

# **Santander Multi-Manager OEIC**

Interim report for the six months ended 1 June 2023  
(unaudited)

## Contents

	Page No.
Report of the Authorised Corporate Director*	2
Funds:	
Santander Atlas Portfolio 3	5
Financial Statements - Santander Atlas Portfolio 3	18
Santander Atlas Portfolio 4	21
Financial Statements - Santander Atlas Portfolio 4	34
Santander Atlas Portfolio 5	37
Financial Statements - Santander Atlas Portfolio 5	49
Santander Atlas Portfolio 7	52
Financial Statements - Santander Atlas Portfolio 7	64
International Multi-Index	67
Financial Statements - International Multi-Index	79
Further information*	82
Appointments*	88

\* 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

Santander Multi-Manager OEIC (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 non-UCITS retail scheme and a UK alternative investment Fund for the purposes of the UK AIFM Regime. Provision exists for an unlimited number of Funds and each Fund would be a non-UCITS retail scheme 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.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Funds consist predominantly of securities that are readily realisable and, accordingly, the Funds have adequate financial resources to continue in operational existence for at least the next twelve months from the approval of the financial statements. Further, appropriate accounting policies, consistently applied and supported by appropriate judgements and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

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:

Santander Atlas Portfolio 3  
Santander Atlas Portfolio 4  
Santander Atlas Portfolio 5  
Santander Atlas Portfolio 7  
International Multi-Index

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.

## Report of the Authorised Corporate Director (continued)

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 Collective Investment Scheme's Sourcebook (COLL) 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](http://www.santanderassetmanagement.co.uk).

As at the 1 June 2023 there were no Funds with holdings in a second Fund within the Santander Multi-Manager OEIC.

Financial details and the ACD's review of the individual Funds for the six months ended 1 June 2023 are given in pages 5 to 81 of this report.

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

### **Significant Information**

#### Change to the application of swing pricing

The value of a holding in the Funds can be diluted because of transaction costs occurring as a result of other investors 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.

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 2 December 2022 to 21 May 2023, non-dynamic swing pricing applied.

The ACD wrote to Shareholders on 23 March 2023 to advise them that we had updated our Share Pricing Policy so that from 22 May 2023, dynamic swing pricing applied at all times. The ACD took this action because it believes that this is 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.

## Report of the Authorised Corporate Director (continued)

### Significant Information (continued)

#### Change to the application of swing pricing (continued)

We 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 than is currently the case and could cause more volatility. Volatility testing showed that you are unlikely to observe any difference to a Fund's performance.

The ACD is keeping the impact of the dynamic swing pricing policy under regular review, and the appropriateness of the policy in general.

### **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.



**Pak Chan**  
**Director**

**For and on behalf of Santander Asset Management UK Limited**  
**Authorised Corporate Director of Santander Multi-Manager OEIC**  
**31 July 2023**

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023 (unaudited)

#### 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 is managed with the aim of staying within a risk profile classification (with volatility parameters) of 3 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

##### Investment Policy

The Fund is part of the Santander Atlas Portfolio growth range. This range consists of five funds numbered 3-7 which are each risk target managed funds - i.e. managed with an investment objective of aiming to stay within a risk profile classification (with volatility parameters) as set and monitored by an external third party risk rating company. This company's risk profile classifications range from 1, the lowest risk profile classification and the least volatile (for example a fund focused on holding cash), to 10, the highest risk profile classification and the most volatile (for example a fund focused on investing in riskier equity regions and non-developed markets).

The number in the name of each fund in the Santander Atlas Portfolio growth range corresponds to its risk profile classification, ranging from 3 to 7 on the external third party risk rating company's scale. The lower the number in the fund's name and risk profile classification, typically the lower its volatility, the higher its exposure to less volatile assets (such as bonds) and the lower its exposure to more volatile assets (such as shares), and the lower its level of expected capital growth, compared to other funds within the range, and vice versa. More information on volatility and risk profile classifications is provided in the Prospectus.

This Fund is managed with the aim of staying within a risk profile classification of 3, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

The Fund is actively managed. It aims to achieve its objectives by obtaining exposure globally to: bonds issued by companies, governments, government bodies and supranationals; and shares in companies. There are no set limits on the Fund's exposure to either bonds or shares, but it is expected that the Fund will typically have exposure of at least 70% to bonds and shares combined.

