managed Collective Investment Schemes. These Collective Investment Schemes may be managed by any Sub-Investment Manager or other companies (including within the Santander Group).

The Fund may use Derivatives for Efficient Portfolio Management(including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process

The ACD's investment philosophy is that the Fund's investment objectives can be achieved from a consistent process using skilled investment managers focused on long term investment views.

The ACD has appointed one Sub-Investment Manager to provide investment management services in relation to at least 90% of the Fund. The remainder of the Fund is managed by the ACD. The proportion of the Fund's assets under the management of each of the ACD and Sub-Investment Manager(each such portion of the Fund a **"Mandate"**) is determined by the ACD. The ACD has selected the Sub-Investment Manager based on its ability to deliver the outperformance target associated with its Mandate.

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Investment commentary (continued)

Investment Strategy and Process (continued)
The ACD has in place an internal analysis and due diligence process to select and monitor the management of each Mandate, and it can change the management of a Mandate, or the Mandate itself, at its discretion when it believes that this is in the best interests of Shareholders in the Fund.

The Fund is actively managed which means that the ACD and, subject to the investment guidelines agreed with the ACD, the Sub-Investment Manager, will have the discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change.

Each of the Sub-Investment Manager and ACD will select investments that it believes will best achieve its Mandate's outperformance target. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

An assessment will be completed, by the ACD or the Sub-Investment Manager, on investment opportunities before investment decisions are made on their respective Mandates.

Although the ACD and the Sub-Investment Manager may have a different investment style or bias, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole is to meet its investment objectives.

With regard to the Fund's objective to outperform the Target Benchmark, the ACD will put in place a set of investment guidelines, in respect of each Mandate, which need to be considered when assets are selected.

In respect of the Mandate representing at least 90% of the Fund managed by the Sub-Investment Manager, the Sub-Investment Manager:

– has a target to outperform the Target Benchmark. Although this is measured over a different period, and calculated on a different basis (i.e. before the deduction of the Fund's fees), to the Fund's outperformance target, this is aligned with the investment objectives of the Fund overall; and
– is subject to risk management measures (described below) which are commensurate to the outperformance target noted above, and will reference the Target Benchmark.

The Sub-Investment Manager will use its discretion to select companies that it believes will increase in value over time and provide capital growth, with the potential for income, for the Fund.

In selecting the companies whose shares it invests in, the Sub-Investment Manager considers the following key themes as part of its analysis:

– fundamental mispricings: buying shares in high quality businesses at what the Sub-Investment Manager considers to be a fair price leads to strong long term performance;
– high quality business models: companies generating high quality revenues will have sustainable business models and aligned management incentives;
– market themes and trends: trends in financial markets affecting companies globally which may not be ascertained by other investors; and

United States Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Investment Strategy and Process (continued)

– sentiment analysis: analysing market attitudes to companies of different types to gain insight into future share performance.

The Sub-Investment Manager will adjust the level of emphasis given to each of the above themes depending on a range of factors including: historical returns, turnover, historical and expected volatility of share price, and the number of investors at a given time buying shares in a company or a type of company.

The ACD manages the Mandate representing the remainder of the Fund in line with the Fund's investment objective to outperform the Target Benchmark, and is also subject to the Fund level Tracking Error described below as a risk management measure. Typically the ACD will invest its Mandate in Collective Investment Scheme(s) which offer indirect exposure to the types of shares set out above and which it believes will help the Fund to achieve its investment objectives.

On the basis of the outperformance target and risk management measures applied to each Mandate, it is expected that average outperformance for the Fund will typically not be greater than 0.70% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling three year period. The outperformance targets for the Mandates (and therefore their contribution to any Fund level outperformance) are targets only and are not guaranteed.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of between 2% and 4%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 4% provided this is consistent with the investment strategy of the Fund. The Sub-Investment Manager is also subject to specific investment restrictions which reference the Target Benchmark as part of its investment process (constraints in respect of the sector of the companies the Fund invests in). These are risk management measures.

The risk management measures mean that although the Sub-Investment Manager and the ACD have discretion to select investments for their respective Mandate, the degree to which each Mandate is permitted to deviate from the Target Benchmark will be restricted, which will limit the extent to which the Fund overall might outperform the Target Benchmark. The Sub-Investment Manager and the ACD do not have to invest in the same assets that make up the Target Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up the Target Benchmark, but some of the Fund's investments will reflect the constituents of the Target Benchmark.

Further Information

The Target Benchmark for the Fund has been selected as it is representative of shares listed in the United States and therefore broadly in line with the investment policy of the Fund.

The Target Benchmark is provided by MSCI Limited, which as at the date of this Prospectus is included in the public register of administrators and benchmarks established and maintained by the FCA.

In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees" includes all fees, costs, charges, expenses and liabilities which are deducted from the value of Fund property for the purpose of calculating its NAV.

United States Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Further Information (continued)

If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.

Variable remuneration of those individuals employed by the ACD who are responsible for: managing a Mandate; and/or the selection and ongoing oversight of the Sub-Investment Manager, is determined by assessing a number of different factors. Insofar as these relate to the investment performance of the Fund, any assessment may be made by comparing Fund performance relative to the Target Benchmark and may also include a comparison against a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Sub-Investment Managers

The Fund is comprised of various mandates, one of which is managed directly by Santander Asset Management UK Limited, with management delegated for the other mandate to a Sub-Investment Manager. The Sub-Investment Manager is; Goldman Sachs Asset Management International.

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

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: counterparty risk, country risk, currency risk, derivatives risk, investment style and management risk, liquidity risk and stock market risk. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business. Please refer to the Prospectus for further information.

Risk and Reward Indicator

Lower Risk						Higher Risk
Typically Lower Rewards						Typically Higher Rewards
1	2	3	4	5	**6**	7

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 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.

United States Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 31 October 2018 to 31 October 2023 (5 years)		
	Cumulative	
United States Equities Sterling Accumulation A Shares	51.35%	
Percentage price change from 31 October 2020 to 31 October 2023 (3 years)		
	Annualised	**Cumulative**
United States Equities Sterling Accumulation A Shares	7.02%	22.61%
MSCI USA Index TR*	11.44%	38.39%
Percentage price change from 31 October 2022 to 31 October 2023 (1 year)		
United States Equities Sterling Accumulation A Shares	-0.57%	
MSCI USA Index TR	3.94%	

Source Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested (accumulation class only).

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to fees.

* Please note that the Benchmark was reclassified from Constraint to Target on 7 July 2021. Prior to this date the Fund was not aiming to outperform the Benchmark. Benchmark prior to 7 July 2021 - FTSE USA Index.

United States Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Market Review
US shares were higher at the end of October than they were a year ago, despite losses in the final three months of the reporting period[1] as the Federal Reserve (Fed) emphasised the need to keep interest rates higher for longer.

US Shares were also affected by rising bond yields towards the end of the period, as higher-yield bonds become a more attractive investment and shareholders may decide to sell their shares in favour of bonds. Yields on the benchmark 10-year US government bond soared to their highest level since 2007.[2]

Higher interest rates and bond yields have also made it more expensive for US homebuyers to afford mortgages and raised the cost of car and personal loans, which could ultimately slow economic growth[3] as consumers feel the pinch.

Data released in October showed the US economy grew at its fastest pace in nearly two years in the third quarter, as consumers increased spending and companies restocked their warehouses and store shelves.[4] Analysts, however, have been downgrading company earnings forecasts in anticipation of slowing consumer demand.[5]

While inflation is easing, data released in October showed that prices were coming down slowly and unevenly. In some cases, they remained unchanged. Even so, optimism has increased that the Fed can tame inflation following 11 interest rate hikes since March 2022 without causing a recession, which is defined by the economy shrinking over two consecutive quarters.[6]

US shares gained at the beginning of the reporting period. They got off to a positive first and second quarter amid initial optimism that inflation was cooling and investor excitement over technology shares. Stock markets briefly fell in March after the collapse of two US regional banks triggered a flow of money from smaller institutions to bigger banks. European regulators encouraged Switzerland's UBS to buy smaller rival Credit Suisse, which was one of the banks most at risk of collapse during the market volatility. Once regulators stepped in, calm returned to stock markets and shares rallied.[7]

Performance Review and Investment Activity (Reporting Period)
The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon. The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3-year period: MSCI USA Index.

It is expected that average outperformance for the Fund will typically not be greater than 0.70% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3-year period, although no level of outperformance is guaranteed.

1 *S&P United States BMI, 31 October 2023*
2 *Reuters, 26 October 2023*
3 *Associated Press, 23 October 2023*
4 *Associated Press, 26 October 2023*
5 *Bloomberg, 16 October 2023*
6 *Associated Press, 12 October 2023*
7 *CNBC, 31 March 2023*

United States Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
The Fund is actively managed by a Sub-Investment Manager and is at least 95% invested in shares that are denominated in US dollars and listed in developed markets. Of the Fund's direct investments, at least 80% (typically at least 90%) will be in shares in companies listed in the United States. Up to 20% will be in shares in companies listed outside the United States.

The Sub-Investment Manager uses four strategies to identify fairly priced companies with the long-term potential to grow earnings. It analyses factors such as the mispricing of shares, the sustainability of high-quality business models, market themes and trends, and investor sentiment.

The Fund has produced a cumulative return of 51.35% over the past five years, achieving its objective to provide a combination of capital growth and income over a period of five or more years.

Over the past three years, the Fund cumulatively returned 22.61% (7.02% annualised). The Fund has, therefore, not met its objective to outperform the Target Benchmark, which cumulatively returned 38.39% (11.44% annualised).

Underperformance over the three year period was mostly due to an underweight position in energy and mining shares, which outperformed during the period, and a bias towards quality shares (companies that have higher profitability with a record of stable business performance over time), which underperformed in the period.

The Fund delivered a return of -0.57% in the 12 months through 31 October 2023, while the Target Benchmark returned 3.94%.

The Fund's underperformance during the reporting period was largely because the Fund held fewer shares in communication services and IT stocks than the target benchmark. While all other sectors struggled in the year, IT and communication services delivered strong positive returns, partially due to positive sentiments around breakthroughs in the development of artificial intelligence.

Looking at particular sectors during the period, the healthcare industry underperformed and was the biggest drag on returns as the Fund held more shares in Healthcare Providers & Services than the Target Benchmark.

On the positive side, holding more Consumer Staples Distribution & Retail shares than the benchmark contributed positively to excess returns.

At an individual stock level, the Fund's underweight position in Meta Platforms Inc. relative to the benchmark did not perform well, while the Fund's underweight position in Pfizer Inc. did.

Market Outlook
The Sub-Investment Manager believes that the share prices of cheaper (or undervalued) companies should outpace those it considers more expensive (or overvalued).

In their view, companies with positive sentiment - analysing market attitudes to companies of different types to gain insight into future share performance - should perform better.

United States Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Market Outlook (continued)
The Sub-Investment Manager prefers companies that research analysts are becoming more optimistic about, as well as companies that are profitable, have sustainable earnings, and use their capital to enhance shareholder value.

As such, the Sub-Investment Manager anticipates that the Fund will remain fully invested and deliver value through its stock selection.

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
December 2023

Summary of material portfolio changes

for the year ended 31 October 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
Brown Advisory US Sustainable Growth Fund	5,616,179		Morgan Stanley US Advantage Fund A USD	6,579,626	
Morgan Stanley US Advantage Fund A USD	3,497,606		Johnson & Johnson	2,019,916	
Visa	2,435,840		Cisco Systems	1,835,073	
Johnson & Johnson	1,949,477		Altria	1,729,334	
Microsoft	1,870,507		Accenture	1,705,978	
UnitedHealth	1,680,498		Berkshire Hathaway	1,699,243	
Amazon.com	1,658,616		Union Pacific	1,672,418	
Bristol-Myers Squibb	1,595,061		Cigna	1,671,889	
Bank of America	1,544,821		Philip Morris International	1,628,012	
AbbVie	1,505,697		Bristol-Myers Squibb	1,473,236	
JPMorgan Chase & Co	1,456,619		Palo Alto Networks	1,450,390	
Arista Networks	1,343,312		Broadcom	1,435,358	
Berkshire Hathaway	1,245,721		Arista Networks	1,421,714	
CVS Health	1,222,436		Amazon.com	1,421,681	
Philip Morris International	1,220,548		JPMorgan Chase & Co	1,410,482	
United Parcel Service	1,217,692		Pfizer	1,400,175	
Meta Platforms	1,217,596		Chubb	1,369,943	
SBA Communications	1,206,380		Microsoft	1,340,248	
International Business Machines	1,192,701		Adobe	1,299,787	
Nvidia	1,184,451		AbbVie	1,242,655	
Total cost of purchases for the year	142,891,434	14	Total proceeds from sales for the year	156,677,478	14

Portfolio statement

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Equities 89.62% (93.79%)			
Aerospace & Defence 0.62% (0.29%)			
Boeing	2,196	338,109	0.54
Curtiss-Wright	283	46,364	0.08
		384,473	0.62
Agriculture 0.38% (0.81%)			
Philip Morris International	3,183	233,849	0.38
		233,849	0.38
Automobile ABS 0.92% (nil)			
Aptiv	670	48,174	0.08
Lear	4,881	521,989	0.84
		570,163	0.92
Automobile Manufacturers 1.41% (3.16%)			
Paccar	4,055	275,758	0.44
Tesla	3,636	601,590	0.97
		877,348	1.41
Banks 3.06% (2.18%)			
Bank of America	40,412	877,211	1.41
Cullen/Frost Bankers	2,462	184,531	0.30
JPMorgan Chase & Co	571	65,427	0.10
Northern Trust	11,103	603,073	0.97
Prosperity Bancshares	3,816	171,483	0.28
		1,901,725	3.06
Beverages 0.86% (0.09%)			
Coca-Cola	11,474	534,057	0.86
		534,057	0.86
Biotechnology 2.03% (3.43%)			
BioMarin Pharmaceutical	92	6,175	0.01
Moderna	7,270	454,851	0.73
Sarepta Therapeutics	930	51,579	0.09
Vertex Pharmaceuticals	2,503	746,744	1.20
		1,259,349	2.03

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Building Materials 1.78% (0.51%)			
Lennox International	1,294	395,137	0.64
Martin Marietta Materials	209	70,413	0.11
Vulcan Materials	3,935	637,409	1.03
		1,102,959	1.78
Chemicals 1.52% (3.25%)			
Linde	2,912	917,096	1.48
RPM International	259	19,481	0.03
Sherwin-Williams	45	8,830	0.01
		945,407	1.52
Commercial Services 0.03% (0.06%)			
Grand Canyon Education	199	19,406	0.03
		19,406	0.03
Computers 9.79% (9.18%)			
Apple	25,458	3,582,310	5.77
Dell Technologies	1,733	95,572	0.16
Fortinet	14,150	666,541	1.07
Hewlett Packard Enterprise	49,014	620,829	1.00
HP	12,919	280,323	0.45
International Business Machines	6,520	777,005	1.25
Super Micro Computer	285	56,204	0.09
		6,078,784	9.79
Distribution & Wholesale 1.71% (0.80%)			
Ferguson	4,796	593,329	0.96
LKQ	12,931	468,029	0.75
		1,061,358	1.71
Diversified Financial Services 4.14% (5.42%)			
Ally Financial	5,792	115,463	0.18
Ameriprise Financial	230	59,598	0.10
Capital One Financial	7,713	643,952	1.04
CME	1,242	218,411	0.35
Nasdaq	5,016	204,989	0.33
OneMain	1,222	36,173	0.06
Synchrony Financial	3,802	87,855	0.14
Visa	6,229	1,206,325	1.94
		2,572,766	4.14

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Electricity 0.48% (nil)			
Entergy	3,799	299,236	0.48
		299,236	0.48
Electronic & Electrical Equipment 0.99% (1.83%)			
Ametek	5,280	612,392	0.99
		612,392	0.99
Electronics 1.56% (0.10%)			
Avnet	6,068	231,528	0.37
Mettler-Toledo International	739	599,306	0.97
Nvent Electric Plc	3,440	136,472	0.22
		967,306	1.56
Entertainment 0.05% (nil)			
Marriott Vacations Worldwide	422	31,244	0.05
		31,244	0.05
Environmental Control 0.08% (0.85%)			
Republic Services	429	52,479	0.08
		52,479	0.08
Food & Beverages 1.09% (1.30%)			
General Mills	12,540	674,201	1.09
		674,201	1.09
Healthcare Products 0.90% (4.73%)			
Bruker	7,085	332,691	0.54
Stryker	1,014	225,880	0.36
		558,571	0.90
Healthcare Services 4.72% (4.67%)			
Centene	11,718	666,124	1.07
Elevance Health	2,160	801,057	1.29
UnitedHealth	3,164	1,396,207	2.25
Universal Health Services	660	68,477	0.11
		2,931,865	4.72

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Home Builders 1.03% (nil)			
DR Horton	7,429	639,098	1.03
		639,098	1.03
Household Goods 1.10% (nil)			
Kimberly-Clark	6,961	685,860	1.10
		685,860	1.10
Insurance 5.32% (5.11%)			
Berkshire Hathaway	4,675	1,314,640	2.11
Equitable	16,106	352,794	0.57
Kinsale Capital	744	204,638	0.33
Progressive	5,667	738,258	1.19
Travelers Cos	5,039	695,315	1.12
		3,305,645	5.32
Internet 11.68% (7.88%)			
Alphabet 'A'	7,824	799,712	1.29
Alphabet 'C'	18,988	1,960,218	3.16
Amazon.com	22,459	2,462,171	3.97
Meta Platforms	3,805	944,563	1.52
Netflix	1,450	491,945	0.79
VeriSign	3,597	591,640	0.95
		7,250,249	11.68
Lodging 2.05% (1.54%)			
Boyd Gaming	827	37,655	0.06
Las Vegas Sands	16,723	653,650	1.05
Wynn Resorts	8,013	579,456	0.94
		1,270,761	2.05
Machinery Construction & Mining 0.24% (nil)			
Caterpillar	799	148,784	0.24
		148,784	0.24
Media 0.07% (1.18%)			
Omnicom	700	42,988	0.07
		42,988	0.07

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Miscellaneous Manufacturing nil (1.69%)			
Oil & Gas 1.70% (3.37%)			
Antero Resources	10,097	244,884	0.40
Exxon Mobil	930	81,109	0.13
Hess	3,712	441,635	0.71
Valero Energy	2,729	285,528	0.46
		1,053,156	1.70
Oil & Gas Services nil (0.39%)			
Pharmaceuticals & Biotechnology 2.87% (5.14%)			
AbbVie	8,523	991,546	1.60
Bristol-Myers Squibb	6,389	271,261	0.43
Eli Lilly &	215	98,080	0.16
Organon &	541	6,594	0.01
Zoetis	3,201	414,129	0.67
		1,781,610	2.87
Real Estate Investment Trusts 2.82% (5.67%)			
Host Hotels & Resorts	45,560	580,459	0.94
Park Hotels & Resorts	24,130	229,080	0.37
Prologis	4,446	368,775	0.59
SBA Communications	3,326	571,843	0.92
		1,750,157	2.82
Retailers 3.44% (2.05%)			
Burlington Stores	2,817	281,085	0.45
Chipotle Mexican Grill	401	642,320	1.04
Costco Wholesale	1,037	471,912	0.76
O'Reilly Automotive	519	397,775	0.64
TJX Cos	4,744	344,272	0.55
		2,137,364	3.44
Semiconductors 4.33% (3.27%)			
Applied Materials	4,952	539,947	0.87
Intel	1,143	33,609	0.05
KLA	118	45,675	0.07
Microchip Technology	6,773	397,969	0.64
Nvidia	4,356	1,463,188	2.36

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Semiconductors (continued)			
NXP Semiconductors	377	53,537	0.09
Texas Instruments	1,332	155,895	0.25
		2,689,820	4.33
Tech - Software & Services 12.10% (9.19%)			
Adobe	2,306	1,011,090	1.63
Dropbox	19,945	432,119	0.70
Fair Isaac	227	158,461	0.25
Intuit	2,015	821,178	1.32
Microsoft	15,432	4,299,518	6.92
Oracle	9,109	775,892	1.25
ServiceNow	34	16,302	0.03
		7,514,560	12.10
Telecommunications 1.33% (2.08%)			
Arista Networks	2,857	471,878	0.76
Motorola Solutions	1,538	352,785	0.57
		824,663	1.33
Transportation 1.42% (2.57%)			
CH Robinson Worldwide	1,557	104,997	0.17
FedEx	2,454	485,805	0.78
United Parcel Service	2,486	289,359	0.47
		880,161	1.42
Total Equities		55,643,814	89.62
Collective Investment Schemes 8.16% (4.41%)			
Brown Advisory US Sustainable Growth Fund	336,057	5,065,299	8.16
		5,065,299	8.16
Futures -0.05% (nil)			
S&P 500 E-Mini	5	(27,695)	(0.05)
		(27,695)	(0.05)

Portfolio statement (continued)

as at 31 October 2023

Portfolio of investments	**60,681,418**	**97.73**
Net other assets	**1,410,061**	**2.27**
Total net assets	**62,091,479**	**100.00**

Figures in brackets represent sector distribution at 31 October 2022.