The Fund typically has: a lower level of volatility, a higher exposure to less volatile assets (such as bonds) and a lower exposure to more volatile assets (such as shares), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 4-7.

Additionally the Fund may obtain exposure globally:

- up to 20% to alternative strategies, for example absolute return strategies (i.e. those which aim to deliver a positive return in all market conditions, although this is not guaranteed);
- up to 10% to commodities;

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Policy (continued)

- up to 10% to real estate; and
- up to 10% to cash, cash like and other money market instruments.

The Fund may have exposure to non-developed markets through its investments.

To obtain exposure to the permissible asset classes stated above, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. The Fund may invest in both Actively Managed and Passively Managed Collective Investment Schemes as detailed in "Investment Strategy and Process" below. At least 85% of the Fund will be invested in Collective Investment Schemes but this figure may be higher (up to 100%) depending on the ACD's investment views.

The Fund will typically be invested between 45% and 60% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

The Collective Investment Schemes in which the Fund invests can be managed by the ACD or other companies (including within the Santander Group). They will give the Fund exposure to the permissible asset classes (and, where relevant, in the permitted amounts) stated above, but they may have different investment strategies and restrictions to the Fund. For example they may not be managed with the aim of staying within a volatility range, and may use Derivatives differently to the Fund (such as for Investment Purposes).

With the exception of alternative strategies, commodities (where exposure can also be sought through investment in exchange traded commodities) and real estate, the Fund may also invest directly in the above permissible asset classes. However this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

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. This may include passive Derivatives, for example Derivatives which track the performance of an index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

##### Investment Strategy and Process

The Fund is actively managed which means that the ACD uses its expertise and discretion, in accordance with its investment views and opportunities identified as market and economic conditions change, to select investments with the aim of achieving the Fund's investment objectives.

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will meet the investment objectives of the Fund.

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

The ACD will complete an assessment before any investment decisions are made. This ongoing process will generally consist of:

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- The Fund can invest in a globally unconstrained manner in bonds and shares, and within above stated levels in other permissible asset classes. The ACD will however seek to maintain the Fund's risk profile classification (alongside aiming to achieve its capital growth and income objective) when implementing its investment strategy by considering the types of assets held and the Fund's allocation to different permitted asset classes.
- Observing an internally approved list of both Actively Managed and Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on both Actively Managed and Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.
- Selecting Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

The Fund can invest in both Actively Managed and Passively Managed Collective Investment Schemes. The ACD will favour Collective Investment Schemes which offer attractive returns relative to other Collective Investment Schemes on the approved list. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

When seeking exposure to bonds the ACD will tend to favour Actively Managed Collective Investment Schemes (but the ACD may also select Passively Managed Collective Investment Schemes for exposure to bonds).

When seeking exposure to shares, the ACD will tend to favour those Collective Investment Schemes with lower costs and higher liquidity (i.e. the ease with which units in these Collective Investment Schemes can be sold and returned as cash) relative to others on the approved list. Lower cost Collective Investment Schemes tend to be Passively Managed Collective Investment Schemes (but the ACD may also select Actively Managed Collective Investment Schemes for exposure to shares).

In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any single: operator of Collective Investment Schemes; individual Collective Investment Scheme; or Derivative counterparty.

Where investments are made in instruments other than units in Collective Investment Schemes, these are also subject to investment due diligence.

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

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

##### Further Information

The ACD uses the IA\* Mixed Investment 0-35% Shares peer group as a Comparator Benchmark for the Fund.

As there is no suitable standardised global performance benchmark for risk target managed multi asset investment funds, this Comparator Benchmark has been chosen because it provides shareholders with a comparison of performance against a sector that largely consists of other multi asset funds which have the ability to invest globally, and which the ACD considers is a reasonable proxy for the likely asset mix ranges of the Fund. However this is a broad group of funds, therefore each fund may be aiming for slightly different investment objectives, and so the comparison is for indicative purposes only. As such, the ACD will not use this sector performance or its constituents to determine how it manages the Fund.

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Lower Medium in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

##### Investment Manager

Santander Asset Management UK Limited

\* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

## Santander Atlas Portfolio 3

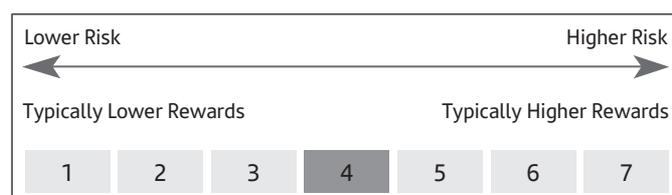
### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Risk Profile

The main risk within the portfolio relate to changes in the prices of securities held. Other risks include: investment in other CIS risk; passively managed CIS associated risks; liquidity risk; derivatives risk; counterparty risk and currency 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\*



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4\* due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC of 3 (as set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

\*Santander Atlas Portfolio 3 has consistently remained at a higher volatility level in the 4 months preceding 20 January 2023, and therefore the risk and reward indicator has increased from 3 to 4 as at 20 January 2023.

##### Performance

Percentage price change from 1 December 2022 to 1 June 2023	
Santander Atlas Portfolio 3 I Accumulation Shares*	-1.05%
Santander Atlas Portfolio 3 I Income Shares*	-1.04%
IA Mixed Investment 0-35% Shares**	-0.49%
Percentage price change from 1 June 2018 to 1 June 2023	
Santander Atlas Portfolio 3 I Accumulation Shares*	-1.26%
Santander Atlas Portfolio 3 I Income Shares*	-1.26%
IA Mixed Investment 0-35% Shares**	1.44%

\* Source: Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested.

\*\* Source: FE fundinfo

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

The Fund is not managed against a targeted benchmark, the comparator benchmark IA Mixed Investment 0-35% Shares is added mainly to contextualise performance.

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Market Review

Stock<sup>1</sup> and bond<sup>2</sup> markets rose over the relatively volatile<sup>3</sup> reporting period as investors anticipated that the US might soon pause<sup>4</sup> its most aggressive string of interest rate hikes in four decades<sup>5</sup>, and pondered the possibility that Europe might follow suit.<sup>6</sup>

The Federal Reserve (Fed)<sup>7</sup>, European Central Bank (ECB)<sup>8</sup> and Bank of England<sup>9</sup> reduced the size of their interest rate increases during the period. Since their last meeting in early May, some Fed officials have supported skipping an increase.<sup>10</sup>

ECB officials are also divided. In the days leading up to the end of May, the Dutch central bank chief backed rate increases in June and July and said he would be “open-minded” after that, whereas his French counterpart indicated that the ECB's interest rate hiking cycle should be finished by September. The Bundesbank President called for several more hikes.<sup>11</sup>

Investors are still determining how central banks will react in their attempts to stem persistent inflation<sup>12</sup>. Share prices fluctuated, with the MSCI World Index – which tracks global shares – surging through January and February, declining sharply during March and making a swift recovery in April<sup>13</sup>. Volatility in US bonds soared in early March<sup>14</sup> amid concerns that the Fed might overcorrect and send the economy into a recession.<sup>15</sup>

The period was also characterised by US banking turmoil that sent shares tumbling<sup>16</sup>, although they bounced back after regulators stepped in to purchase insolvent banks.<sup>17</sup> In Europe, calm would also be restored as Swiss banking giant UBS acquired troubled investment bank Credit Suisse.<sup>18</sup>

During the turmoil, bond yields fell as investors bet the chaos would cause the Fed to prematurely pause rate hikes.<sup>19</sup> Bond prices and yields move in opposite directions, meaning that bond prices soared. As bondholders are paid before shareholders in the event of an issuer's bankruptcy, there was a surge in demand.