All equity shares are listed ordinary shares unless otherwise stated.

Collective Investment Scheme securities are not listed and are valued using publicly available market data unless otherwise stated.

Futures securities are derivative instruments listed on recognised exchanges.

Comparative tables

Change in net asset value per share	Sterling Accumulation A Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	633.51	664.16	513.07
Return before operating charges	8.00	(26.08)	155.43
Operating charges	(4.55)	(4.57)	(4.34)
Return after operating charges	3.45	(30.65)	151.09
Distributions	(3.31)	(2.85)	(2.03)
Retained distributions on accumulation shares	3.31	2.85	2.03
Closing net asset value per share	636.96	633.51	664.16
*after direct transaction costs of	0.11	0.15	0.12
Performance	**2023**	**2022**	**2021**
Return after operating charges**	0.54%	(4.61)%	29.45%
Closing net asset value (£'s)	62,091,479	76,330,120	84,309,128
Closing number of shares	9,748,085	12,048,776	12,694,045
Operating charges	0.73%	0.72%	0.73%
Direct transaction costs*	0.02%	0.02%	0.02%
	p	p	p
Highest share price	666.8	697.1	668.3
Lowest share price	577.9	550.1	508.7

*Direct transaction costs include broker commissions and taxes paid by the Fund on each purchase or sale transaction, some of the direct transaction costs for the year were recovered directly from investors joining and leaving the Fund. Direct transaction costs incurred by the underlying funds held are not included in the direct transaction cost % disclosed.

**The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figures quoted in the Investment commentary. The Investment commentary performance figure is calculated using the last available published price for the given share class in the year compared to the equivalent for the prior year. The published price may contain an adjustment for dilution in accordance with the Fund pricing policy, while the price per the financial statements values the Fund on a bid-price basis.

Financial Statements - United States Equities

Statement of total return

for the year ended 31 October 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(494,721)		(2,930,265)
Revenue	2	912,751		1,072,994	
Expenses	3	(453,392)		(562,693)	
Interest payable and similar charges	4	(1,325)		(17,974)	
Net revenue before taxation		458,034		492,327	
Taxation	5	(124,270)		(141,740)	
Net revenue after taxation			333,764		350,587
Total return before distributions			(160,957)		(2,579,678)
Distributions	6		(336,180)		(353,568)
Change in net assets attributable to shareholders from investment activities			(497,137)		(2,933,246)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		76,330,120		84,309,128
Amounts receivable on issue of shares	8,940,109		109,717,397	
Amounts payable on cancellation of shares	(23,021,440)		(115,143,742)	
		(14,081,331)		(5,426,345)
Dilution adjustment		3,647		27,015
Change in net assets attributable to shareholders from investment activities		(497,137)		(2,933,246)
Retained distribution on accumulation shares		336,180		353,568
Closing net assets attributable to shareholders		62,091,479		76,330,120

Balance sheet

as at 31 October 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		60,709,113	74,953,400
Current assets:			
Debtors	7	1,885,874	6,012,396
Cash and bank balances	8	3,236,118	5,018,134
Total assets		65,831,105	85,983,930
Liabilities:			
Investment liabilities		(27,695)	-
Creditors			
Bank overdrafts	8	(1,799,298)	(891,512)
Other creditors	9	(1,912,633)	(8,762,298)
Total liabilities		(3,739,626)	(9,653,810)
Net assets attributable to shareholders		62,091,479	76,330,120

Notes to the financial statements

for the year ended 31 October 2023

1. Net capital losses

	2023	2022
	£	£
Non-derivative securities	(392,775)	(3,069,867)
Derivative contracts	8,842	251,267
Currency losses	(84,154)	(77,696)
Forward currency contracts	–	15
Transaction charges	(26,634)	(33,984)
Net capital losses	(494,721)	(2,930,265)

2. Revenue

	2023	2022
	£	£
UK dividends	7,463	-
Overseas UK tax exempt revenue	780,336	908,009
Overseas UK taxable revenue	1,923	-
Bank interest	29,080	3,358
Rebates from holdings in Collective Investment Schemes	5,551	40,838
US REIT dividends	88,398	120,789
Total revenue	912,751	1,072,994

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	428,178	535,068
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	7,905	9,878
Other expenses:		
Audit fees	13,760	13,759
Safe custody fees	2,068	2,581
FCA fee	59	162
Tax service fees	1,422	1,245
	17,309	17,747
Total expenses	453,392	562,693

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	-	11,826
Margin interest	1,325	6,148
Total interest payable and similar charges	1,325	17,974

Notes to the financial statements (continued)

for the year ended 31 October 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	124,270	151,079
Current tax charge	124,270	151,079
Deferred tax credit(note 5c)	-	(9,339)
Total tax charge(note 5b)	124,270	141,740

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2022 - higher) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	458,034	492,327
Corporation tax @ 20% (2022 - 20%)	91,607	98,465
Effects of:		
Capitalised income subject to tax	2,416	-
Movement in excess management expenses	66,868	77,869
Overseas withholding tax	124,270	151,079
Relief on overseas tax expensed	(3,331)	(4,071)
Revenue exempt from UK corporation tax	(157,560)	(181,602)
Total tax charge (note 5a)	124,270	141,740

	2023	2022
c) Provision for deferred taxation	£	£
Opening provision	-	9,339
Deferred tax credit (note 5a)	-	(9,339)
Closing provision	-	-

At the year end there is a potential deferred tax asset of £2,718,496 (2022 - £2,651,628) in relation to surplus management expenses and non-trade loan relationship deficits. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	2023	2022
	£	£
Interim accumulation distributions paid	234,071	124,099
Final accumulation distributions payable	102,109	229,469
Distributions	336,180	353,568

Notes to the financial statements (continued)

for the year ended 31 October 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023 £	2022 £
Net revenue after taxation per Statement of total return	333,764	350,587
Add:		
Undistributed revenue brought forward	12	5
Tax relief on ACD's periodic charge taken to capital	2,416	2,988
Deduct:		
Undistributed revenue carried forward	(12)	(12)
Distributions	336,180	353,568

Details of the distribution per share are disclosed in the distribution table on page 102.

7. Debtors

	2023 £	2022 £
Amounts receivable on issue of shares	257	-
Sales awaiting settlement	1,766,407	3,545,769
Accrued revenue	28,517	22,775
Overseas withholding tax	3,251	3,525
Rebates from holdings in Collective Investment Schemes	6,442	16,906
Currency sales awaiting settlement	81,000	2,423,421
Total debtors	1,885,874	6,012,396

8. Cash and bank balances

	2023 £	2022 £
Cash and bank balances	3,236,118	5,018,134
Total cash and bank balances	3,236,118	5,018,134
Bank overdraft*	1,799,298	891,512

As at 31 October 2023, the weighted average of the floating interest rate on bank balances was 2.02% (2022 - 0.00%).

*The bank overdrafts only incur interest on a net overdraft position as a compensated interest grouping agreement is in place.

9. Other creditors

	2023 £	2022 £
Amounts payable on cancellation of shares	172,364	4,148,480
Purchases awaiting settlement	1,592,766	2,069,437
Accrued expenses	66,646	107,744
Currency purchases awaiting settlement	80,857	2,436,637
Total other creditors	1,912,633	8,762,298

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

a) Market price risk

The Fund invests at least 80% in a wide range of shares issued by listed companies in the United States. At least 95% of the Fund’s assets must be denominated in or hedged to US Dollars. At least 90% of the fund is made up of directly held securities and up to 10% in Collective Investment Schemes managed either by third party managers or the ACD. The main risk arising from the Fund’s financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives but the exposure to derivatives is not expected to alter the overall risk exposure of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,068,142 (2022 - £7,495,340). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

Interest rate risk is the risk that the value of investments will fluctuate as a result of changes in interest rates. Collectives which hold cash balances and invest in fixed interest securities will be subject to such risk.

By a careful assessment of economic and other relevant factors, the Manager and appropriate Sub-Investment Manager will seek to invest in those companies most likely to benefit, or be protected, from anticipated changes in interest rates. There are no material amounts of interest bearing financial assets and liabilities, other than equities, which do not have maturity dates.

As at 31 October 2023, 2.31% of the Fund's assets were interest bearing (2022 - 6.57%).

As the only interest bearing assets held by the Fund are bank balances and no significant interest was received for the bank balances in note 8, changes in interest rates would have no material impact on assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

c) Currency risk

The Fund invests in companies which may derive portions of their revenues in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the equity securities can therefore be affected by currency movements.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

c) Currency risk (continued)
The Manager and appropriate Sub-Investment Manager monitors the Currency exposure of the portfolio on an on- going basis to make sure that actual exposure is consistent with the stated objectives of the Fund.

However, note that the currency risk can be hedged to limit the currency risk or to protect the value of the assets converted in the base currency of the Fund.

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £2,965,524 (2022 - £3,832,952). A 5% weakening in GBP would increase the value by £3,277,685 (2022 - £4,236,421).

For numerical disclosure see note 15.

d) Credit risk
Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The risk also applies when the Fund invests in the units of Collective Investment Schemes that themselves are exposed to credit risk from underlying issuers or counterparties. The main contributor to credit risk is the risk of default from underlying issuers of fixed income securities.

The Manager and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk
Liquidity risk may result in the inability of the Fund to meet redemptions of shares that investors may wish to sell. The Fund is required to meet daily redemption and therefore may face liquidity risk in an adverse event, such as during periods of elevated market stress levels.

The Fund may invest in smaller capitalisation companies that tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. The Sub-Investment Manager seeks to limit liquidity risk of the Fund by selecting a diversified range of equity securities.

f) Counterparty risk
In some instances, transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

Counterparties selected by the Manager and appropriate Sub-Investment Manager are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

g) Country Risk
Investing all or significant proportions of a Fund's assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country, and bonds in a single country will be sensitive to that country’s interest rate environment. As a result, shares and bond price fluctuations may be greater.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

h) Derivatives Risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The Fund may also use derivatives for investment purposes to help the Fund achieve its investment objectives. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

i) Investment Style and Investment Management Risk

Shareholders in a Fund face a risk that the investment choices made by the ACD and/or any Sub-Investment Manager(s) for that Fund on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Fund with one investment style may outperform or underperform other Funds that employ different investment styles.

Further, each Fund is subject to the risk that the ACD and/or any Sub-Investment Manager(s) appointed for that Fund may not select instruments which optimally achieve the implementation of an investment style for that Fund.

11. Related party transactions

The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and

Notes to the financial statements (continued)

for the year ended 31 October 2023

11. Related party transactions (continued)

cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £208,383 (2022 - £98,729) was due to the ACD at the year end date.

Material shareholders

As at 31 October 2023, 94.38% (2022 - 85.45%) of the shares in issue were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has one share class; Sterling Accumulation A Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
Sterling Accumulation A Shares	**No of shares**	**No of shares**
Opening shares in issue	12,048,776	12,694,045
Shares issued in the year	1,449,482	17,680,298
Shares cancelled in the year	(3,750,173)	(18,325,567)
Closing shares in issue	9,748,085	12,048,776

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	55,643,814	27,695
Observable inputs using market data*	5,065,299	-
	60,709,113	27,695

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	71,590,335	-
Observable inputs using market data*	3,363,065	-
	74,953,400	-

* Details of the securities included within the fair value hierarchy are detailed on page 14 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 October 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	9,113,785	-	-	9,113,785	-	-
Equities	133,772,849	4,800	-	133,777,649	-	-
Total purchases	142,886,634	4,800	-	142,891,434		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	9,353,306	-	-	9,353,306	-	-
Equities	220,425,722	7,713	-	220,433,435	-	-
Total purchases	229,779,028	7,713	-	229,786,741		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	7,318,737	-	-	7,318,737	-	-
Equities	149,366,031	(5,336)	(1,954)	149,358,741	-	-
Total sales	156,684,768	(5,336)	(1,954)	156,677,478		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	9,645,572	-	-	9,645,572	-	-
Equities	226,573,787	(8,016)	(3,387)	226,562,384	-	-
Total sales	236,219,359	(8,016)	(3,387)	236,207,956		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	10,136	1,954
Total costs as % of Average NAV	0.02%	-
2022	**£**	**£**
Total costs from purchases & sales	15,729	3,387
Total costs as % of Average NAV	0.02%	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - £127) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.02% (2022 - 0.03%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 October 2023

15. Currency risk

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 10.

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
UK Sterling	(184,531)	-	(184,531)
US Dollar	1,594,593	60,681,418	62,276,011
2022			
UK Sterling	(4,161,881)	–	(4,161,881)
US Dollar	5,538,601	74,953,400	80,492,001

16. Post balance sheet events

Subsequent to the year end, the net asset value per share of the Sterling Accumulation A share class has increased from 636.96p to 739.93p as at 20th February 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 October 2023

Distributions on Sterling Accumulation A Shares in pence per share

Payment date	Payment type	Distribution paid/payable 2023	Distribution paid 2022
30.06.23	interim	2.2581	0.9443
31.12.23	final	1.0475	1.9045

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

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Investment commentary

Investment Objective

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon.

The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: FTSE Japan Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.50% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by investing at least 95% in shares (also known as "equities"). Of the Fund's direct investments:

- at least 80% (and typically at least 90%) will be in shares in a wide range of companies listed, at the time of purchase, in Japan; and
- a maximum of 20% will be in shares in companies listed, at the time of purchase, outside of Japan.

The Fund invests in developed markets only.

The Fund may also invest up to 5% in cash, cash like and other money market instruments.

At least 90% of the Fund will be invested directly. Up to 10% of the Fund can invest indirectly in these asset classes, and in any amount, by purchasing units of Actively Managed and / or Passively Managed Collective Investment Schemes. These Collective Investment Schemes may be managed by the ACD, any Sub-Investment Manager or other companies (including within the Santander Group).

The Fund may use Derivatives for Efficient Portfolio Management(including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process

The ACD's investment philosophy is that the Fund's investment objectives can be achieved from a consistent process using skilled investment managers focused on long term investment views.

The ACD has appointed one Sub-Investment Manager to provide investment management services in relation to at least 90% of the Fund. The remainder of the Fund is managed by the ACD. The proportion of the Fund's assets under the management of each of the ACD and Sub-Investment Manager(each such portion of the Fund a "Mandate") is determined by the ACD. The ACD has selected the Sub-Investment Manager based on its ability to deliver the outperformance target associated with its Mandate.

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Investment commentary (continued)

Investment Strategy and Process (continued)
The ACD has in place an internal analysis and due diligence process to select and monitor the management of each Mandate, and it can change the management of a Mandate, or the Mandate itself, at its discretion when it believes that this is in the best interests of Shareholders in the Fund.

The Fund is actively managed which means that the ACD and, subject to the investment guidelines agreed with the ACD, the Sub-Investment Manager, will have the discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change.

Each of the Sub-Investment Manager and ACD will select investments that it believes will best achieve its Mandate's outperformance target. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

An assessment will be completed, by the ACD or the Sub-Investment Manager, on investment opportunities before investment decisions are made on their respective Mandates.

Although the ACD and the Sub-Investment Manager may have a different investment style or bias, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole is to meet its investment objectives.

With regard to the Fund's objective to outperform the Target Benchmark, the ACD will put in place a set of investment guidelines, in respect of each Mandate, which need to be considered when assets are selected.

In respect of the Mandate representing at least 90% of the Fund managed by the Sub-Investment Manager, the Sub-Investment Manager has a target to outperform the Target Benchmark. Although this is measured over a different period, and calculated on a different basis (i.e. before the deduction of the Fund's fees), to the Fund's outperformance target, this is aligned with the investment objectives of the Fund overall. In addition, the investment guidelines agreed with the ACD include risk management measures, which are commensurate to the outperformance target. These measures refer to the Target Benchmark and mean that the Sub-Investment Manager will be restricted in its selection of shares, due to requirements on the amount, size and sector of companies which can be held by the Fund, when compared to the companies which make up the Target Benchmark. As a result, the Mandate will be restricted in how far it can deviate from the Target Benchmark.

The Sub-Investment Manager will select shares in companies for its Mandate which it believes offer the best level of potential returns (and therefore capital growth, with the potential for income, for the Fund). Its selection of these shares involves two key steps:

– assigning shares in a company a rating based on a number of criteria which consider factors such as the company's growth, profitability, debt, and momentum (i.e. the company's share price has performed well over a short period and is expected to continue to do so), and then assessing its longer term (strategic) and shorter term (tactical) prospects as part of the Fund's portfolio; and
– on the basis of this analysis, selecting shares which are consistent with the risk management measures.

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Investment commentary (continued)

Investment Strategy and Process (continued)
The ACD manages the Mandate representing the remainder of the Fund in line with the Fund's investment objective to outperform the Target Benchmark, and is also subject to the Fund level Tracking Error described below as a risk management measure. Typically the ACD will invest its Mandate in Collective Investment Scheme(s) which offer indirect exposure to the types of shares set out above and which it believes will help the Fund to achieve its investment objectives.

On the basis of the outperformance target and risk management measures applied to each Mandate, it is expected that average outperformance for the Fund will typically not be greater than 0.50% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling three year period. The outperformance targets for the Mandates (and therefore their contribution to any Fund level outperformance) are targets only and are not guaranteed.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of between 0.5% and 3%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 3% provided this is consistent with the investment strategy of the Fund.

The Tracking Error and other risk management measures mean that although the Sub-Investment Manager and the ACD have discretion to select investments for their respective Mandate, the degree to which each Mandate is permitted to deviate from the Target Benchmark will be restricted, which will limit the extent to which the Fund overall might outperform the Target Benchmark. Although the Sub-Investment Manager and the ACD do not have to invest in the same assets that make up the Target Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up the Target Benchmark, some of the Fund's investments will reflect the constituents of the Target Benchmark.

Further Information
The Target Benchmark for the Fund has been selected as it is representative of shares listed in Japan and therefore broadly in line with the investment policy of the Fund.

The Target Benchmark is provided by FTSE International Limited, which as at the date of this Prospectus is included in the public register of administrators and benchmarks established and maintained by the FCA.

In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees" includes all fees, costs, charges, expenses and liabilities which are deducted from the value of Fund property for the purpose of calculating its NAV.

If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.

Variable remuneration of those individuals employed by the ACD who are responsible for: managing a Mandate; and/or the selection and oversight of the Sub-Investment Manager, is determined by assessing a number of different factors. Insofar as

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Investment commentary (continued)

Further Information (continued)

these relate to the investment performance of the Fund, any assessment may be made by comparing Fund performance relative to the Target Benchmark and may also include a comparison against a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Sub-Investment Managers

The Fund is comprised of two mandates, one of which is managed directly by Santander Asset Management UK Limited, with management delegated for the other mandate to a Sub-Investment Manager. The Sub-Investment Manager is Amundi Japan Limited.

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

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: counterparty risk, country risk, currency risk, derivatives risk, investment style and management risk, liquidity risk, and stock market risk. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business. Please refer to the Prospectus for further information.

Risk and Reward Indicator

Lower Risk ← → Higher Risk

Typically Lower Rewards / Typically Higher Rewards

1	2	3	4	5	6	7

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 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.

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Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 31 October 2018 to 31 October 2023 (5 years)		
	Cumulative	
Japan Equities Sterling Accumulation A Shares	21.68%	
Percentage price change from 31 October 2020 to 31 October 2023 (3 years)		
	Annualised	**Cumulative**
Japan Equities Sterling Accumulation A Shares	4.68%	14.73%
FTSE Japan Index TR*	3.94%	12.28%
Percentage price change from 31 October 2022 to 31 October 2023 (1 year)		
Japan Equities Sterling Accumulation A Shares	11.73%	
FTSE Japan Index TR	10.73%	

Source Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested (accumulation class only).

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to 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.

* Please note that the Benchmark was reclassified from Constraint to Target on 7 July 2021. Prior to this date the Fund was not aiming to outperform the Benchmark.

Japan Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Market Review

Japanese shares ended the reporting period higher[19]after the weaker yen made exports more affordable. This increased profits for companies that sell their goods and services overseas as their prices became more competitive.[20]

TOPIX, one of Japan's benchmark share indexes, was the world's best-performing stock market index in the first nine months of 2023. In September, the TOPIX reached its highest level since 1990, with expectations that inflation will remain stable and the country's ultralow interest rates making it appealing to foreign investors.[21]

Japanese shares benefitted earlier this year after billionaire investor Warren Buffett expanded his investments in the world's third-biggest economy.[22] Foreign investors have also been attracted by reforms by the Tokyo Stock Exchange, which wants companies to increase shareholder returns.[23]

The yen weakened to a 15-year low against the euro at the end of October, and was the worst performer against the dollar in the first 10 months of 2023.

The Bank of Japan (BOJ) is loosening its control of the bond market, where it manages the level at which yields trade. It introduced the policy in 2016, after buying 50% of the government's bonds[24] following the global financial crisis, to stimulate the economy and combat deflation. By purchasing bonds, the government frees up cash in the financial system for lending to businesses or consumers to encourage spending.

On 31 October, the BOJ indicated it would allow yields on the benchmark 10-year government bond to rise beyond 1%, the third time since December last year it adjusted the yield control policy. Previously, the central bank aimed to keep the yield close to 0%.[25] The BOJ has kept its key interest rate unchanged. While other developed nations have been battling rising inflation by hiking interest rates to recent record highs, the BOJ is the last major central bank to hold onto negative interest rates.[26]

A government report compiled for October said business sentiment increased in the third quarter.[27] Japan's economy grew faster than expected in the second quarter, its third quarter of gains, boosted by exports.[28]

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon. The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3-year period: FTSE Japan Index.

[19] *Tokyo Stock Price Index, or TOPIX, Google Finance, 31 October 2023*
[20] *CNBC, 26 June 2023*
[21] *Bloomberg, 26 September 2023*
[22] *CNBC, 5 May 2023*
[23] *Nikkei Asia, 16 July 2023*
[24] *Bloomberg, 31 October 2023*
[25] *Reuters, 31 October 2023*
[26] *Bloomberg, 31 October 2023*
[27] *Reuters, 30 October 2023*
[28] *CNBC, 15 August 2023*

Japan Equities
Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
It is expected that average outperformance for the Fund will typically not be greater than 0.50% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3-year period, although no level of outperformance is guaranteed.

The Fund is actively managed by a Sub-Investment Manager and invests at least 95% in shares in developed markets. At least 80% (typically at least 90%) of the Fund's investments will be in shares in companies listed in Japan, while up to 20% can be in shares in companies listed outside Japan. The Fund may invest up to 5% in cash/cash-like instruments.

The Fund has produced a cumulative return of 21.68% over the past five years, achieving its objective to provide a combination of capital growth and income over a period of five or more years.

Over the past three years, the Fund cumulatively returned 14.73% (4.68% annualised). The Fund has, therefore, met its objective to outperform the Target Benchmark, which cumulatively returned 12.28% (3.94% annualised).

While not an investment bias of the Sub-Investment Manager, the Fund had a higher proportion of value shares, which are companies trading below their perceived intrinsic value, based on their fundamentals; such as earnings, sales, cash or debt. These shares performed well, especially over the past three years , as interest rates rose.

The Fund delivered a return of 11.73% in the 12 months through 31 October 2023, while the Target Benchmark returned 10.73%.

While the proportion of value shares held within the Fund changed in the 12-month period, it ended at about the same level at which it started. However, the Sub-Investment Manager increased holdings of growth shares, which are companies that have the potential to outperform the overall market because of their future potential, throughout the reporting period.

Share selection was a positive contributor of the Fund's performance. Positive contributions came from holding more shares than the benchmark in transportation company Kawasaki Kisen Kaisha, semiconductor testing equipment manufacturer Advantest Corp., and oil seal maker NOK Corp.

These successes were partially offset by holdings in Japan's largest trading firm Mitsubishi Corp.; outsourcing business Benefit One; and banking company Mizuho Financial Group, which all weighed down the Fund's performance over the 12 months.

Holding more shares in the energy, consumer discretionary and industrial sectors all boosted the Fund's performance.

Market Outlook
The Sub-Investment Manager believes the outlook for the global economy is mixed.

They note that investors are pricing stock markets as if central banks will be able to bring down inflation without causing long-term economic damage.

Japan Equities

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Market Outlook (continued)

While the Bank of Japan may not be fighting inflation like its international peers, it does have its own set of domestic challenges and is exposed to international markets.

The Sub-Investment Manager points to concerns about weak industrial production, which rose more slowly than expected in September[29], and the country's exposure to the global slowdown, given its dependence on exports. Even so, there are positive signs of growth. The International Monetary Fund has raised its estimate for 2023 Japanese economic growth, citing strong domestic demand, a tourism surge and car exports.[30]

The Sub-Investment Manager is waiting to determine how China's support of its property sector plays out before deciding on the impact on economic growth. In the US, the Sub-Investment Manager expects the economy to tip into a mild recession during the first half of next year, which could affect the global economy.

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
December 2023

[29] *Bloomberg, 31 October 2023*
[30] *Bloomberg, 10 October 2023*

Summary of material portfolio changes

for the year ended 31 October 2023

Purchases	Cost £	Note
Keyence	597,315	
Shin-Etsu Chemical	516,883	
Astellas Pharma	480,098	
Japan Post	426,349	
Bridgestone	422,330	
Nippon Telegraph & Telephone	387,619	
Toshiba	371,049	
Aeon	358,529	
ZOZO	353,710	
Shionogi	350,046	
Sysmex	343,384	
Yaskawa Electric	333,771	
Nomura	332,278	
Fuji Electric	323,881	
SG	318,105	
Hamamatsu Photonics	318,057	
Morinaga Milk Industry	316,641	
Tsumura	311,346	
Meiji Holdings	308,546	
Nomura Research Institute	301,626	
Total cost of purchases for the year	18,162,561	14

Sales	Proceeds £	Note
Baillie Gifford Overseas Growth Funds ICVC - Japanese Fund	1,368,006	
Shin-Etsu Chemical	557,307	
Tokio Marine	506,430	
SoftBank	504,361	
Nok Corp	374,022	
Yokohama Rubber	354,610	
Ajinomoto	351,461	
Hoya	346,545	
Toshiba	336,236	
Yamato Kogyo	330,675	
Nitto Denko	323,087	
Shionogi	319,348	
Fuyo General Lease	302,936	
Mitsubishi UFJ Financial	301,724	
AGC	301,119	
Dai Nippon Printing	297,282	
Mazda Motor	294,899	
GungHo Online Entertainment	294,221	
Osaka Gas	286,330	
Meiji Holdings	284,777	
Total proceeds from sales for the year	20,279,509	14

Portfolio statement

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Equities 95.91% (89.14%)			
Aerospace & Defence 0.18% (0.94%)			
IHI	3,200	49,845	0.18
		49,845	0.18
Airlines nil (0.87%)			
Alternative Energy Sources nil (0.06%)			
Automobile Manufacturers 5.11% (5.52%)			
Honda Motor	9,600	78,698	0.28
Toyota Motor	95,700	1,347,979	4.83
		1,426,677	5.11
Automobile Parts & Equipment 2.73% (2.23%)			
Bridgestone	13,200	407,052	1.46
Denso	4,800	57,437	0.21
Niterra	16,300	297,048	1.06
		761,537	2.73
Banks 5.88% (4.29%)			
Mebuki Financial	135,900	336,032	1.20
Mitsubishi UFJ Financial	69,600	475,877	1.70
Mizuho Financial	1,300	18,007	0.07
Shizuoka Financial	26,400	183,307	0.66
Sumitomo Mitsui Financial	11,500	451,374	1.62
Sumitomo Mitsui Trust	5,800	176,584	0.63
		1,641,181	5.88
Beverages 0.99% (1.15%)			
Takara	40,700	276,728	0.99
		276,728	0.99
Building Materials 1.20% (3.00%)			
Daikin Industries	500	58,837	0.21
Sanwa	25,300	277,132	0.99
		335,969	1.20
Chemicals 3.15% (2.75%)			
Aica Kogyo	14,700	276,529	0.99
Daicel	39,900	276,609	0.99

Portfolio statement (continued)
as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Chemicals (continued)			
Shin-Etsu Chemical	5,200	126,172	0.45
Sumitomo Chemical	97,100	201,786	0.72
		881,096	3.15
Commercial Services 1.58% (2.46%)			
Benefit One	40,600	236,724	0.84
Recruit	1,400	32,987	0.12
TechnoPro	10,800	172,486	0.62
		442,197	1.58
Computers 2.36% (1.91%)			
BIPROGY	14,200	289,686	1.04
NET One Systems	5,700	70,998	0.25
Nomura Research Institute	13,400	287,001	1.03
Obic	100	12,077	0.04
		659,762	2.36
Cosmetics & Personal Care nil (0.97%)			
Distribution & Wholesale 3.39% (2.89%)			
Mitsui	20,900	615,840	2.21
Toyota Tsusho	7,700	330,004	1.18
		945,844	3.39
Diversified Financial Services 3.78% (2.26%)			
Credit Saison	23,200	283,418	1.01
Mitsubishi HC Capital	22,400	120,379	0.43
Nomura	103,400	326,004	1.17
SBI	18,600	326,513	1.17
		1,056,314	3.78
Electronic & Electrical Equipment 1.92% (0.39%)			
Fujikura	44,600	259,439	0.93
NGK Insulators	27,900	278,058	0.99
		537,497	1.92
Electronics 1.30% (4.07%)			
Anritsu	8,700	53,117	0.19

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Electronics (continued)			
Hoya	900	70,156	0.25
Shimadzu	12,400	239,065	0.86
		362,338	1.30
Engineering & Construction 2.21% (1.17%)			
Infroneer	35,000	301,871	1.08
Kandenko	41,500	315,025	1.13
		616,896	2.21
Entertainment 1.64% (1.25%)			
Oriental Land	17,300	457,233	1.64
		457,233	1.64
Food & Beverages 5.25% (3.19%)			
Aeon	20,800	358,115	1.28
Morinaga	1,200	35,496	0.13
Morinaga Milk Industry	9,700	311,315	1.11
NH Foods	12,300	303,131	1.09
Nisshin Seifun	30,000	371,631	1.33
Seven & i	2,900	86,604	0.31
		1,466,292	5.25
Forestry & Paper nil (0.93%)			
Gas 0.31% (1.74%)			
Tokyo Gas	4,700	86,393	0.31
		86,393	0.31
Hand & Machine Tools 1.88% (nil)			
DMG Mori	20,500	275,310	0.99
Fuji Electric	8,100	249,870	0.89
		525,180	1.88
Healthcare Products 3.24% (1.62%)			
Nipro	49,000	305,165	1.09
Olympus	30,200	328,424	1.18
Sysmex	7,000	272,464	0.97
		906,053	3.24

Portfolio statement (continued)
as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Healthcare Services nil (0.84%)			
Home Builders 4.46% (2.50%)			
Daiwa House Industry	18,000	404,133	1.44
Haseko	28,900	290,933	1.04
Open House	10,000	267,616	0.96
Sumitomo Forestry	14,800	284,450	1.02
		1,247,132	4.46
Home Furnishings 1.69% (1.46%)			
Sony	7,000	473,089	1.69
		473,089	1.69
Household Goods 0.24% (nil)			
Ushio	6,700	66,646	0.24
		66,646	0.24
Insurance 2.21% (2.10%)			
Dai-ichi Life	1,200	20,732	0.07
Japan Post	66,000	478,917	1.72
MS&AD Insurance	3,900	116,552	0.42
		616,201	2.21
Internet 1.88% (2.60%)			
GMO internet	18,900	224,409	0.80
ZOZO	19,300	299,890	1.08
		524,299	1.88
Iron & Steel 1.22% (1.06%)			
Daido Steel	7,800	248,298	0.89
Nippon Steel	5,200	91,283	0.33
		339,581	1.22
Leisure Time 0.98% (1.11%)			
Yamaha Motor	13,900	275,018	0.98
		275,018	0.98
Machinery Construction & Mining 0.46% (0.68%)			
Hitachi	2,500	128,910	0.46
		128,910	0.46

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Machinery Diversified 5.21% (3.61%)			
Ebara	6,000	215,453	0.77
Keyence	2,476	782,933	2.80
OKUMA	3,300	109,916	0.39
SMC	200	74,745	0.27
Yaskawa Electric	10,300	273,290	0.98
		1,456,337	5.21
Miscellaneous Manufacturing 1.30% (1.28%)			
Toshiba	14,500	362,873	1.30
		362,873	1.30
Office & Business Equipment 0.90% (1.99%)			
Canon Marketing Japan	12,900	252,636	0.90
		252,636	0.90
Oil & Gas 1.49% (1.10%)			
Inpex	35,000	415,667	1.49
		415,667	1.49
Pharmaceuticals & Biotechnology 5.87% (5.27%)			
Astellas Pharma	37,200	384,609	1.38
Daiichi Sankyo	4,800	100,664	0.36
Nippon Shinyaku	5,600	185,427	0.67
Ono Pharmaceutical	22,100	312,792	1.12
Rohto Pharmaceutical	18,100	343,738	1.23
Takeda Pharmaceutical	1,800	39,786	0.14
Tsumura	18,500	271,202	0.97
		1,638,218	5.87
Real Estate 1.04% (2.56%)			
Tokyo Tatemono	26,900	290,999	1.04
		290,999	1.04
Real Estate Investment Trusts 0.35% (nil)			
Japan Metropolitan Fund Invest	187	99,111	0.35
		99,111	0.35

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Retailers 1.77% (2.56%)			
Fast Retailing	2,750	494,121	1.77
		494,121	1.77
Semiconductors 4.24% (2.63%)			
Advantest	15,500	321,773	1.15
Hamamatsu Photonics	7,200	217,640	0.78
Tokyo Electron	6,010	644,918	2.31
		1,184,331	4.24
Tech - Software & Services 2.68% (2.41%)			
Capcom	9,000	236,936	0.85
Konami	6,800	286,881	1.02
Square Enix	8,300	225,735	0.81
		749,552	2.68
Telecommunications 3.09% (3.39%)			
KDDI	13,000	317,340	1.14
Nippon Telegraph & Telephone	517,900	497,973	1.78
SoftBank	1,400	46,654	0.17
		861,967	3.09
Toys, Games & Hobbies 1.39% (0.29%)			
Bandai Namco	2,300	38,823	0.14
Nintendo	2,300	77,847	0.28
Sanrio	7,800	271,473	0.97
		388,143	1.39
Transportation 5.34% (4.04%)			
AZ-COM MARUWA	13,300	148,943	0.53
Kawasaki Kisen Kaisha	12,800	357,593	1.28
Mitsui OSK Lines	15,900	335,441	1.20
Nippon Yusen	17,300	346,149	1.24
SG	26,100	302,654	1.09
		1,490,780	5.34
Total Equities		26,790,643	95.91

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Collective Investment Schemes 2.84% (7.73%)			
Baillie Gifford Japanese Fund B Acc	47,261	792,570	2.84
		792,570	2.84
Futures -0.07% (0.06%)			
MINI TOPIX Index Dec 23	(5)	(136)	0.00
TOPIX Index Dec 23	3	(18,003)	(0.07)
		(18,139)	(0.07)
Portfolio of investments		**27,565,074**	**98.68**
Net other assets		**367,557**	**1.32**
Total net assets		**27,932,631**	**100.00**

Figures in brackets represent sector distribution at 31 October 2022.

All equity shares are listed ordinary shares unless otherwise stated.

Collective Investment Scheme securities are not listed and are valued using publicly available market data unless otherwise stated.

Futures securities are derivative instruments listed on recognised exchanges.

Comparative tables

Change in net asset value per share	Sterling Accumulation A Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	230.77	258.56	224.13
Return before operating charges	28.03	(25.89)	36.42
Operating charges	(1.95)	(1.90)	(1.99)
Return after operating charges	26.08	(27.79)	34.43
Distributions	(4.39)	(5.04)	(2.64)
Retained distributions on accumulation shares	4.39	5.04	2.64
Closing net asset value per share	256.85	230.77	258.56
*after direct transaction costs of	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**
Return after operating charges**	11.30%	(10.75)%	15.36%
Closing net asset value (£'s)	27,932,631	28,002,305	33,716,720
Closing number of shares	10,875,092	12,134,227	13,040,118
Operating charges	0.77%	0.77%	0.78%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	274.4	272.4	286.3
Lowest share price	237.3	223.2	224.5

*Direct transaction costs include broker commissions and taxes paid by the Fund on each purchase or sale transaction, some of the direct transaction costs for the year were recovered directly from investors joining and leaving the Fund. Direct transaction costs incurred by the underlying funds held are not included in the direct transaction cost % disclosed.