However, in early May, sentiment toward bonds soured amid a political standoff between US lawmakers over raising the nation's debt ceiling to avoid a default – which would have reverberated throughout world markets.<sup>20</sup>

<sup>1</sup> MSCI World Index, 1 June 2023

<sup>2</sup> S&P Global Sovereign Bonds Index, 1 June 2023

<sup>3</sup> Markets Insider, 11 April 2023

<sup>4</sup> Forbes Advisor, 1 June 2023

<sup>5</sup> Statista, 4 May 2023

<sup>6</sup> Reuters, 5 May 2023

<sup>7</sup> Trading Economics, 1 June 2023

<sup>8</sup> Reuters, 1 June 2023

<sup>9</sup> Bank of England, 1 June 2023

<sup>10</sup> Associated Press, 1 June 2023

<sup>11</sup> Reuters, 25 May 2023

<sup>12</sup> Pensions & Investments, 28 February 2023

<sup>13</sup> MSCI World Index, 1 June 2023

<sup>14</sup> Markets Insider, 11 April 2023

<sup>15</sup> Reuters, 10 March 2023

<sup>16</sup> Reuters, 15 May 2023

<sup>17</sup> Reuters, 1 May 2023

<sup>18</sup> Yahoo! Finance, 20 March 2023

<sup>19</sup> Bloomberg, 10 March 2023

<sup>20</sup> Bloomberg, 20 May 2023

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Market Review (continued)

As the period was wrapping up, a tentative deal was struck, causing yields on US<sup>21</sup> and European<sup>22</sup> bonds to fall and their prices to rise. Investor enthusiasm for bonds in the latter part of May was also strengthened by the fact that investors are hoping that the interest rate hiking cycle is winding down.<sup>23</sup>

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

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. As Atlas Portfolio 3, this Fund is typically the least volatile of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the six months reporting period, the Fund stayed within its Risk Profile Classification of 3 and delivered a return of -1.05% for the Atlas Portfolio 3 I Accumulation Share Class and -1.04% for the Atlas Portfolio 3 I Income Share Class. For comparison, the comparator benchmark of the IA Mixed Investment 0-35% Shares returned -0.49%. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally. However, the design of Atlas Portfolio 3 is to provide certainty to investors by remaining within its' volatility band. The comparator Benchmark does not restrict volatility.

During the period, the Fund gradually increased its holdings of shares, with a preference for Europe and the UK, while the US fell out of favour.

European shares were particularly attractive compared to US shares, where a small number of tech giants were driving the market rally. In contrast, the European stock market is more diversified.<sup>24</sup>

The ACD also believed that the share prices of European companies had not yet fully reflected the milder-than-expected winter and the subsequent reduction in energy costs.<sup>25</sup>

In terms of bonds, the Fund made a transition towards bonds that take longer to reach maturity. Here, the ACD favoured US government bonds as the Fed appears nearer to ending its rate-hiking cycle than the other major central banks.

As the Fund can be up to 10% invested in cash, its cash holdings were used to Fund its expanded position in bonds.

Over the past five years, the Atlas Portfolio 3 I Accumulation Share Class and the Atlas Portfolio 3 I Income Share Class both returned -1.26%, whereas the IA Mixed Investment 0-35% Shares returned 1.44% over the same period. This negative performance was driven by a challenging 2022, a year in which equities and bonds became correlated and underperformed at the same time.

<sup>21</sup> CNBC, 30 May, 2023

<sup>22</sup> Reuters, 29 May 2023

<sup>23</sup> Bloomberg, 31 May 2023

<sup>24</sup> The Irish Times, 23 May 2023

<sup>25</sup> International Energy Agency, 14 March 2023

## Santander Atlas Portfolio 3

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Market Outlook

The ACD expects a prolonged period of elevated inflation and sluggish economic growth. It does not foresee the global economy tipping into a recession, which is defined as two consecutive quarters of negative growth.

Shares look increasingly overstretched from a valuation perspective following a solid period of gains, so the ACD is less optimistic about their future performance. Lingering uncertainty in the banking system and higher interest rates are leaving banks wary of making loans, making it harder for companies to access funding.<sup>26</sup>

The ACD is more positive on bonds, with government bonds as our preferred bond type, followed by highly-rated corporate bonds, and then high-yield bonds. US bond yields are also very attractive at current rates. The ACD does not expect to see any significant defaults.

Speculation regarding whether central banks will continue hiking interest rates or pause will probably continue to drive volatility in stock and bond markets.

##### Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

July 2023

<sup>26</sup> *Fortune*, 8 May 2023

## Summary of material portfolio changes (unaudited)

for the six months ended 1 June 2023

Purchases	Cost £	Sales	Proceeds £
Xtrackers USD Corporate Bond UCITS ETF	5,496,685	Nordea 1 – Low Duration European Covered Bond Fund HAI	5,814,562
Vanguard UK Short-Term Investment Grade Bond Index Fund	5,372,058	Nordea 1 SICAV - European Covered Bond Fund	4,071,440
iShares Core £ Corporate Bond UCITS ETF	3,364,077	iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	3,791,674
Vanguard USD Treasury Bond UCITS ETF	3,117,556	Morgan Stanley Investment Funds - Short Maturity Euro Bond Fund Z EUR	3,188,298
iShares Global High Yield Bond UCITS ETF	2,867,545	Allianz Gilt Yield Fund Share I Inc	3,121,639
Insight Investment UK Corporate All Maturities Bond Fund Gross P Acc	2,686,509	Gold Bullion Securities Limited	2,572,130
Invesco Physical Gold ETC	2,386,524	Vanguard Investment Series - Euro Investment Grade Bond Index Fund	2,363,283
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	2,122,867	Vanguard UK Government Bond Index Fund Sterling Acc	2,318,124
Xtrackers S&P 500 Swap UCITS ETF	1,601,548	Xtrackers S&P 500 Swap UCITS ETF 1C USD	2,017,694
Fidelity MoneyBuilder Income Fund A Inc	1,524,971	iShares Core £ Corporate Bond UCITS ETF	1,909,844
Vanguard FTSE All-World UCITS ETF	1,274,670	HSBC UK Gilt Index Fund	1,359,886
HSBC European Index Fund I Inc	1,010,429	Vanguard FTSE Development Europe EX UK Equity Index GBP Acc	1,296,317
iShares UK Gilts All Stocks Index Fund L Acc	794,562	iShares UK Gilts All Stocks Index Fund L Acc	1,144,533
Xtrackers USD Corporate Bond UCITS ETF	688,777	iShares Core FTSE 100 UCITS ETF	654,097
SPDR FTSE UK All Share UCITS ETF	649,567	Vanguard FTSE All-World UCITS ETF	547,740
Vanguard FTSE Developed Europe ex-UK Equity Index Fund A Acc	489,870	Insight Investment Discretionary Funds ICVC - UK All Maturities Bond Fund	378,171
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	374,964	Invesco S&P 500 UCITS ETF	277,605
Vanguard UK Government Bond Index Fund Sterling Acc	247,269	Fidelity Index UK Fund P Acc	237,538
UBS ETF - MSCI Japan UCITS ETF A JPY	202,837	Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	189,572
Amundi Japan Topix UCITS ETF A JPY	202,675	Fidelity MoneyBuilder Income Fund A Inc	179,876
Total cost of purchases for the period	<u>36,475,960</u>	Total proceeds from sales for the period	<u>38,118,593</u>

All purchases during the period are disclosed above.