**The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figures quoted in the Investment commentary. The Investment commentary performance figure is calculated using the last available published price for the given share class in the year compared to the equivalent for the prior year. The published price may contain an adjustment for dilution in accordance with the Fund pricing policy, while the price per the financial statements values the Fund on a bid-price basis.

Financial Statements - Japan Equities

Statement of total return

for the year ended 31 October 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital gains/(losses)	1		2,621,496		(4,076,468)
Revenue	2	786,832		944,345	
Expenses	3	(210,533)		(223,975)	
Interest payable and similar charges	4	(4,510)		(4,832)	
Net revenue before taxation		571,789		715,528	
Taxation	5	(75,266)		(91,030)	
Net revenue after taxation			496,523		624,508
Total return before distributions			3,118,019		(3,451,960)
Distributions	6		(496,523)		(624,508)
Change in net assets attributable to shareholders from investment activities			2,621,496		(4,076,468)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		28,002,305		33,716,720
Amounts receivable on issue of shares	169,533		972,719	
Amounts payable on cancellation of shares	(3,361,762)		(3,237,840)	
		(3,192,229)		(2,265,121)
Dilution adjustment		4,536		2,666
Change in net assets attributable to shareholders from investment activities		2,621,496		(4,076,468)
Retained distribution on accumulation shares		496,523		624,508
Closing net assets attributable to shareholders		27,932,631		28,002,305

Balance sheet

as at 31 October 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		27,583,213	27,144,805
Current assets:			
Debtors	7	270,177	277,451
Cash and bank balances	8	1,589,903	1,383,040
Total assets		29,443,293	28,805,296
Liabilities:			
Investment liabilities		(18,139)	(2,783)
Creditors			
Bank overdrafts	8	(1,360,506)	(724,131)
Other creditors	9	(132,017)	(76,077)
Total liabilities		(1,510,662)	(802,991)
Net assets attributable to shareholders		27,932,631	28,002,305

Notes to the financial statements

for the year ended 31 October 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Non-derivative securities	2,540,620	(4,166,476)
Derivative contracts	110,345	200,215
Currency losses	(14,772)	(100,631)
Forward currency contracts	(104)	5,116
Transaction charges	(14,593)	(14,692)
Net capital gains/(losses)	2,621,496	(4,076,468)

2. Revenue

	2023	2022
	£	£
UK dividends	33,450	34,801
Overseas UK tax exempt revenue	750,360	899,623
Bank interest	721	523
Taxable non-US overseas REIT dividends	2,301	9,398
Total revenue	786,832	944,345

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	189,400	202,559
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	3,497	3,739
Other expenses:		
Audit fees	13,760	13,759
Safe custody fees	2,395	2,511
FCA fee	59	162
Tax service fees	1,422	1,245
	17,636	17,677
Total expenses	210,533	223,975

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	2,758	2,605
Margin interest	1,752	2,227
Total interest payable and similar charges	4,510	4,832

Notes to the financial statements (continued)

for the year ended 31 October 2023

	2023	2022
5. Taxation	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	75,266	114,271
Current tax charge	75,266	114,271
Deferred tax credit(note 5c)	-	(23,241)
Total tax charge(note 5b)	75,266	91,030

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	571,789	715,528
Corporation tax @ 20% (2022 - 20%)	114,358	143,108
Effects of:		
Movement in excess management expenses	42,450	20,746
Overseas withholding tax	75,266	114,271
Relief on overseas tax expensed	(46)	(210)
Revenue exempt from UK corporation tax	(156,762)	(186,885)
Total tax charge (note 5a)	75,266	91,030

	2023	2022
c) Provision for deferred taxation	£	£
Opening provision	-	23,241
Deferred tax credit (note 5a)	-	(23,241)
Closing provision	-	-

At the year end there is a potential deferred tax asset of £1,566,059 (2022 - £1,523,609) in relation to surplus management expenses and non-trade loan relationship deficits. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	2023	2022
	£	£
Interim accumulation distributions paid	337,992	351,550
Final accumulation distributions payable	158,531	272,958
Distributions	496,523	624,508

Notes to the financial statements (continued)

for the year ended 31 October 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	496,523	624,508
Add:		
Undistributed revenue brought forward	4	4
Deduct:		
Undistributed revenue carried forward	(4)	(4)
Distributions	496,523	624,508

Details of the distribution per share are disclosed in the distribution table on page 131.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	-	189
Accrued revenue	225,565	277,262
Currency sales awaiting settlement	44,612	-
Total debtors	270,177	277,451

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	67,761	105,591
Cash and bank balances	1,522,142	1,277,449
Total cash and bank balances	1,589,903	1,383,040
Bank overdraft*	1,360,506	724,131

As at 31 October 2023, the weighted average of the floating interest rate on bank balances was 0.05% (2022 - 0.00%).

*The bank overdrafts only incur interest on a net overdraft position as a compensated interest grouping agreement is in place.

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	47,539	26,767
Accrued expenses	40,401	49,310
Currency purchases awaiting settlement	44,077	-
Total other creditors	132,017	76,077

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests at least 80% in a wide range of shares issued by listed companies in Japan. At least 90% of the fund is made up of directly held securities and up to 10% in Collective Investment Schemes managed either by third party managers or the ACD. The main risk arising from the Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

a) Market price risk (continued)
economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives but the exposure to derivatives is not expected to alter the overall risk exposure of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £2,756,507 (2022 - £2,714,202). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk
Interest rate risk is the risk that the value of investments will fluctuate as a result of changes in interest rates. Collectives which hold cash balances and invest in fixed interest securities will be subject to such risk.

By a careful assessment of economic and other relevant factors, the Manager will seek to invest in those companies most likely to benefit, or be protected, from anticipated changes in interest rates. There are no material amounts of interest bearing financial assets and liabilities, other than equities, which do not have maturity dates.

Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 October 2023, 0.82% of the Fund's assets were interest bearing (2022 - 4.94%).

As the only interest bearing assets held by the Fund are bank balances and no significant interest was received for the bank balances in note 8, changes in interest rates would have no material impact on assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

c) Currency risk
The Fund invests in companies which may derive portions of their revenues in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the equity securities can therefore be affected by currency movements.

The Manager and appropriate Sub-Investment Manager monitors the Currency exposure of the portfolio on an ongoing basis to make sure the actual exposure is consistent with his understanding of future currency movements.

However, note that the currency risk can be hedged to limit the currency risk or to protect the value of the assets converted in the base currency of the Fund.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

c) Currency risk (continued)
Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £1,329,431 (2022 - £1,332,079). A 5% weakening in GBP would increase the value by £1,469,371 (2022 - £1,472,298).

For numerical disclosure see note 15.

d) Credit risk
Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The risk also applies when the Fund invests in the units of Collective Investment Schemes that themselves are exposed to credit risk from underlying issuers or counterparties. The main contributor to credit risk is the risk of default from underlying issuers of fixed income securities.

The Manager and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk
Liquidity risk may result in the inability of the Fund to meet redemptions of shares that investors may wish to sell. The Fund is required to meet daily redemption and therefore may face liquidity risk in an adverse event, such as during periods of elevated market stress levels.

The Fund may invest in smaller capitalisation companies that tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. The Sub-Investment Manager seeks to limit liquidity risk of the Fund by selecting a diversified range of equity securities.

f) Counterparty risk
In some instances, transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

Counterparties selected by the Manager and appropriate Sub-Investment Manager are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

g) Country Risk
Investing all or significant proportions of a Fund's assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country, and bonds in a single country will be sensitive to that country's interest rate environment. As a result, shares and bond price fluctuations may be greater.

h) Derivatives Risk
The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The Fund may also use derivatives for investment purposes to help the Fund achieve its investment objectives. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

h) Derivatives Risk (continued)
However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

i) Investment Style and Investment Management Risk
Shareholders in a Fund face a risk that the investment choices made by the ACD and/or any Sub-Investment Manager(s) for that Fund on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Fund with one investment style may outperform or underperform other Funds that employ different investment styles.

Further, each Fund is subject to the risk that the ACD and/or any Sub-Investment Manager(s) appointed for that Fund may not select instruments which optimally achieve the implementation of an investment style for that Fund.

11. Related party transactions
The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

The ACD
The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £63,767 (2022 - £31,859) was due to the ACD at the year end date.

Material shareholders
As at 31 October 2023, 96.78% (2022 - 96.91%) of the shares in issue were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

Notes to the financial statements (continued)

for the year ended 31 October 2023

12. Shareholders' funds

The Fund currently has one share class; Sterling Accumulation A Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
Sterling Accumulation A Shares	**No of shares**	**No of shares**
Opening shares in issue	12,134,227	13,040,118
Shares issued in the year	68,284	412,205
Shares cancelled in the year	(1,327,419)	(1,318,096)
Closing shares in issue	10,875,092	12,134,227

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	26,790,643	18,139
Observable inputs using market data*	792,570	-
	27,583,213	18,139

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	24,979,224	2,783
Observable inputs using market data*	2,165,581	-
	27,144,805	2,783

* Details of the securities included within the fair value hierarchy are detailed on page 14 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 October 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	£	£	£	£	%	%
Equities	18,162,457	104	-	18,162,561	-	-
Total purchases	18,162,457	104	-	18,162,561		
2022	£	£	£	£	%	%
Collective Investment schemes	101,700	-	-	101,700	-	-
Equities	23,012,459	221	-	23,012,680	-	-
Total purchases	23,114,159	221	-	23,114,380		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	£	£	£	£	%	%
Collective Investment schemes	1,368,006	-	-	1,368,006	-	-
Equities	18,911,631	(128)	-	18,911,503	-	-
Total sales	20,279,637	(128)	-	20,279,509		
2022	£	£	£	£	%	%
Collective Investment schemes	303,562	-	-	303,562	-	-
Equities	24,287,708	(138)	-	24,287,570	-	-
Total sales	24,591,270	(138)	-	24,591,132		

	Broker Commission	Transfer Taxes
2023	£	£
Total costs from purchases & sales	232	-
Total costs as % of Average NAV	-	-
2022	£	£
Total costs from purchases & sales	359	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

In case of Equities Securities Broker Commission and transfer taxes are paid by the fund on each purchase and sales transaction and are necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.20% (2022 - 0.23%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 October 2023

15. Currency risk

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 10.

Currency	Net foreign currency assets Monetary exposures £	 Non-monetary exposures £	 Total £
2023			
Japanese Yen	359,598	27,558,458	27,918,056
UK Sterling	7,959	6,616	14,575
2022			
Japanese Yen	864,053	24,960,638	25,824,691
UK Sterling	12,033	2,165,581	2,177,614

16. Post balance sheet events

Subsequent to the year end, the net asset value per share of the Sterling Accumulation A share class has increased from 256.85p to 299.87p as at 20th February 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 October 2023

Distributions on Sterling Accumulation A Shares in pence per share

Payment date	Payment type	Distribution paid/payable 2023	Distribution paid 2022
30.06.23	interim	2.9273	2.7870
31.12.23	final	1.4578	2.2498

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

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Investment commentary

Investment Objective

The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon.

The Fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark measured over a rolling 3 year time period: 80% Markit iBoxx GBP Non-Gilts Index TR and 20% FTSE Actuaries UK Conventional Gilts All Stocks TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.10% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by investing at least 95% in bonds.

The Fund may invest:

- between 60-90% in bonds issued by companies, supranationals, and other non-sovereign entities; and
- between 10-40% in bonds issued by governments (typically these will be bonds issued by the UK Government).

It is expected that the Fund will typically invest at least 65% in bonds issued by companies.

The Fund may invest in developed markets globally but at least 95% of the Fund's assets must be denominated in or Hedged to Pounds Sterling.

The Fund will invest in bonds which are, at the time of purchase, investment grade. In addition, up to 10% of the Fund may be invested in bonds which are, at the time of purchase, sub-investment grade, and up to 5% of the Fund may be invested in bonds which are, at the time of purchase, unrated (where a Sub-Investment Manager will determine whether the bonds have quality equivalent to investment grade or sub-investment grade).

The Fund's investment in bonds can include bonds which are "non-standard"(up to 25% of the Fund, although typically the Fund doesn't hold more than 5%). These may, for example, be bonds which can make payments earlier than their target maturity date, or have terms where the principal amount of the bond can be paid back over the term of the bond, instead of being paid at the bond's maturity date, or asset backed or mortgage backed securities (investments whose return is generated from and backed by a basket of debt, for example mortgages). With regard to asset backed and mortgage backed securities, the Fund's exposure will be limited to 10%.

The Fund may also invest a maximum of 5% in cash, cash like and other money market instruments.

At least 90% of the Fund will be invested directly. Up to 10% of the Fund can be invested indirectly by investing in units of Actively Managed and/or Passively Managed Collective Investment Schemes (which may be managed by the ACD, any Sub-Investment Manager or other companies, including within the Santander Group).

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Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Investment Policy (continued)
The Fund may use Derivatives for Efficient Portfolio Management(including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process
The ACD's investment philosophy is that the Fund's investment objectives can be achieved from a consistent process using skilled investment managers focused on long term investment views.

The ACD has appointed Sub-Investment Managers to provide investment management services in relation to specified allocations of the assets of the Fund. The proportion of the Fund's assets under the management of each of the ACD and Sub-Investment Managers (each such portion of the Fund a "Mandate") is determined by the ACD. The ACD selects Sub-Investment Managers based on their ability to deliver the relevant outperformance target associated with each Mandate.

The ACD has in place an internal analysis and due diligence process to select and monitor the management of each Mandate, and it can change the management of a Mandate, or the Mandate itself, at its discretion when it believes that this is in the best interests of Shareholders in the Fund.

The Fund is actively managed which means that the ACD and, subject to the investment guidelines agreed with the ACD, each Sub-Investment Manager, will have the discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change, and it will select investments that it believes will best achieve each Mandate's outperformance target. An assessment will be completed, by the ACD or the relevant Sub-Investment Manager, on investment opportunities before investment decisions are made on their respective Mandates.

In respect of the Fund's objective to outperform the Target Benchmark, the ACD will put in place a set of investment guidelines, in respect of each Mandate, which need to be considered when assets are selected. As an example, in respect of each Mandate with a Sub-Investment Manager:

– a separate outperformance target is in place for the relevant Sub-Investment Manager to aim for. This target relates to outperformance relative to an Index in the Fund's Target Benchmark. However it will be calculated on a different basis to the Fund's objective to outperform the Target Benchmark as it will be calculated before, not after, the deduction of the Fund's fees, but this is aligned with the investment objectives of the Fund overall; and
– each Sub-Investment Manager will consider a range of risk management measures (described below) which reference the Target Benchmark. These will be commensurate to any outperformance target (as noted above) in place.

The ACD will manage its Mandate in line with the Fund's objective to outperform the Target Benchmark and is also subject to the Fund level Tracking Error, described below, as a risk management measure.

Although the ACD and each Sub-Investment Manager may have a different investment style or bias, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole is to meet its investment objectives.

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Investment commentary (continued)

Investment Strategy and Process (continued)

The ACD has appointed:

- one Sub-Investment Manager to manage Mandates which make up approximately 70% of the Fund. When selecting bonds, it will consider credit risk (the potential risk that issuers of bonds will be unable to honour their payment obligations), and how changing interest rates might impact the value of a bond in order to help determine which bonds to invest in. For example increasing interest rates will usually lower the value of an existing bond, and if the bond has a long time until maturity there could be more of an impact on its value. Therefore the Sub-Investment Manager may choose to reduce a Mandate's sensitivity to a change in interest rates if it expects them to rise or vice versa. When selecting company bonds, it will assess a company with respect to four key factors: industry attractiveness, competitive position, management quality and financial position, to assign a score which it will consider as part of its overall selection process. It will aim to select bonds which it believes are attractively priced and will help the Mandates meet their respective outperformance targets. When selecting Government bonds (typically UK Government bonds) it will use a number of tools to assess the impact of key economic and socio-political factors in order to determine a forward-looking view on the medium and long-term risk that the UK Government may be unable to meet its payment obligations on the bonds. In doing so, it will consider factors such as the UK Government's cash flow;
- one Sub-Investment Manager to manage a Mandate of approximately 21% of the Fund. When selecting bonds, it will consider, among other factors, bond issuers and different sectors and industries and will aim to select bonds which it believes are undervalued and which may deliver attractive investment returns; and
- the ACD manages the remaining approximately 9%. It will invest in Collective Investment Schemes which offer indirect exposure to bonds it believes will help the Fund to achieve its investment objectives. The ACD will favour Actively Managed Collective Investment Schemes.

On the basis of any individual outperformance target, and risk management measures, relevant to the Mandates, it is expected that average outperformance for the Fund will typically not be greater than 0.10% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling three year period. Outperformance targets for the Mandates (and therefore their contribution to any Fund level outperformance) are targets only and are not guaranteed.

The Fund's strategy is complemented by the deployment of Derivatives for Efficient Portfolio Management. It is expected that Derivatives will be used regularly in circumstances such as managing risk, for example to manage currency risk by hedging to Pounds Sterling or to manage interest rate risk, or responding quickly to developments in financial markets.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of up to 2%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 2% provided this is consistent with the investment strategy of the Fund. The Sub-Investment Managers are also subject to some investment restrictions which reference an Index in the Target Benchmark, relating to issuer credit rating, and the overall average period of time it takes for income and capital of the bonds in the Fund to be paid compared to the Target Benchmark, as part of their investment processes. These are risk management measures.

The risk management measures mean that although the Sub-Investment Managers and the ACD have discretion to select investments for their respective Mandate, the degree to which each Mandate is permitted to deviate from an index in the Target Benchmark will be restricted, which will limit the extent to which the Fund overall might outperform the Target Benchmark. The Sub-Investment Managers and the ACD do not have to invest in the same assets that make up an Index in the Target

Sterling Bond

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Investment commentary (continued)

Investment Strategy and Process (continued)

Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up an Index in the Target Benchmark, but some of the Mandates' investments will reflect the constituents of an Index in the Target Benchmark. The Fund as a whole may, therefore, diverge from the Target Benchmark, and may hold significantly fewer assets than those which make up the Target Benchmark but some of the Fund's investments will reflect constituents of the Target Benchmark.

Further Information

The Target Benchmark for the Fund has been selected as it is representative of the Fund's investment in bonds and therefore broadly in line with the investment policy of the Fund.

The Target Benchmark is provided by IHS Markit Benchmark Administration Limited and FTSE International Limited, respectively, which as at the date of this Prospectus are included in the public register of administrators and benchmarks established and maintained by the FCA.

In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees "includes all fees, costs, charges, expenses and liabilities which are deducted from the value of Fund property for the purpose of calculating its NAV.

If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.

Variable remuneration of those individuals employed by the ACD who are responsible for: managing a Mandate; and/or the selection and ongoing oversight of the Sub-Investment Managers, is determined by assessing a number of different factors. Insofar as these relate to investment performance of the Fund, any assessment may be made by comparing Fund performance relative to the Target Benchmark, and may also include a comparison against a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Sub-Investment Managers

The Fund is comprised of various mandates, one of which is managed directly by Santander Asset Management UK Limited, with management delegated for other mandates to Sub-Investment Managers. The Sub-Investment Managers are:

BlackRock Investment Management(UK) Limited

Western Asset Management Company Limited

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

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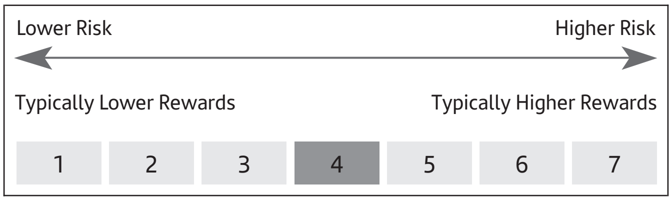
Investment commentary (continued)

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include bond risk, counterparty risk, country risk, derivatives risk and liquidity risk which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

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 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.

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Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 31 October 2018 to 31 October 2023 (5 years)		
		Cumulative
Sterling Bond Sterling Accumulation A Shares		-8.02%
Percentage price change from 31 October 2020 to 31 October 2023 (3 years)		
	Annualised	**Cumulative**
Sterling Bond Sterling Accumulation A Shares	-6.93%	-19.39%
80% Markit iBoxx GBP Non-Gilts Index TR and 20% FTSE Actuaries UK Conventional Gilts All Stocks Index TR*	-7.06%	-19.71%
Percentage price change from 31 October 2022 to 31 October 2023 (1 year)		
Sterling Bond Sterling Accumulation A Shares		1.22%
80% Markit iBoxx GBP Non-Gilts Index TR and 20% FTSE Actuaries UK Conventional Gilts All Stocks Index TR*		1.03%

Source Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested (accumulation class only).

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to 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.

* Please note that the Benchmark was reclassified from Constraint to Target on 7 July 2021. Prior to this date the Fund was not aiming to outperform the Benchmark.

Sterling Bond

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Investment commentary (continued)

Market Review

The period was defined by volatile conditions in the UK bond market as investors navigated various challenges, including rising interest rates and the highest rate of inflation among the world's most advanced economies.[31] Both of which push up the cost of borrowing.

The reporting period began a week after Rishi Sunak succeeded Liz Truss as Prime Minister. During her 45-day leadership[32], Truss' outlined a plan to cut taxes by taking on more debt. The unfunded tax cuts made investors nervous, many chose to sell UK government bonds causing yields to surge sending their value lower. In addition, the value of the of the pound fell sharply against other currencies.[33]

The scrapping of Truss' proposals by Sunak helped bond yields on 10-year UK government bonds recover[34], but they never fell back below levels seen before the start of her term.[35]

Britain is still feeling the after-effects. A survey released in June found that US business confidence in the UK fell for the third year due to political instability, ongoing concerns around Brexit, growth prospects and taxation issues.[36]

Inflation in the UK, which reached a 41-year high in October[37], has dropped more slowly than policymakers would have liked.[38]

To tame inflation, the Bank of England (BoE) implemented 14 consecutive interest rate hikes in the run up to September, when concerns about economic growth and expectations that inflation would start to fall further enabled the central bank to hit the pause button. The BoE has not ruled out further hikes if inflation doesn't continue to moderate to their target of 2%.[39]

The BoE and other central banks, including the US Federal Reserve and the European Central Bank, have emphasised the need to keep rates higher for longer. This pushed yields on 10-year US government bonds to surge to 16-year highs.[40] Meanwhile 30-year UK government bonds soared to levels not seen since 1998, with yields on European and Japanese bonds also rising.[41]

Even though the UK economy has managed to avoid a recession, defined as two successive quarters of negative growth, concerns remain that the impact of the rate hikes has yet to be fully felt.[42] S&P Global's Purchasing Managers' Index, a survey-based economic indicator designed to provide a timely insight into changing business conditions in the goods-producing sector, unexpectedly fell to a three-year low in October after manufacturers reduced staff, while hiring in the services sector nearly ground to a standstill. The accompanying survey of business leaders indicated that the economy is on course for a contraction in the fourth quarter.[43]

[31] *Reuters, 18 October 2023*
[32] *ABC News, 10 September 2023*
[33] *The Conversation, 26 May 2023*
[34] *Bloomberg, 11 November 2022*
[35] *Trading Economics, 31 October 2023*
[36] *Politico, 5 September 2023*
[37] *Associated Press, 16 November 2023*
[38] *Reuters, May 26 2023*
[39] *Bloomberg, 21 September 2023*
[40] *Reuters, 23 October 2023*
[41] *The Guardian, 4 October 2023*
[42] *The Guardian, 12 October 2023*
[43] *Reuters, 24 October 2023*

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Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period)
The Fund's objective is to provide a combination of capital growth (to grow the value of your investment) and income over a 5+ year time horizon. The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3-year period: 80% Markit iBoxx GBP Non-Gilts Index TR and 20% FTSE Actuaries UK Conventional Gilts All Stocks TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.10% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3-year period, although no level of outperformance is guaranteed.

The majority of the Fund is actively managed by two separate Sub-Investment Managers. It invests in bonds in developed markets, 60-90% of which are issued by non-sovereign entities and 10-40% of which are issued by governments (typically, the UK government). At least 95% of the Fund's investments will be in bonds, at least 65% of which will be bonds issued by companies. At least 95% of the Fund's investments must be denominated in British pounds.

The Fund has produced a cumulative return of -8.02% over the past five years, not achieving its objective to provide a combination of capital growth and income over a period of five or more years.

Most of those losses were sustained over the past three years, when the Fund cumulatively returned -19.39% (-6.93% annualised) of which, -18.40% occurred in the calendar year of 2022 where the market experienced rising bond yields, inflationary pressure and interest rate increases from central banks, specifically the Bank of England in the UK. Despite those losses, the Fund met its three-year objective to outperform the Target Benchmark, which cumulatively returned -19.71% (-7.06% annualised).

Many of the largest US and European bond funds are heading for their third consecutive year of losses.[44] The COVID-19 pandemic in 2020 disrupted supply chains, leading to a shortage of goods on store shelves and the closure of global factories and offices. In 2022, rising inflation and interest rates created financial market turmoil, marking the worst year on record for bonds.[45]

The Fund delivered a return of 1.22% in the 12 months through 31 October 2023, while the Target Benchmark returned 1.03%.

As investors were less willing to take on risk, the Fund was positioned to hold bonds that were less sensitive to interest rate movements. This contributed positively to the Fund's performance over most of the reporting period.

The Fund's returns during the period were primarily influenced by maintaining a slightly higher allocation to company bonds than the Target Benchmark. This involved favouring the financial and utilities sectors with overweight positions compared to the benchmark.

[44] *Reuters, 31 October 2023*
[45] *CNBC, 7 January 2023*

Sterling Bond

Final Report and Financial Statements for the year ended 31 October 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)

One of the Sub-Investment Managers appointed to manage the Fund preferred banks and some insurers due to their attractive valuations, higher yields and strong capital positions. Banks and insurers are required to set aside cash as reserves for emergencies. The Sub-Investment Manager emphasised the utility sector's resilience in the face of declining global economic conditions as a key factor in selecting it among the top choices.

Positive contributions to the Fund's performance also came from its holdings in high-yield company bonds and owning more bonds in some property-related sectors than the benchmark.

The Fund's returns received a modest boost from holding fewer bonds in housing associations than the Target Benchmark and an underweight position in mortgage-backed securities, a financial investment connected to a basket of home loans. Holding more government bonds than the benchmark weighed down the Fund's performance over the period.

Market Outlook

One of the two Sub-Investment Managers expects higher interest rates to put household budgets under more pressure due to high food and energy prices. Furthermore, the Sub-Investment Manager expects wage inflation to ease as more workers return to work to cope with rising living costs.

This Sub-Investment Manager also believes that company fundamentals, such as earnings, revenue and cashflows, will likely weaken as their input costs rise and consumers struggle. With elevated interest rates, businesses are expected to adopt a more conservative approach in this uncertain global economic environment.

While the Sub-Investment Manager views valuations for highly rated UK company bonds as fair, they are no longer considered cheap. At time of writing their preference leans towards financial and property-related firms where they see opportunities.

On the other hand, the second Sub-Investment Manager sees an elevated risk of economic downturns. The Sub-Investment Manager believes that the deteriorating economic situation in the UK has lessened the need for the BoE to pursue as aggressive a rate hike as initially anticipated throughout 2023.

They predict that yields on longer-maturity bonds will likely rise, increasing the prices of these bonds.

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
December 2023

Summary of material portfolio changes

for the year ended 31 October 2023

Purchases	Cost £	Note
United Kingdom Gilt 0.125% 2028	12,748,588	
United Kingdom Gilt 4.75% 2030	11,138,735	
United Kingdom Gilt 4.125% 2027	7,179,162	
United Kingdom Gilt 1.25% 2027	5,310,208	
United Kingdom Gilt 1.5% 2047	5,093,397	
United Kingdom Gilt 1.125% 2039	5,014,579	
United Kingdom Gilt 4.5% 2034	4,957,901	
European Investment Bank 0.875% 2026	4,600,353	
United Kingdom Gilt 1.25% 2041	4,464,519	
United Kingdom Gilt 3.5% 2025	4,440,345	
United Kingdom Gilt 0.625% 2025	4,050,097	
United Kingdom Gilt 0.875% 2046	3,808,569	
United Kingdom Gilt 1.75% 2037	3,616,966	
NGG Finance 5.625% 2073	3,467,962	
Goldman Sachs 3.625% 2029	3,216,020	
United Kingdom Gilt 0.625% 2050	2,833,045	
United Kingdom Gilt 0.375% 2026	2,773,960	
US TSY 1.625% 15/10/27_no match	2,742,117	
United Kingdom Gilt 0.5% 2029	2,651,617	
Cadent Finance 2.625% 2038	2,547,156	
Total cost of purchases for the year	306,908,859	14

Sales	Proceeds £	Note
United Kingdom Gilt 4.75% 2030	10,598,916	
United Kingdom Gilt 0.125% 2028	10,006,792	
United Kingdom Gilt 4.5% 2034	7,091,714	
United Kingdom Gilt 4.125% 2027	6,533,291	
United Kingdom Gilt 1.125% 2039	5,017,976	
United Kingdom Gilt 1.25% 2027	4,712,577	
United Kingdom Gilt 1.5% 2047	4,395,176	
United Kingdom Gilt 1.25% 2041	3,891,173	
United Kingdom Gilt 1.75% 2037	3,872,935	
United Kingdom Gilt 0.875% 2046	3,627,498	
Goldman Sachs 3.625% 2029	3,548,797	
United Kingdom Gilt 3.5% 2025	3,515,016	
NGG Finance 5.625% 2073	3,467,962	
United Kingdom Gilt 0.875% 2033	3,209,949	
United Kingdom Gilt 0.25% 2025	3,021,661	
HSBC 1.75% 2027	2,813,463	
United Kingdom Gilt 4.25% 2032	2,807,168	
US TSY 1.625% 15/10/27_no match	2,737,438	
United Kingdom Gilt 0.625% 2025	2,644,893	
European Investment Bank 0.875% 2026	2,500,965	
Total proceeds from sales for the year	320,088,904	14

Portfolio statement

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Fixed interest securities 88.30% (88.14%)			
AAA to AA 9.64% (23.46%)			
Aspire Defence Finance 4.674% 2040	£79,300	72,047	0.04
Berkshire Hathaway Finance 2.375% 2039	£420,000	274,235	0.16
BNG Bank 1.625% 2025	£1,000,000	936,707	0.55
Broadgate Financing 4.999% 2033	£250,000	235,405	0.14
Bundesrepublik Deutschland Bundesanleihe 5.5% 2031	€250,000	257,371	0.15
Caisse des Depots et Consignations 0.25% 2026	£400,000	357,661	0.21
Caisse des Depots et Consignations 1.125% 2024	£200,000	190,336	0.11
Dexia Credit Local 0.25% 2024	£200,000	188,688	0.11
Dexia Credit Local 0.25% 2026	£1,300,000	1,119,183	0.66
Dexia Credit Local 4.375% 2026	£400,000	392,064	0.23
DWR Cymru Financing UK 6.015% 2028	£160,000	161,048	0.09
European Investment Bank 0.875% 2026	£2,325,000	2,103,218	1.24
European Investment Bank 3.875% 2037	£70,000	62,474	0.04
European Investment Bank 4.5% 2044	£154,000	141,526	0.08
European Union 3% 2053	€405,040	292,255	0.17
Folio Residential Finance NO 1 1.246% 2037	£230,000	193,216	0.11
Inter-American Development Bank 1.25% 2025	£295,000	272,730	0.16
International Development Association 0.375% 2027	£250,000	210,728	0.12
International Development Association 0.75% 2024	£225,000	213,599	0.13
Kommunalbanken 4% 2026	£524,000	510,135	0.30
Kreditanstalt fuer Wiederaufbau 0.875% 2026	£1,000,000	892,760	0.53
Kreditanstalt fuer Wiederaufbau 1.125% 2025	£900,000	841,770	0.50
Kreditanstalt fuer Wiederaufbau 1.25% 2026	£500,000	452,840	0.27
Kreditanstalt fuer Wiederaufbau 1.375% 2025	£1,690,000	1,568,746	0.92
Land Capital Markets 2.375% 2029	£275,000	246,379	0.15
Land Capital Markets 2.399% 2031	£180,000	153,959	0.09
Land Capital Markets 2.625% 2039	£270,000	186,188	0.11
LCR Finance 4.5% 2028	£150,000	148,110	0.09
Logicor 1.875% 2031 1.875% 2031	£340,000	300,802	0.18
Nederlandse Waterschapsbank 0.25% 2025	£1,309,000	1,181,608	0.69
Nederlandse Waterschapsbank 4.5% 2025	£294,000	289,749	0.17
New York Life Global Funding 1.5% 2027	£235,000	205,371	0.12
NRW Bank 0.375% 2024	£400,000	377,716	0.22
SNCF Reseau 4.83% 2060	£185,000	161,112	0.09
Telereal Securitisation 5.3887% 2033	£343,131	334,689	0.20
United States Treasury Note/Bond 2% 2050	$560,000	254,831	0.15
United States Treasury Note/Bond 3.75% 2030	$290,000	223,557	0.13
Wellcome Trust 1.125% 2027	€100,000	79,963	0.05
Wellcome Trust 1.5% 2071	£265,000	91,319	0.05

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
AAA to AA (continued)			
Wellcome Trust 2.517% 2118	£305,000	142,003	0.08
Wellcome Trust 4% 2059	£100,000	78,854	0.05
		16,396,952	9.64
AA- to A+ 25.57% (3.52%)			
Aster Treasury 1.405% 2036	£190,000	119,566	0.07
Banco Santander 4.75% 2028	£400,000	380,500	0.22
Banque Federative du Credit Mutuel 0.875% 2027	£500,000	412,089	0.24
Banque Federative du Credit Mutuel 1.875% 2028	£300,000	250,356	0.15
BNP Paribas 6% 2029	£1,000,000	1,000,000	0.59
Canary Wharf Finance II 6.455% 2033	£71,848	70,906	0.04
Credit Agricole 4.875% 2029	£400,000	382,008	0.22
Credit Suisse AG/London 1.125% 2025	£370,000	333,085	0.20
Danske Bank 4.625% 2027	£220,000	212,575	0.13
DNB Bank 2.625% 2026	£835,000	791,162	0.47
Lloyds Bank 6.5% 2040	£240,000	253,578	0.15
Metropolitan Life Global Funding I 1.625% 2028	£525,000	436,674	0.26
Metropolitan Life Global Funding I 5% 2030	£615,000	592,786	0.35
Nationwide Building Society 3% 2026	£100,000	93,505	0.06
Nationwide Building Society 3.25% 2028	£450,000	408,339	0.24
Nationwide Building Society 6.125% 2028	£350,000	353,000	0.21
Nestle 2.5% 2032	£330,000	268,650	0.16
PepsiCo 3.2% 2029	£170,000	153,581	0.09
PepsiCo 3.55% 2034	£180,000	152,176	0.09
Pfizer Investment Enterprises Pte 5.3% 2053	$200,000	145,337	0.09
Province of Ontario Canada 0.25% 2026	£255,000	219,716	0.13
Prs Finance 2% 2029	£400,000	346,036	0.20
Sovereign Housing Capital 2.375% 2048	£100,000	53,834	0.03
UNITE USAF II 3.921% 2030	£1,090,000	1,045,711	0.62
United Kingdom Gilt 0.125% 2026	£24,000	21,817	0.01
United Kingdom Gilt 0.125% 2028	£4,723,000	3,957,520	2.33
United Kingdom Gilt 0.25% 2025	£575,000	543,441	0.32
United Kingdom Gilt 0.25% 2031	£1,016,000	741,075	0.44
United Kingdom Gilt 0.375% 2026	£1,950,000	1,730,303	1.02
United Kingdom Gilt 0.375% 2030	£1,012,000	771,766	0.45
United Kingdom Gilt 0.5% 2029	£618,000	505,929	0.30
United Kingdom Gilt 0.5% 2061	£547,000	144,285	0.09
United Kingdom Gilt 0.625% 2025	£1,794,000	1,683,786	0.99
United Kingdom Gilt 0.625% 2035	£1,465,000	934,926	0.55
United Kingdom Gilt 0.625% 2050	£2,659,201	958,841	0.56
United Kingdom Gilt 0.875% 2029	£339,000	278,256	0.16

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 0.875% 2033	£545,000	389,329	0.23
United Kingdom Gilt 0.875% 2046	£2,207,000	999,937	0.59
United Kingdom Gilt 1% 2032	£462,000	352,864	0.21
United Kingdom Gilt 1.125% 2039	£1,877,000	1,128,030	0.66
United Kingdom Gilt 1.125% 2073	£713,000	233,561	0.14
United Kingdom Gilt 1.25% 2027	£1,537,200	1,374,818	0.81
United Kingdom Gilt 1.25% 2041	£2,740,000	1,552,141	0.91
United Kingdom Gilt 1.25% 2051	£702,000	312,653	0.18
United Kingdom Gilt 1.5% 2026	£70,000	64,774	0.04
United Kingdom Gilt 1.5% 2047	£1,901,000	986,191	0.58
United Kingdom Gilt 1.5% 2053	£1,322,428	617,012	0.36
United Kingdom Gilt 1.625% 2028	£2,020,000	1,780,276	1.05
United Kingdom Gilt 1.625% 2054	£7,200	3,448	0.00
United Kingdom Gilt 1.625% 2071	£344,765	145,241	0.09
United Kingdom Gilt 1.75% 2037	£1,198,000	832,700	0.49
United Kingdom Gilt 1.75% 2049	£517,000	279,322	0.16
United Kingdom Gilt 1.75% 2057	£1,121,000	545,899	0.32
United Kingdom Gilt 2.5% 2065	£1,202,000	705,063	0.41
United Kingdom Gilt 3.25% 2033	£103,000	93,228	0.05
United Kingdom Gilt 3.25% 2044	£748,000	584,020	0.34
United Kingdom Gilt 3.5% 2025	£902,000	880,149	0.52
United Kingdom Gilt 3.5% 2045	£236,000	190,139	0.11
United Kingdom Gilt 3.75% 2038	£449,000	399,105	0.23
United Kingdom Gilt 3.75% 2052	£537,000	437,695	0.26
United Kingdom Gilt 3.75% 2053	£50,000	40,484	0.02
United Kingdom Gilt 4% 2060	£216,000	183,875	0.11
United Kingdom Gilt 4% 2063	£188,000	159,269	0.09
United Kingdom Gilt 4.125% 2027	£528,830	521,498	0.31
United Kingdom Gilt 4.25% 2027	£1,117,000	1,111,220	0.65
United Kingdom Gilt 4.25% 2036	£852,000	817,473	0.48
United Kingdom Gilt 4.25% 2039	£549,000	511,654	0.30
United Kingdom Gilt 4.25% 2040	£905,000	836,831	0.49
United Kingdom Gilt 4.25% 2046	£211,000	189,620	0.11
United Kingdom Gilt 4.25% 2049	£641,000	571,948	0.34
United Kingdom Gilt 4.25% 2055	£376,000	334,819	0.20
United Kingdom Gilt 4.5% 2034	£394,000	390,484	0.23
United Kingdom Gilt 4.5% 2042	£722,000	682,200	0.40
United Kingdom Gilt 4.75% 2030	£422,000	431,961	0.25
United Kingdom Gilt 4.75% 2038	£49,000	48,626	0.03