## Portfolio statement (unaudited)

as at 1 June 2023

Investment	Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %
<b>Collective Investment Schemes 98.00% (97.50%)</b>			
Allianz Gilt Yield Fund Share I Inc	1,181,214	1,694,569	2.14
Amundi Japan TOPIX UCITS ETF A JPY*	6,443	504,148	0.64
Amundi S&P 500 UCITS ETF USD Acc*	33,234	2,137,541	2.70
Bluebay Investment Grade European Government Bond Fund Q Acc	-	9	0.00
Fidelity Index UK Fund P Acc	1,284,302	2,031,509	2.57
Fidelity MoneyBuilder Income Fund A Inc	26,944,918	7,620,023	9.62
HSBC European Index Fund I Inc	85,485	939,685	1.19
HSBC FTSE All-Share Index Fund C Inc	567,200	1,991,439	2.51
HSBC UK Gilt Index Fund	1,379,441	1,139,004	1.44
Insight Investment UK Corporate All Maturities Bond Fund Gross P Acc	3,721,347	7,692,025	9.71
Invesco Physical Gold ETC*	15,407	2,350,338	2.97
Invesco S&P 500 UCITS ETF*	3,862	2,503,730	3.16
iShares Core £ Corporate Bond UCITS ETF*	73,064	8,671,235	10.95
iShares Global High Yield Bond UCITS ETF*	41,271	2,698,298	3.41
iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF*	45,452	4,379,755	5.53
iShares UK Gilts All Stocks Index Fund L Acc	1,560,268	2,117,315	2.67
Nordea 1 - European Covered Bond Fund BI EUR	-	3	0.00
SPDR FTSE UK All Share UCITS ETF*	21,348	1,263,375	1.60
UBS ETF - MSCI Japan UCITS ETF A JPY*	13,263	507,044	0.64
Vanguard Euro Investment Grade Bond Index GBP (hedged)	-	2	0.00
Vanguard FTSE All-World UCITS ETF*	22,906	1,966,938	2.48
Vanguard FTSE Development Europe ex- UK Equity Index A Acc	2,828	969,068	1.22
Vanguard FTSE UK All Share Index Unit Trust	3,597	866,226	1.09
Vanguard Investment Series - UK Government Bond Index Fund	1	52	0.00
Vanguard Treasury Bond UCITS ETF USD*	464,092	8,248,771	10.42
Vanguard UK Short-Term Investment Grade Bond Index Fund	48,664	5,318,182	6.72
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	65,035	2,543,741	3.21
Xtrackers S&P 500 Swap UCITS ETF*	217,400	1,594,209	2.01
Xtrackers USD Corporate Bond UCITS ETF*	575,978	5,856,390	7.40
		77,604,624	98.00
<b>Futures 0.11% (-0.08%)</b>			
Euro Stoxx 50 Jun '23	(5)	600	0.00
FTSE 100 Jun '23	(5)	1,990	0.00
Long Gilt Sep '23	34	92,354	0.12
S&P 500 E-Mini Jun '23	(2)	(5,825)	(0.01)
		89,119	0.11
<b>Option -0.03% (0.05%)</b>			
S&P 500 Call Option Jun'23 4,150	(4)	(30,160)	(0.04)

## Portfolio statement (continued)

as at 1 June 2023

Investment		Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %	
<b>Option (continued)</b>					
S&P 500 Put Option Jun'23	3,930	5	1,606	0.01	
STX 600 Call Option Jun'23	475	160	686	0.00	
			(27,868)	(0.03)	
				<b>Percentage of total net assets %</b>	
<b>Investment</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/(losses)</b>	<b>%</b>
<b>Forward currency trades 1.29% (0.60%)</b>					
Buy EUR : Sell GBP	02/06/2023	€1,746,525	£(1,538,658)	(41,615)	(0.05)
Buy GBP : Sell EUR	02/06/2023	€1,556,614	£(1,746,525)	59,571	0.08
Buy GBP : Sell USD	02/06/2023	£18,124,958	US\$(21,738,693)	761,785	0.96
Buy GBP : Sell USD	02/06/2023	£1,205,315	US\$(1,510,000)	(755)	0.00
Buy GBP : Sell USD	25/08/2023	£19,592,865	US\$(24,262,693)	241,358	0.30
				1,020,344	1.29
<b>Portfolio of investments</b>				<b>78,686,219</b>	<b>99.37</b>
<b>Net other assets</b>				<b>499,393</b>	<b>0.63</b>
<b>Total net assets</b>				<b>79,185,612</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 1 December 2022.

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

Futures and option securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

\* Collective Investment Scheme securities which are exchange traded funds listed on recognised exchanges.

**Statistical information (unaudited)***for the six months ended 1 June 2023*

		<b>I Income Shares</b>		
	<b>01.06.2023</b>	<b>01.12.2022</b>	<b>01.12.2021</b>	<b>01.12.2020</b>
Other information				
Closing net asset value (£)	1,654,351	1,801,444	2,208,933	2,059,916
Closing number of shares	1,669,652	1,778,015	1,924,133	1,827,166
Net asset value per shares(p)	99.08	101.32	114.80	112.74
Prices				
Highest share price (p)	103.6	115.9	115.7	113.2
Lowest share price (p)	99.5	96.1	111.0	101.1
		<b>I Accumulation Shares</b>		
	<b>01.06.2023</b>	<b>01.12.2022</b>	<b>01.12.2021</b>	<b>01.12.2020</b>
Other information				
Closing net asset value (£)	77,531,261	81,051,418	96,549,608	90,372,396
Closing number of shares	43,011,225	44,528,443	47,495,821	45,726,445
Net asset value per shares(p)	180.26	182.02	203.28	197.64
Prices				
Highest share price (p)	186.1	205.3	204.4	197.8
Lowest share price (p)	178.9	171.7	194.6	175.6