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Inflation-Linked Gilt 0.625% 2045	£435,000	376,571	0.22
Zurich Finance Ireland Designated Activity 5.125% 2052	£725,000	633,585	0.37
		43,476,828	25.57
A to A- 17.07% (17.83%)			
ABN AMRO Bank 5.25% 2026	£1,000,000	986,943	0.58
Anglian Water Services Financing 4.5% 2026	£398,000	386,689	0.23
Aspire Defence Finance 4.674% 2040	£388,570	352,389	0.21
Associated British Foods 2.5% 2034	£190,000	143,587	0.08
Assura Financing 1.625% 2033	£180,000	119,025	0.07
Assura Financing 3% 2028	£520,000	453,324	0.27
AXA 5.453% 2172	£575,000	555,012	0.33
Banco Santander 4.875% 2031	€600,000	519,672	0.31
Bank of America 1.667% 2029	£398,000	327,888	0.19
Bank of America 3.584% 2031	£370,000	319,140	0.19
Bank of America 4.948% 2028	$550,000	430,477	0.25
Blend Funding 2.922% 2056	£300,000	169,812	0.10
Blend Funding 3.459% 2049	£150,000	101,962	0.06
BNP Paribas 1.25% 2031	£300,000	210,537	0.12
BNP Paribas 3.375% 2026	£340,000	321,268	0.19
BNP Paribas 5.75% 2032	£400,000	385,376	0.23
BP Capital Markets 2.274% 2026	£340,000	315,554	0.19
British Land 2.375% 2029	£410,000	322,244	0.19
BUPA Finance 5% 2030	€750,000	655,215	0.39
Circle Anglia Social Housing 5.2% 2044	£100,000	86,453	0.05
Clarion Funding 1.875% 2035	£695,000	460,827	0.27
Clarion Funding 3.125% 2048	£290,000	177,732	0.10
Comcast 1.5% 2029	£270,000	222,429	0.13
Cooperatieve Rabobank UA 1.875% 2028	£400,000	347,000	0.20
Derwent London 1.875% 2031	£640,000	450,522	0.26
Development Bank of Japan 1.25% 2025	£200,000	189,730	0.11
Development Bank of Japan 5.25% 2026	£330,000	329,459	0.19
DNB Bank 4% 2027	£570,000	535,800	0.32
Eastern Power Networks 6.25% 2036	£230,000	233,518	0.14
ESB Finance DAC 4% 2032	€400,000	343,697	0.20
Experian Finance 0.739% 2025	£545,000	496,282	0.29
Experian Finance 3.25% 2032	£120,000	100,105	0.06
GlaxoSmithKline Capital 1.625% 2035	£580,000	386,550	0.23
GlaxoSmithKline Capital 5.25% 2033	£181,000	178,885	0.11
GlaxoSmithKline Capital 6.375% 2039	£230,000	243,077	0.14
Guinness Partnership 4% 2044	£455,000	345,586	0.20

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
A to A- (continued)			
HSBC 1.75% 2027	£920,000	815,220	0.48
HSBC 6.332% 2044	$200,000	153,492	0.09
HSBC 6.8% 2031	£380,000	381,900	0.22
ING Groep 3% 2026	£400,000	374,616	0.22
ING Groep 4.75% 2034	€200,000	172,684	0.10
ING Groep 5% 2026	£400,000	392,313	0.23
JPMorgan Chase & 0.991% 2026	£880,000	817,569	0.48
JPMorgan Chase & 4.912% 2033	$280,000	207,685	0.12
LiveWest Treasury 2.25% 2043	£150,000	87,293	0.05
London & Quadrant Housing Trust 2.25% 2029	£240,000	197,672	0.12
London & Quadrant Housing Trust 3.125% 2053	£210,000	122,854	0.07
London & Quadrant Housing Trust 4.625% 2033	£240,000	215,702	0.13
London & Quadrant Housing Trust 5.5% 2040	£160,000	148,017	0.09
London Power Networks 2.625% 2029	£140,000	120,028	0.07
London Stock Exchange 1.625% 2030	£250,000	199,053	0.12
Meadowhall Finance 4.986% 2037	£150,187	133,106	0.08
Morgan Stanley 2.95% 2032	€690,000	531,752	0.31
Morgan Stanley 4.21% 2028	$470,000	361,492	0.21
Morgan Stanley 5.789% 2033	£455,000	439,466	0.26
Motability Operations 2.375% 2032	£175,000	137,701	0.08
Motability Operations 3.5% 2031	€600,000	499,342	0.29
Motability Operations 4.875% 2043	£360,000	316,678	0.19
Motability Operations 5.625% 2035	£500,000	489,155	0.29
NatWest Markets 6.375% 2027	£395,000	399,175	0.23
Nordea Bank 1.625% 2032	£520,000	420,550	0.25
Northern Powergrid Northeast 1.875% 2062	£390,000	161,002	0.09
Northern Powergrid Northeast 3.25% 2052	£100,000	62,545	0.04
Northern Powergrid Yorkshire 2.25% 2059	£120,000	55,260	0.03
Notting Hill Genesis 2.875% 2029	£170,000	147,279	0.09
Orbit Capital 2% 2038	£335,000	199,640	0.12
Prologis International Funding II 2.75% 2032	£210,000	164,961	0.10
Prologis LP 2.25% 2029	£280,000	231,143	0.14
Realty Income 1.125% 2027	£400,000	334,564	0.20
Realty Income 1.875% 2027	£240,000	210,782	0.12
Sanctuary Capital 2.375% 2050	£490,000	256,988	0.15
Sanctuary Capital 5% 2047	£100,000	85,650	0.05
Segro 2.875% 2037	£540,000	371,579	0.22
Societe Generale 6.25% 2033	£400,000	399,096	0.23
Society of Lloyd's 4.875% 2047	£380,000	352,406	0.21
Svenska Handelsbanken 4.625% 2032	£250,000	228,125	0.13
Swedbank 1.375% 2027	£500,000	432,552	0.25

Portfolio statement (continued)
as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
A to A- (continued)			
THFC Funding No 2 6.35% 2041	£100,000	102,768	0.06
THFC Funding No 3 5.2% 2045	£410,000	362,899	0.21
UBS 1.875% 2029	£800,000	644,376	0.38
UBS 2.125% 2025	£130,000	124,976	0.07
UBS 2.125% 2029	£765,000	623,360	0.37
UBS 2.25% 2028	£950,000	815,095	0.48
UBS 2.875% 2032	€450,000	339,065	0.20
UBS 7.75% 2029	€645,000	622,005	0.37
UBS AG/Jersey 8.75% 2025	£105,000	108,280	0.06
Wales & West Utilities Finance 3% 2038	£255,000	175,318	0.10
Yorkshire Building Society 3.5% 2026	£320,000	301,104	0.18
Yorkshire Water Finance 5.25% 2030	£400,000	373,192	0.22
Yorkshire Water Finance 6.6011% 2031	£400,000	400,198	0.24
		29,024,489	17.07
BBB+ to BBB 28.73% (32.66%)			
Aegon 6.125% 2031	£270,000	269,935	0.16
Aegon 6.625% 2039	£100,000	101,819	0.06
Amgen 4% 2029	£275,000	253,750	0.15
Anglo American Capital 3.375% 2029	£310,000	269,002	0.16
Annington Funding 2.308% 2032	£270,000	188,981	0.11
Annington Funding 3.184% 2029	£320,000	264,926	0.16
Annington Funding 3.685% 2034	£210,000	157,897	0.09
Annington Funding 4.75% 2033	£330,000	275,887	0.16
APA Infrastructure 2% 2030	€200,000	144,832	0.09
APA Infrastructure 3.125% 2031	£410,000	323,978	0.19
AT&T 2.9% 2026	£790,000	724,256	0.43
AT&T 4.375% 2029	£180,000	165,448	0.10
AT&T 5.2% 2033	£100,000	92,044	0.05
AT&T 7% 2040	£100,000	103,335	0.06
Aviva 5.125% 2050	£220,000	191,766	0.11
Aviva 6.125% 2036	£540,000	533,894	0.31
Aviva 6.875% 2058	£270,000	250,127	0.15
AXA 6.6862% 2172	£330,000	325,500	0.19
Barclays 1.7% 2026	£400,000	363,580	0.21
Barclays 3% 2026	£770,000	709,312	0.42
Barclays 6.369% 2031	£345,000	334,129	0.20
Barclays 7.09% 2029	£545,000	541,610	0.32
BAT International Finance 2.25% 2028	£255,000	215,414	0.13
BAT International Finance 6% 2034	£197,000	174,976	0.10
Blackstone Property Partners Europe Sarl 2.625% 2028	£300,000	233,376	0.14

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Blackstone Property Partners Europe Sarl 4.875% 2032	£240,000	185,602	0.11
BNP Paribas 2% 2031	£200,000	174,250	0.10
BPCE 2.125% 2046	€200,000	125,212	0.07
BPCE 2.5% 2032	£400,000	329,062	0.19
BPCE 5.25% 2029	£600,000	549,381	0.32
British Telecommunications 3.125% 2031	£720,000	590,866	0.35
British Telecommunications 5.75% 2028	£2,000	1,986	0.00
BUPA Finance 5% 2026	£700,000	665,294	0.39
Burberry 1.125% 2025	£140,000	128,141	0.08
Cadent Finance 2.625% 2038	£1,528,000	942,979	0.56
Cadent Finance 2.75% 2046	£100,000	54,400	0.03
Cadent Finance 5.75% 2034	£120,000	113,686	0.07
Centrica 4.375% 2029	£200,000	185,296	0.11
Centrica 7% 2033	£181,000	191,056	0.11
Channel Link Enterprises Finance 3.043% 2050	£225,000	188,780	0.11
Citigroup 6.8% 2038	£107,000	114,546	0.07
Citigroup 7.375% 2039	£631,000	710,452	0.42
Cooperatieve Rabobank UA 4.625% 2029	£450,000	404,983	0.24
Cooperatieve Rabobank UA 5.25% 2027	£155,000	149,289	0.09
Coventry Building Society 2% 2030	£280,000	209,717	0.12
CPUK Finance 5.876% 2027	£200,000	195,044	0.12
Credit Agricole Assurances 5.875% 2033	€200,000	174,991	0.10
Crh Finance UK 4.125% 2029	£250,000	227,763	0.13
CVS Health 4.125% 2040	$110,000	67,436	0.04
Danske Bank 2.25% 2028	£350,000	306,054	0.18
Deutsche Telekom 3.125% 2034	£200,000	160,609	0.09
DWR Cymru Financing UK 1.625% 2026	£615,000	553,131	0.33
DWR Cymru Financing UK 2.375% 2034	£300,000	200,745	0.12
E.ON International Finance 4.75% 2034	£500,000	442,302	0.26
E.ON International Finance 6.125% 2039	£300,000	288,725	0.17
E.ON International Finance 6.25% 2030	£911,000	919,368	0.54
E.ON International Finance 6.375% 2032	£20,000	20,288	0.01
E.ON International Finance 6.75% 2039	£100,000	101,838	0.06
Electricite de France 5.5% 2035	£100,000	89,937	0.05
Electricite de France 5.5% 2037	£700,000	615,140	0.36
Electricite de France 5.5% 2041	£300,000	254,090	0.15
Electricite de France 5.625% 2053	£200,000	164,270	0.10
Electricite de France 6% 2114	£200,000	161,856	0.10
Electricite de France 6.125% 2034	£250,000	238,752	0.14
Enel Finance International 5.75% 2040	£430,000	395,114	0.23
Engie 4% 2035	€500,000	413,819	0.24

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Engie 4.5% 2042	€400,000	328,857	0.19
Engie 5.625% 2053	£300,000	268,314	0.16
Engie 7% 2028	£600,000	633,227	0.37
Eurogrid 3.279% 2031	€600,000	489,538	0.29
Gatwick Funding 3.25% 2050	£380,000	225,720	0.13
Gatwick Funding 6.125% 2028	£310,000	310,138	0.18
GE Capital UK Funding Unlimited 5.875% 2033	£158,000	154,419	0.09
General Motors Financial 2.35% 2025	£250,000	232,800	0.14
Glencore Finance Canada 6% 2041	$400,000	293,912	0.17
Goldman Sachs 3.125% 2029	£330,000	285,215	0.17
Goldman Sachs 3.625% 2029	£830,000	738,733	0.43
Goldman Sachs 6.875% 2038	£70,000	67,757	0.04
Goldman Sachs 7.25% 2028	£460,000	480,243	0.28
Great Rolling Stock 6.5% 2031	£109,500	109,848	0.07
Greene King Finance 3.593% 2035	£617,855	511,198	0.30
Greene King Finance 5.106% 2034	£179,764	165,606	0.10
Greene King Finance 7.1388% 2034	£250,000	195,236	0.12
Haleon UK Capital 3.375% 2038	£170,000	125,899	0.07
Heathrow Funding 5.875% 2043	£100,000	92,302	0.05
Heathrow Funding 6.45% 2031	£220,000	222,730	0.13
Holcim Sterling Finance Netherlands 2.25% 2034	£330,000	225,535	0.13
Holcim Sterling Finance Netherlands 3% 2032	£200,000	156,610	0.09
HSBC 5.75% 2027	£250,000	246,078	0.15
HSBC 6% 2040	£50,000	43,500	0.03
HSBC 7% 2038	£50,000	48,202	0.03
HSBC 8.201% 2034	£200,000	204,912	0.12
HSBC Bank 4.75% 2046	£150,000	112,072	0.07
Imperial Brands Finance Netherlands 5.25% 2031	€290,000	245,791	0.15
ING Groep 6.25% 2033	£400,000	380,500	0.22
Kraft Heinz Foods 4.125% 2027	£110,000	104,490	0.06
Legal & General 3.75% 2049	£270,000	222,346	0.13
Legal & General 5.125% 2048	£600,000	548,053	0.32
Legal & General 5.375% 2045	£330,000	320,277	0.19
Liberty Living Finance 3.375% 2029	£340,000	285,790	0.17
Lloyds Bank 7.625% 2025	£490,000	499,799	0.29
Lloyds Banking 1.875% 2026	£180,000	170,446	0.10
Lloyds Banking 2% 2028	£480,000	415,989	0.25
M&G 3.875% 2049	£200,000	195,082	0.12
M&G 5.625% 2051	£875,000	759,393	0.45
Manchester Airport Funding 2.875% 2044	£220,000	131,263	0.08
Manchester Airport Funding 4.75% 2034	£100,000	89,583	0.05

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
McDonald's 2.95% 2034	£200,000	155,774	0.09
McDonald's 3.75% 2038	£140,000	108,564	0.06
Mitchells & Butlers Finance 5.574% 2030	£440,038	420,863	0.25
Mondelez International 4.5% 2035	£260,000	219,190	0.13
National Australia Bank 1.699% 2031	£330,000	280,879	0.17
National Gas Transmission 1.375% 2031	£210,000	151,171	0.09
National Gas Transmission 5.75% 2035	£100,000	94,025	0.06
National Grid Electricity Distribution East Midlands 6.25% 2040	£160,000	157,611	0.09
National Grid Electricity Distribution West Midlands 5.75% 2032	£226,000	219,935	0.13
National Grid Electricity Transmission 2% 2040	£830,000	468,217	0.28
NatWest 2.057% 2028	£100,000	84,625	0.05
NatWest 3.125% 2027	£300,000	276,897	0.16
NatWest 3.619% 2029	£120,000	106,394	0.06
Netflix 3.875% 2029	€320,000	272,585	0.16
NIE Finance 5.875% 2032	£330,000	326,901	0.19
NIE Finance 6.375% 2026	£310,000	313,861	0.19
Northern Gas Networks Finance 6.125% 2033	£180,000	176,312	0.10
Northumbrian Water Finance 6.375% 2034	£200,000	194,072	0.11
Omnicom Capital 2.25% 2033	£340,000	244,066	0.14
Orange 3.25% 2032	£200,000	168,509	0.10
Orange 8.125% 2028	£80,000	89,052	0.05
Orsted 2.5% 2033	£320,000	235,239	0.14
Orsted 4.875% 2032	£630,000	574,993	0.34
Orsted 5.375% 2042	£180,000	156,863	0.09
Paragon Treasury 2% 2036	£360,000	228,265	0.13
Pension Insurance 8% 2026	£155,000	157,619	0.09
Porterbrook Rail Finance 7.125% 2026	£155,000	160,621	0.09
Prudential Funding Asia 6.125% 2031	£131,000	128,019	0.08
Quadgas Finance 3.375% 2029	£480,000	392,229	0.23
Rentokil Initial 5% 2032	£140,000	127,137	0.08
Rl Finance Bonds No 3 6.125% 2028	£100,000	95,448	0.06
Santander UK 2.92% 2026	£480,000	451,800	0.27
Santander UK 7.098% 2027	£480,000	482,400	0.28
Scottish Widows 7% 2043	£250,000	233,044	0.14
Severn Trent Utilities Finance 2% 2040	£190,000	106,440	0.06
Severn Trent Utilities Finance 2.625% 2033	£650,000	490,769	0.29
Severn Trent Utilities Finance 3.625% 2026	£210,000	200,763	0.12
Severn Trent Utilities Finance 4.625% 2034	£100,000	87,794	0.05
Severn Trent Utilities Finance 6.25% 2029	£430,000	432,704	0.25
Southern Gas Networks 1.25% 2031	£720,000	496,217	0.29
Southern Water Services Finance 1.625% 2027	£200,000	168,140	0.10

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Southern Water Services Finance 6.64% 2026	£590,000	582,642	0.34
SP Manweb 4.875% 2027	£177,000	172,298	0.10
SP Transmission 2% 2031	£140,000	109,215	0.06
SSE 8.375% 2028	£300,000	332,709	0.20
Swedbank 7.272% 2032	£230,000	226,991	0.13
Thames Water Utilities Finance 4.375% 2034	£140,000	108,959	0.06
Thames Water Utilities Finance 5.5% 2041	£145,000	115,061	0.07
Thames Water Utilities Finance 6.5% 2032	£700,000	646,231	0.38
UNITE 3.5% 2028	£220,000	194,291	0.11
United Utilities Water Finance 0.875% 2029	£415,000	312,187	0.18
United Utilities Water Finance 2.625% 2031	£500,000	403,419	0.24
United Utilities Water Finance 5.125% 2038	£140,000	124,720	0.07
United Utilities Water Finance 5.75% 2036	£200,000	192,706	0.11
Verizon Communications 1.125% 2028	£340,000	272,697	0.16
Verizon Communications 1.875% 2030	£600,000	466,504	0.27
Verizon Communications 2.5% 2031	£380,000	302,173	0.18
Verizon Communications 3.375% 2036	£100,000	75,076	0.04
Vodafone 5.125% 2052	£210,000	169,422	0.10
Volkswagen Financial Services 5.5% 2026	£400,000	391,268	0.23
Volkswagen Financial Services 6.5% 2027	£600,000	600,216	0.35
Volkswagen International Finance 3.375% 2026	£400,000	369,308	0.22
Vonovia 2.375% 2032	€200,000	140,225	0.08
Wells Fargo & 3.473% 2028	£825,000	750,090	0.44
Wells Fargo & 4.875% 2035	£700,000	580,169	0.34
Welltower OP 4.8% 2028	£320,000	298,992	0.18
Whitbread 2.375% 2027	£410,000	355,776	0.21
Whitbread 3% 2031	£100,000	77,891	0.05
		48,860,670	28.73
Below BBB to unrated 7.29% (10.67%)			
Anglian Water Osprey Financing 2% 2028	£150,000	114,340	0.07
Barclays 8.407% 2032	£225,000	228,681	0.13
CaixaBank 6.875% 2033	£100,000	95,625	0.06
Credit Agricole 7.5% 2172	£250,000	234,190	0.14
Deutsche Bank 4% 2026	£900,000	857,430	0.50
Deutsche Bank 6.125% 2030	£400,000	373,092	0.22
DS Smith 4.5% 2030	€340,000	288,679	0.17
Electricite de France 5.875% 2172	£300,000	246,750	0.14
Electricite de France 6% 2172	£300,000	276,375	0.16
Eurogrid 3.722% 2030	€400,000	338,922	0.20
Ford Motor Credit 4.535% 2025	£375,000	363,165	0.21

Portfolio statement (continued)

as at 31 October 2023

Investment	Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Below BBB to unrated (continued)			
Grainger 3% 2030	£220,000	171,507	0.10
Grainger 3.375% 2028	£260,000	224,713	0.13
Iberdrola Finanzas 1.575% 2171	€100,000	73,385	0.04
Iberdrola International 1.874% 2172	€100,000	79,265	0.05
Iberdrola International 2.25% 2172	€100,000	71,415	0.04
Intesa Sanpaolo 6.5% 2029	£370,000	357,926	0.21
Lloyds Banking 1.985% 2031	£210,000	180,010	0.11
Lloyds Banking 5.125% 2172	£240,000	223,800	0.13
Lloyds Banking 6.625% 2033	£240,000	232,140	0.14
Marston's Issuer 7.88897% 2035	£285,000	204,326	0.12
Mitchells & Butlers Finance 6.013% 2030	£356,512	328,692	0.19
NatWest 2.105% 2031	£710,000	604,546	0.36
NatWest 7.416% 2033	£205,000	202,860	0.12
NGG Finance 5.625% 2073	£1,070,000	1,022,854	0.60
Republic of Italy Government International Bond 5.25% 2034	£265,000	240,411	0.14
Telefonica Emisiones 5.375% 2026	£452,000	448,042	0.26
Telefonica Emisiones 5.445% 2029	£450,000	436,912	0.26
Tesco Corporate Treasury Services 2.75% 2030	£310,000	252,987	0.15
Tesco Corporate Treasury Services 5.5% 2035	£180,000	163,714	0.10
Tesco Property Finance 1 7.6227% 2039	£505,593	536,488	0.32
Tesco Property Finance 3 5.744% 2040	£397,101	365,414	0.21
Tesco Property Finance 4 5.8006% 2040	£438,943	406,891	0.24
Tesco Property Finance 5 5.6611% 2041	£140,971	128,198	0.08
Tesco Property Finance 6 5.4111% 2044	£179,055	159,596	0.09
Teva Pharmaceutical Finance Netherlands II 4.375% 2030	€290,000	214,373	0.13
Teva Pharmaceutical Finance Netherlands II 7.875% 2031	€240,000	213,856	0.13
Thames Water Utilities Finance 2.875% 2027	£470,000	349,562	0.21
Time Warner Cable 5.25% 2042	£170,000	132,499	0.08
Time Warner Cable 5.75% 2031	£630,000	583,482	0.34
Vodafone 8% 2086	£260,000	257,725	0.15
Weir 6.875% 2028	£110,000	109,765	0.06
		12,394,603	7.29
Total Fixed interest securities		150,153,542	88.30
Money Market Securities 1.20% (nil)			
Mitchells & Butlers Finance 5.965% 2025	£7,598	7,480	0.01
Anheuser-Busch InBev 9.75% 2024	£500,000	513,780	0.30
National Grid Electricity Distribution West Midlands 3.875% 2024	£300,000	293,870	0.17
Severn Trent Utilities Finance 6.125% 2024	£100,000	100,006	0.06

Portfolio statement (continued)

as at 31 October 2023

Investment			Holding or nominal value of positions at 31 October	Market value £	Percentage of total net assets %
Money Market Securities (continued)					
European Investment Bank 0.75% 2024			£612,000	584,087	0.34
Ford Motor Credit 2.748% 2024			£340,000	331,401	0.20
Metrocentre Finance 8.75% 2028			£437,851	199,304	0.12
				2,029,928	1.20
Collective Investment Schemes 8.43% (8.50%)					
HSBC Investment Funds OEIC - Corporate Bond Fund			1,716,317	4,517,346	2.66
Jupiter Strategic Bond Fund			19,710,276	9,819,659	5.77
				14,337,005	8.43
Futures nil (0.08%)					
Euro-Bobl			(7)	1,341	0.00
Euro-Bund			(32)	1,760	0.00
Euro-Buxl			(7)	55,416	0.03
Long Gilt			90	(74,735)	(0.04)
US 10 Year Note (CBT)			1	(3,039)	0.00
US 10 Year Ultra			(2)	452	0.00
US 5 Year Note (CBT)			162	(46,972)	(0.03)
US Long Bond (CBT)			1	(8,743)	(0.01)
US Ultra Bond (CBT)			(17)	82,073	0.05
				7,553	0.00
	Settlement	**Buy Amount**	**Sell Amount**	**Unrealised Gains/(losses)**	
Forward currency trades -0.10% (nil)					
Buy EUR : Sell GBP	16/11/2023	€50,000	£(43,439)	136	0.00
Buy GBP : Sell EUR	16/11/2023	£709,521	€(819,813)	(4,946)	0.00
Buy GBP : Sell EUR	17/01/2024	£17,338	€(20,000)	(137)	0.00
Buy GBP : Sell EUR	17/01/2024	£2,936,642	€(3,390,000)	(25,374)	(0.02)
Buy GBP : Sell EUR	17/01/2024	£4,600,098	€(5,299,000)	(29,906)	(0.02)
Buy GBP : Sell USD	16/11/2023	£452,320	US$(577,237)	(23,339)	(0.01)
Buy GBP : Sell USD	16/11/2023	£1,798,206	US$(2,295,057)	(92,983)	(0.05)
Buy GBP : Sell USD	16/11/2023	£53,418	US$(68,173)	(2,758)	0.00
Buy GBP : Sell USD	17/01/2024	£8,160	US$(10,000)	(76)	0.00
Buy GBP : Sell USD	17/01/2024	£164,159	US$(200,000)	(554)	0.00

Portfolio statement (continued)
as at 31 October 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades (continued)					
Buy USD : Sell GBP	16/11/2023	US$211,000	£(168,960)	4,910	0.00
Buy USD : Sell GBP	17/01/2024	US$60,000	£(49,507)	(93)	0.00
				(175,120)	(0.10)
Portfolio of investments				**166,352,908**	**97.83**
Net other assets				**3,690,072**	**2.17**
Total net assets				**170,042,980**	**100.00**

Figures in brackets represent sector distribution at 31 October 2022.

Fixed interest securities are not listed and are valued using publicly available market data unless otherwise stated.

Collective Investment Scheme securities are not listed and are valued using publicly available market data unless otherwise stated.

Futures securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

Comparative tables

Change in net asset value per share	Sterling Accumulation A Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	262.30	327.74	330.39
Return before operating charges	4.89	(63.76)	(0.83)
Operating charges	(1.54)	(1.68)	(1.82)
Return after operating charges	3.35	(65.44)	(2.65)
Distributions	(8.97)	(6.46)	(6.09)
Retained distributions on accumulation shares	8.97	6.46	6.09
Closing net asset value per share	265.65	262.30	327.74
*after direct transaction costs of	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**
Return after operating charges**	1.28%	(19.97)%	(0.80)%
Closing net asset value (£'s)	170,042,980	188,951,817	263,982,918
Closing number of shares	64,010,148	72,035,347	80,547,578
Operating charges	0.57%	0.56%	0.55%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	284.0	334.9	340.3
Lowest share price	259.0	242.5	322.0

*Direct transaction costs include broker commissions and taxes paid by the Fund on each purchase or sale transaction, some of the direct transaction costs for the year were recovered directly from investors joining and leaving the Fund. Direct transaction costs incurred by the underlying funds held are not included in the direct transaction cost % disclosed.

**The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figures quoted in the Investment commentary. The Investment commentary performance figure is calculated using the last available published price for the given share class in the year compared to the equivalent for the prior year. The published price may contain an adjustment for dilution in accordance with the Fund pricing policy, while the price per the financial statements values the Fund on a bid-price basis.

Financial Statements - Sterling Bond

Statement of total return

for the year ended 31 October 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(3,229,963)		(55,170,378)
Revenue	2	6,887,490		6,067,931	
Expenses	3	(965,153)		(1,217,641)	
Interest payable and similar charges	4	(8,596)		(34,429)	
Net revenue before taxation		5,913,741		4,815,861	
Taxation	5	-		-	
Net revenue after taxation			5,913,741		4,815,861
Total return before distributions			2,683,778		(50,354,517)
Distributions	6		(5,913,741)		(4,815,783)
Change in net assets attributable to shareholders from investment activities			(3,229,963)		(55,170,300)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		188,951,817		263,982,918
Amounts receivable on issue of shares	1,718,365		8,321,729	
Amounts payable on cancellation of shares	(23,359,794)		(33,060,230)	
		(21,641,429)		(24,738,501)
Dilution adjustment		48,814		61,917
Change in net assets attributable to shareholders from investment activities		(3,229,963)		(55,170,300)
Retained distribution on accumulation shares		5,913,741		4,815,783
Closing net assets attributable to shareholders		170,042,980		188,951,817

Balance sheet

as at 31 October 2023

	Note	2023 £	2022 £
Assets:			
Current assets:			
Investments*		166,666,563	183,083,562
Debtors	7	3,859,523	2,760,302
Cash and bank balances	8	14,458,535	11,499,123
Total assets		184,984,621	197,342,987
Liabilities:			
Investment liabilities		(313,655)	(321,067)
Creditors			
Bank overdrafts	8	(12,321,739)	(5,197,944)
Other creditors	9	(2,306,247)	(2,872,159)
Total liabilities		(14,941,641)	(8,391,170)
Net assets attributable to shareholders		170,042,980	188,951,817

*The ACD is of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the financial statements for the Sterling Bond sub-fund as there is proposal of intent to merge the sub-fund with the Santander Sterling Bond Portfolio within the next accounting year subject to regulatory permission and shareholder approval, after which the ACD will commence the termination of the sub-fund.

Notes to the financial statements

for the year ended 31 October 2023

1. Net capital losses

	2023	2022
	£	£
Non-derivative securities	(3,030,346)	(55,779,698)
Derivative contracts	(303,317)	692,780
Currency losses	(26,898)	(471,266)
Forward currency contracts	212,375	299,235
Transaction charges	(81,777)	(11,429)
Net capital losses	(3,229,963)	(55,170,378)

2. Revenue

	2023	2022
	£	£
Unfranked revenue	629,223	578,662
Interest on debt securities	6,082,876	5,317,912
Bank interest	29,481	3,923
Margin interest	27,937	-
Rebates from holdings in Collective Investment Schemes	117,973	167,434
Total revenue	6,887,490	6,067,931

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	916,444	1,160,742
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	21,996	27,762
Other expenses:		
Audit fees	13,759	13,760
Safe custody fees	11,472	13,971
FCA fee	59	162
Tax service fees	1,423	1,244
	26,713	29,137
Total expenses	965,153	1,217,641

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	214	3,583
Margin interest	8,382	30,846
Total interest payable and similar charges	8,596	34,429

Notes to the financial statements (continued)

for the year ended 31 October 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Total tax charge(note 5b)	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	5,913,741	4,815,861
Corporation tax @ 20% (2022 - 20%)	1,182,748	963,172
Effects of:		
Indexation allowance	(1,299)	-
Revenue exempt from UK corporation tax	(3)	(8)
Tax deductible interest distributions	(1,181,446)	(963,164)
Total tax charge (note 5a)	-	-

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	2023	2022
	£	£
Interim accumulation distributions paid	2,797,681	2,239,423
Final accumulation distributions payable	3,116,060	2,576,360
Distributions	5,913,741	4,815,783

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	5,913,741	4,815,861
Add:		
Undistributed revenue brought forward	121	43
Deduct:		
Undistributed revenue carried forward	(121)	(121)
Distributions	5,913,741	4,815,783

Details of the distribution per share are disclosed in the distribution table on page 170.

Notes to the financial statements (continued)

for the year ended 31 October 2023

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	12,193	-
Sales awaiting settlement	1,389,464	395,235
Accrued revenue	2,375,456	2,365,067
Currency sales awaiting settlement	82,410	-
Total debtors	3,859,523	2,760,302

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	736,296	553,805
Cash and bank balances	13,722,239	10,945,318
Total cash and bank balances	14,458,535	11,499,123
Bank overdraft*	12,321,739	5,197,944

As at 31 October 2023, the weighted average of the floating interest rate on bank balances was 2.09% (2022 - 0.00%).

*The bank overdrafts only incur interest on a net overdraft position as a compensated interest grouping agreement is in place.

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	131,294	744,437
Purchases awaiting settlement	1,947,943	1,935,434
Accrued expenses	144,856	192,288
Currency purchases awaiting settlement	82,154	-
Total other creditors	2,306,247	2,872,159

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests at least 80% in a wide range of bonds issued by companies or governments and denominated in UK Pounds Sterling and is made up of directly held securities and/or Funds managed either by third party managers or the ACD. The main risk arising from the Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives to manage the duration of the Fund or the currency risk of the Fund

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

a) Market price risk (continued)
A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £16,635,291 (2022 - £18,276,250). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk
Interest rate risk is the risk that the value of investments will fluctuate as a result of changes in interest rates. Collectives which hold cash balances and invest in fixed interest securities will be subject to such risk.

Interest rate risk in fixed income investments is monitored by the Manager and appropriate Sub-Investment Manager by analysing the investment characteristics of the underlying securities and issuers. The Manager and appropriate Sub-Investment Manager manages such risk by taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying holdings. If interest rates rise, the revenue potential of the Fund will also rise, but the capital value of fixed interest investments will decline. A decline in interest rates will generally have the opposite effect. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 October 2023, 105.25% of the Fund's assets were interest bearing (2022 - 94.23%).

As at the balance sheet date, a decrease in interest rates by 100 basis points (2022 - 300 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £9,474,565 (2022 - £48,496,717). An increase in interest rates would have an equal but opposite effect. It is expected that a change in interest rates of similar magnitude would not have a material impact on the portfolio’s income stream generated from fixed income assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Numerical disclosure of the interest rate risk profile is made in note 15.

c) Currency risk
The Fund is permitted to invests in fixed income securities denominated in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the fixed income securities can therefore be affected by currency movements.

By diversifying the portfolio of the Fund, where this is appropriate and consistent with the Fund’s objectives, the foreign currency risk of a particular investment is reduced. The Manager and appropriate Sub-Investment Manager monitors the Currency exposure of the portfolio on an ongoing basis to make sure the actual exposure is consistent with his understanding of future currency movements.

However, note that the currency risk can be hedged to limit the currency risk or to protect the value of the assets converted in the base currency of the Fund.

The Fund does not hold any significant currency balances as at the balance sheet date consequently no sensitivity analysis has been presented.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

d) Credit risk

Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The risk also applies when the Fund invests in the units of Collective Investment Schemes that themselves are exposed to credit risk from underlying issuers or counterparties. The main contributor to credit risk is the risk of default from underlying issuers of fixed income securities.

The Manager and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund.

The ACD and appropriate Sub-Investment Manager will ensure that, where applicable, underlying fixed-income securities have an exposure to credit risk that is consistent with the overall objectives of the Fund. Please see credit rate ratings analysis below:

Credit Ratings

2023	**Market value**	**Percentage of total net assets**
Investments	**£**	**%**
Investment grade (AAA - BBB)	137,758,939	81.01
Below investment grade (Below BBB to unrated)	12,394,603	7.29
Total fixed interest securities	150,153,542	88.30

2022	**Market value**	**Percentage of total net assets**
Investments	**£**	**%**
Investment grade (AAA - BBB)	146,371,645	77.47
Below investment grade (Below BBB to unrated)	20,163,602	10.67
Total fixed interest securities	166,535,247	88.14

e) Liquidity risk

Liquidity risk may result in the inability of the Fund to meet redemptions of shares that investors may wish to sell. The Fund is required to meet daily redemption and therefore may face liquidity risk in an adverse event, such as during periods of elevated market stress levels.

The Fund may invest in smaller capitalisation companies that tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. The Sub-Investment Manager seeks to limit liquidity risk of the Fund by selecting a diversified range of equity securities.

f) Counterparty risk

In some instances, transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

Counterparties selected by the Manager and appropriate Sub-Investment Manager are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

f) Counterparty risk (continued)
For numerical disclosure see note 16.

g) Bond Risk
Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, the can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds
Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed ("ABS") and Mortgage-backed ("MBS") Securities
MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

h) Country Risk
Investing all or significant proportions of a Fund's assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country, and bonds in a single country will be sensitive to that country's interest rate environment. As a result, shares and bond price fluctuations may be greater.

Notes to the financial statements (continued)

for the year ended 31 October 2023

10. Risk disclosures (continued)

i) Derivatives Risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The Fund may also use derivatives for investment purposes to help the Fund achieve its investment objectives. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

11. Related party transactions

The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £194,039 (2022 - £169,704) was due to the ACD at the year end date.

Material shareholders

As at 31 October 2023, nil (2022 - nil) of the shares in issue in the Sterling Bond Fund were held by Abbey National Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

As at 31 October 2023, % (2022 - 98.61%) of the shares in issue in the Sterling Bond Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

Notes to the financial statements (continued)

for the year ended 31 October 2023

11. Related party transactions (continued)

Banco Santander 3.125% 2026

a) The value of purchase transactions was nil (2022 - £797,736) and sales transactions was £563,460 (2022 - £177,040).

b) Revenue receivable for the year was nil (2022 - £12,534) and the outstanding amount was nil (2022 - £1,284).

c) The aggregate value of investments held at the year end was nil (2022 - £549,060).

Banco Santander 2.75% 2023

a) The value of purchase transactions was nil (2022 - nil) and sales transactions was nil (2022 - £804,868).

b) Revenue receivable for the year was nil (2022 - nil) and the outstanding amount was nil (2022 - nil).

c) The aggregate value of investments held at the year end was nil (2022 - nil).

Banco Santander 2.25% 2032

a) The value of purchase transactions was nil (2022 - nil) and sales transactions was nil (2022 - £671,280).

b) Revenue receivable for the year was nil (2022 - £5,123) and the outstanding amount was nil (2022 - nil).

c) The aggregate value of investments held at the year end was nil (2022 - nil).

Banco Santander 4.75% 2028

a) The value of purchase transactions was £397,569 (2022 - £794,272) and sales transactions was £784,341 (2022 - nil).

b) Revenue receivable for the year was £19,000 (2022 - nil) and the outstanding amount was £3,219 (2022 - £6,455).

c) The aggregate value of investments held at the year end was £380,500 (2022 - £756,000).

Banco Santander 4.875% 2031

a) The value of purchase transactions was £514,295 (2022 - nil) and sales transactions was nil (2022 - nil).

b) Revenue receivable for the year was nil (2022 - nil) and the outstanding amount was £905 (2022 - nil).

c) The aggregate value of investments held at the year end was £519,672 (2022 - nil).

Santander UK 2.421% 2029

a) The value of purchase transactions was nil (2022 - £830,483) and sales transactions was £712,007 (2022 - nil).

b) Revenue receivable for the year was £20,094 (2022 - nil) and the outstanding amount was nil (2022 - £15,800).

c) The aggregate value of investments held at the year end was nil (2022 - £672,300).

Santander UK 2.92% 2026

a) The value of purchase transactions was £470,341 (2022 - £360,027) and sales transactions was £788,414 (2022 - £362,131).

b) Revenue receivable for the year was £14,016 (2022 - £17,136) and the outstanding amount was £6,740 (2022 - nil).

c) The aggregate value of investments held at the year end was £451,800 (2022 - £751,325).

Notes to the financial statements (continued)

for the year ended 31 October 2023

11. Related party transactions (continued)

Santander UK 3.625% 2026

a) The value of purchase transactions was nil (2022 - nil) and sales transactions was £157,029 (2022 - nil).

b) Revenue receivable for the year was nil (2022 - £1,804) and the outstanding amount was nil (2022 - nil).

c) The aggregate value of investments held at the year end was nil (2022 - £156,211).

Santander UK 7.098% 2027

a) The value of purchase transactions was £1,475,931 (2022 - nil) and sales transactions was £977,169 (2022 - nil).

b) Revenue receivable for the year was nil (2022 - nil) and the outstanding amount was £32,577 (2022 - nil).

c) The aggregate value of investments held at the year end was £482,400 (2022 - nil).

12. Shareholders' funds

The Fund currently has one share class; Sterling Accumulation A Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
Sterling Accumulation A Shares	**No of shares**	**No of shares**
Opening shares in issue	72,035,347	80,547,578
Shares issued in the year	634,969	2,784,291
Shares cancelled in the year	(8,660,168)	(11,296,522)
Closing shares in issue	64,010,148	72,035,347

13. Fair value disclosure

	2023	
	Investment Assets £	**Investment Liabilities £**
Quoted prices for identical instruments in active markets*	34,509,115	133,489
Observable inputs using market data*	132,157,448	180,166
	166,666,563	313,655

	2022	
	Investment Assets £	**Investment Liabilities £**
Quoted prices for identical instruments in active markets*	37,202,918	148,794
Observable inputs using market data*	145,880,644	172,273
	183,083,562	321,067

* Details of the securities included within the fair value hierarchy are detailed on page 14 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 October 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Bonds	306,217,866	-	-	306,217,866	-	-
Collective Investment schemes	690,993	-	-	690,993	-	-
Total purchases	306,908,859	-	-	306,908,859		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Bonds	125,923,806	-	-	125,923,806	-	-
Collective Investment schemes	1,055,001	-	-	1,055,001	-	-
Total purchases	126,978,807	-	-	126,978,807		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Bonds	317,978,903	-	-	317,978,903	-	-
Collective Investment schemes	2,110,001	-	-	2,110,001	-	-
Total sales	320,088,904	-	-	320,088,904		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Bonds	141,869,423	-	-	141,869,423	-	-
Collective Investment schemes	2,822,194	-	-	2,822,194	-	-
Total sales	144,691,617	-	-	144,691,617		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.40% (2022 - 0.50%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 October 2023

15. Interest rate risk profile of financial assets and liabilities

The analysis and tables provided below refer to the narrative disclosure on Interest rate risk disclosure in Note 10.

The interest rate risk profile of the Fund's financial assets and liabilities at 31 October 2023 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2023				
Australian Dollar	2,412	-	-	2,412
Euro	160,450	8,022,436	304,399	8,487,285
UK Sterling	14,410,459	141,323,943	28,923,611	184,658,013
US Dollar	284,776	2,138,217	418,461	2,841,454
2022				
Australian Dollar	9,788	-	-	9,788
Euro	113,366	7,078,632	846,535	8,038,533
UK Sterling	6,755,919	155,064,187	29,381,759	191,201,865
US Dollar	122,716	3,674,484	352,954	4,150,154

Currency	Floating Rate Financial liabilities £	Financial liabilities not carrying interest £	Total £
2023			
Euro	66,288	8,470,627	8,536,915
UK Sterling	12,218,249	2,350,579	14,568,828
US Dollar	37,203	2,803,238	2,840,441
2022			
Australian Dollar	-	11,107	11,107
Euro	-	7,976,068	7,976,068
UK Sterling	-	2,299,775	2,299,775
US Dollar	-	4,161,574	4,161,574

16. Derivatives and Counterparty Exposure

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 10.

Notes to the financial statements (continued)

for the year ended 31 October 2023

16. Derivatives and Counterparty Exposure (continued)

The types of derivatives held at the balance sheet date were forward currency contracts. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Citibank	3,421	3,421	3,421
Deutsche Bank	347	347	347
Morgan Stanley International	443	443	443
Natwest Markets Securities	352	352	352
UBS	1,625	1,625	1,625
2022			
Barclays Bank	373	373	373
Deutsche Bank AG	198	198	198
Morgan Stanley International	161,698	161,698	161,698
Royal Bank of Canada	820	820	820
Royal Bank of Scotland	4,382	4,382	4,382
Société Générale SA	650	650	650
Standard Chartered Bank	532	532	532
Toronto-Dominion Bank	297	297	297
UBS	1,000	1,000	1,000

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

17. Post balance sheet events

The ACD wrote to Shareholders on 11 September 2023 to advise them of the proposed Merger of Sterling Bond Fund ("Merging Fund") with Santander Sterling Bond Portfolio. Santander Asset Management UK Limited (SAM UK) acts as Authorised Corporate Director of both Santander Premium Fund and Santander Managed OEIC, of which the Merging Fund and Santander Sterling Bond Portfolio are sub funds of respectively. The Merger was approved after SAM UK called an extraordinary general meeting ("EGM") of the Shareholders of the Merging Fund to vote on whether the Merger should take place. The Merger was implemented on 2 February 2024 (the "Effective Date") and a notice of successful Merger completion issued on 5 February 2024.

The net asset value per share of the Sterling Accumulation A share class has increased from 265.65p to 285.44p as at 2nd February 2024 (Merger date).

Distribution tables

for the year ended 31 October 2023

Gross interest distributions on Sterling Accumulation A Shares in pence per share

Payment date	Payment type	Distribution paid/payable 2023	Distribution paid 2022
30.06.23	interim	4.1049	2.8825
31.12.23	final	4.8681	3.5765

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Further information

Report and Accounts
Copies of annual and half-yearly long reports may be requested from the ACD or inspected at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom.

The annual accounting period for the Company ends each year on 31 October, and the interim reporting period ends on 30 April.

The annual reports of the Company are published on or before 28 February and half yearly reports by 30 June each year.

Funds and share classes

Fund	Share classes	ACD's annual management charge
UK Equities	Sterling Accumulation A Shares	0.65%
Europe Ex UK Equities	Sterling Accumulation A Shares	0.65%
United States Equities	Sterling Accumulation A Shares	0.65%
Japan Equities	Sterling Accumulation A Shares	0.65%
Sterling Bond	Sterling Accumulation A Shares	0.50%

Income attributable to accumulation Shares is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each interim and / or annual accounting period and is reflected in the relevant Share price. Please refer to the Prospectus for more information.

Each class may attract different charges and expenses and so monies may be deducted from the scheme property attributable to such classes in unequal proportions. In these circumstances, the proportionate interests of the classes within a Fund will be adjusted accordingly.

Further classes may be established from time to time by the ACD with the agreement of the Depositary, and where relevant the approval of the FCA, and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or class, a revised prospectus will be prepared as soon as reasonably practical, setting out the details of such new Fund or class.

Minimum Investment
The minimum initial investment that can be made to the Sterling Accumulation A share class is £250.

The minimum subsequent investment that can be made to the Sterling Accumulation A share class is £1.50.

The minimum withdrawal that can be made from the Sterling Accumulation A share class is £1.50.

The minimum holding that must remain in the Sterling Accumulation A share class is £250.

Voting Rights
Every shareholder who (being an individual) is present in person, or (being a corporation) by its properly authorised representative, shall have one vote on a show of hands. A shareholder may vote in person or by proxy on a poll vote, and any shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Further information (continued)

Voting Rights (continued)

For some resolutions, for example to approve certain amendments to the Instrument of Incorporation, an extraordinary resolution is required. For an extraordinary resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of it.

For other resolutions, an ordinary resolution is required. For an ordinary resolution to be passed, more than 50% of the votes cast at the meeting must be in favour of it.

The rights attached to a class may only be varied in accordance with the FCA Regulations.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of shares which the ACD or an associate holds on behalf of or jointly with a person who, if itself the registered shareholder, would be entitled to vote and from whom the ACD or its associate has received voting instructions.

Shareholders for the purposes of attending and voting at a meeting means those on the date seven days before the notice of the relevant meeting was sent out, but excludes holders those who are known to the ACD not to be shareholders at the time of the meeting.

Any joint shareholders may vote provided that if more than one joint holder of a share votes, the most senior joint shareholder in the Register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder.

Winding Up of the Company or Terminating a Fund

The Company may not be wound up except:

- by the court, as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Regulations.

To wind up the Company under the FCA Regulations, the ACD has to notify the FCA of the proposal, confirming that the Company will be able to meet all its liabilities within the following 12 months.

Under the FCA Regulations the Company must be wound up or a Fund terminated:

(a) if an extraordinary resolution is passed to that effect;

(b) if the FCA agrees to a request by the ACD for revocation of the order in respect of the winding up of the Company or termination of a Fund (provided no material change in any relevant factor occurs prior to the date of the relevant revocation);

(c) on the occurrence of an event specified in the Instrument of Incorporation as triggering a winding up of the Company or termination of a Fund;

(d) when the period (if any) fixed for duration of the Company or a particular Fund by the Instrument of Incorporation expires or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example if the net asset value of a Fund is less than £5,000,000 at any time more than one year after the first issue of shares in that Fund);

Winding Up of the Company or Terminating a Fund (continued)

(e) in the case of the Company, on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;

(f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold scheme property; or

(g) on the date when all Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- FCA Regulations relating to dealing, valuation, pricing, investment and borrowing will cease to apply to the Company or the Fund;
- the Company will cease to issue and cancel shares in the Company or the Fund;
- the ACD will cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company or the Fund;
- no transfer of shares will be registered and no change to the Register will be made without the sanction of the ACD.
- where the Company is to be wound up, it will cease to carry on its business except as is required for its beneficial winding up; and
- the corporate status and corporate powers of the Company and (subject to the provisions above) the powers of the ACD continue until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate) realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to shareholders proportionately to their rights to participate in the property of the Company or the Fund.

If the ACD has not previously notified shareholders of the proposals to wind up the Company or to terminate the Fund, it will, as soon as practicable after the commencement of the winding up of the Company or termination of the Fund, give written notice of this commencement to shareholders. When the ACD has caused all of the relevant property and all of the liabilities of the Company or the particular Fund to be realised, it will arrange for the Depositary to make a final distribution to shareholders on or prior to the date on which the final account is sent to shareholders of any balance remaining in proportion to their holdings in the Company or a particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary will notify the FCA that the winding up or termination has been completed.

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The Auditors will make a report in respect of the final account stating their opinions as to whether it has been properly prepared. This final account and the Auditors' report on it must be sent to the FCA and to each affected shareholder (or the first named of joint shareholders) within four months of the completion of the winding up or termination.

Winding Up of the Company or Terminating a Fund (continued)
As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets and any liabilities attributable or allocated to a particular Fund shall be met out of the property attributable, or allocated to, that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Regulations, may be re-allocated by the ACD provided that such re-allocation shall be done in a manner which is fair to shareholders generally.

Dealing
The ACD's delegate, FNZ TA Services Limited, is available to deal with requests from institutional investors to buy, redeem (sell) or switch Shares between 9am and 5pm on each Business Day.

Such applications and instructions may be made by post or electronic means where available. The Shares are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Fund after the receipt by FNZ TA Services Limited of the investor's instructions.

Subject to the ACD's internal approvals for new investors including the anti-money laundering measures:

– valid requests received prior to the relevant Fund's Dealing Cut-Off are dealt at the next Valuation Point;
– if valid requests are received after the Fund's Dealing Cut-Off, they are marked at the subsequent Valuation Point(normally the next Business Day); and
– valid requests are processed at the next applicable Valuation Point following receipt of the requestbefore the Dealing Cut-Off, except in the case where dealing in a Fund has been deferred or suspended.

The Funds have different Dealing Cut-Off points as set out below:

– For the UK Equities, Europe Ex UK Equities and Sterling Bond, the Dealing Cut-Off is 12 noon;
– For Japan Equities, the Dealing Cut-Off is 6am; and
– For United State Equities, the Dealing Cut-Off is 9pm (the day prior to the relevant Valuation Point).

Please refer to the Prospectus for further information.

Pricing and dilution adjustment
Shares are priced on a single mid-market pricing basis in accordance with the FCA Regulations.

The price of a share is the Net Asset Value attributable to the relevant Class divided by the number of shares of that Class in issue.

The Net Asset Values attributable to each Class of each Fund will normally be calculated at 12 noon UK time on each Business Day.

The ACD reserves the right to revalue a class or Fund at any time at its discretion.

For the purpose of calculating the price at which shares in a Fund are to be issued or sold, the values of investments are calculated by using mid-market prices. The actual cost of buying or selling a Fund's investments maybe higher or lower than

Pricing and dilution adjustment (continued)
the mid-market values used in calculating the share price, for example due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances this will have an adverse effect on the continuing shareholders in a Fund. This effect is called “dilution”.

For the purpose of reducing dilution in a Fund, the ACD may make a dilution adjustment to the price of a share so that it is above or below that which would have resulted from a mid-market valuation of the Fund’s investments. This will give a more accurate value of the actual price paid or received.

A dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Share on an aggregated basis. The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of shares in a Fund, it is not possible to predict accurately whether dilution will occur at a future point in time or how frequently however, based on historical data, the ACD expects to make a dilution adjustment on most occasions when shares are issued or redeemed. A typical adjustment, based on historical data, is expected to be between 0% and 2% for the issue and redemption of shares.

Please refer to the Prospectus for further information.

OCF Cap
A Fund may operate with an “OCF cap” in respect of one or more of its Share Classes. This means that the ongoing charges figure (“OCF”) the Share Class is subject to is set at a fixed maximum amount.

Where a Share Class has an OCF cap, if the costs which are included in the OCF calculation exceed the amount of the cap then the ACD will pay any excess out of its own resources. Where the OCF calculation is equal to or below the OCF cap, the Share Class will pay this amount.

Taxation
The Funds pay corporation tax at 20% on their taxable income less expenses and are generally exempt from capital gains tax.

Where a Fund pays dividend distributions, these are paid without any deduction of tax. The first £1,000 of dividends, including dividend distributions from a Fund, paid to an individual (or, in the case of accumulation Shares, retained in a Fund and reinvested) in any tax year are tax-free (the dividend allowance). Where an individual’s total dividends from all sources paid or treated as paid to an individual are more than the dividend allowance in a tax year, then the amount over the allowance is taxable at dividend tax rates which depend on the individual’s circumstance.

A Fund which is over 60% invested in interest paying investments for the whole of its distribution period can pay interest distributions, these are generally known as 'bond funds'. The only Fund which is currently a bond fund is Sterling Bond. Individuals are entitled to a personal savings allowance each tax year, if an individual utilises their annual allowance they could be liable to pay additional tax on the gross distribution.

A distribution received by a shareholder liable to corporation tax is received as franked revenue to the extent that the revenue of the Fund consists of franked revenue. The balance of the distribution is received as an annual payment from which tax has been deducted at the basis rate.

Further information (continued)

Taxation (continued)
Your tax voucher will indicate the appropriate rate of tax depending on whether interest or dividend distributions apply.

Please refer to the Prospectus for further information.

Risk Warnings
Please note that past performance is not necessarily a guide to the future. The price of Units 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 Fund should generally be viewed as a long-term investment. **Please refer to the Key Investor Information Document for a fuller explanation of the risk warnings.** The most recent Key Investor Information Document may be obtained by visiting www.santanderassetmanagement.co.uk. Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

Appointments

Authorised Corporate Director (ACD), Registrar and Investment Manager
Santander Asset Management UK Limited
287 St Vincent Street
Glasgow G2 5NB, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Directors
Robert Noach - resigned 8 May 2023
Richard Royds – appointed 8 May 2023
Dr Jocelyn Dehnert
Lazaro de Lazaro Torres
Pak Chan
Jacqueline Hughes
Miguel Angel Sanchez Lozano - appointed 6 February 2023

Sub-Investment Managers
Aegon Asset Management UK Plc
3 Lochside Crescent
Edinburgh EH12 9SA, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Allianz Global Investors Europe GmbH UK Branch
155 Bishopsgate
London EC2M 3TY, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Amundi Japan Ltd
1-9-2, Higashi-Shimbashi
Minato-ku
Tokyo
Japan
Authorised by the Financial Services Agency of Japan

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

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

Appointments (continued)

Sub-Investment Managers (continued)
Santander Asset Management S.A., SGIIC
Calle Serrano 69 - 28006
Madrid
Spain
Registered with the Commercial Registry of Madrid and with the Administrative Registry of the Spanish Commission of the Stock Market of Collective Investment Institutions Management Companies

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU, 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
NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria House, 144 Morrison Street
Edinburgh, EH3 8EX, United Kingdom