## Statistical information (continued)

for the six months ended 1 June 2023

### Ongoing Charges Figure (OCF)

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

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

Expense Type	Period to 01.06.2023	Year to 01.12.2022
<b>I Income Shares</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.19%	0.22%
Other expenses	0.06%	0.05%
Ongoing charges figure*	0.65%	0.67%
<b>I Accumulation Shares</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.19%	0.22%
Other expenses	0.06%	0.05%
Ongoing charges figure*	0.65%	0.67%

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

## Financial Statements - Santander Atlas Portfolio 3(unaudited)

### Statement of total return (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Income				
Net capital losses		(1,794,020)		(7,750,503)
Revenue	1,196,230		702,644	
Expenses	(178,779)		(205,622)	
Interest payable and similar charges	(4,398)		(4,946)	
Net revenue before taxation	1,013,053		492,076	
Taxation	-		(283)	
Net revenue after taxation		1,013,053		491,793
Total return before distributions		(780,967)		(7,258,710)
Distributions		(1,013,053)		(491,793)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,794,020)</b>		<b>(7,750,503)</b>

### Statement of change in net assets attributable to shareholders (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		82,852,862		98,758,541
Amounts receivable on issue of shares	1,440,366		2,936,464	
Amounts payable on cancellation of shares	(4,288,695)		(3,956,158)	
		(2,848,329)		(1,019,694)
Dilution adjustment		946		271
Change in net assets attributable to shareholders from investment activities		(1,794,020)		(7,750,503)
Retained distribution on accumulation shares		974,153		476,218
<b>Closing net assets attributable to shareholders</b>		<b>79,185,612</b>		<b>90,464,833</b>

The net assets at the start of the current period do not equal the net assets at the end of the comparative period as they are not consecutive periods.

**Balance sheet (unaudited)**

as at 1 June 2023

	1 June 2023 £	1 December 2022 £
Assets:		
Fixed assets:		
Investments	78,764,574	81,478,471
Current assets:		
Debtors	20,421,041	110,835
Cash and bank balances	3,466,347	3,992,903
Total assets	<u>102,651,962</u>	<u>85,582,209</u>
Liabilities:		
Investment liabilities	(78,355)	(220,995)
Creditors		
Bank overdrafts	(2,259,142)	(2,175,442)
Distributions payable	(17,274)	(9,135)
Other creditors	(21,111,579)	(323,775)
Total liabilities	<u>(23,466,350)</u>	<u>(2,729,347)</u>
<b>Net assets attributable to shareholders</b>	<u><u>79,185,612</u></u>	<u><u>82,852,862</u></u>

**Accounting policies**

The interim financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 1 June 2023

Gross interest distributions on I Income Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	01.05.23	quarter 1	0.2183	-	0.2183	0.1856
	01.08.23	interim	1.0346	-	1.0346	0.3837
Group 2	01.05.23	quarter 1	0.0978	0.1205	0.2183	0.1856
	01.08.23	interim	0.3045	0.7301	1.0346	0.3837

Gross interest distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	01.05.23	quarter 1	0.3921	-	0.3921	0.3286
	01.08.23	interim	1.8612	-	1.8612	0.6799
Group 2	01.05.23	quarter 1	0.1659	0.2262	0.3921	0.3286
	01.08.23	interim	0.7518	1.1094	1.8612	0.6799

### Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes.

### Accumulation distributions

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

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023 (unaudited)

#### 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 is managed with the aim of staying within a risk profile classification (with volatility parameters) of 4 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

##### Investment Policy

The Fund is part of the Santander Atlas Portfolio growth range. This range consists of five funds numbered 3-7 which are each risk target managed funds - i.e. managed with an investment objective of aiming to stay within a risk profile classification (with volatility parameters) as set and monitored by an external third party risk rating company. This company's risk profile classifications range from 1, the lowest risk profile classification and the least volatile (for example a fund focused on holding cash), to 10, the highest risk profile classification and the most volatile (for example a fund focused on investing in riskier equity regions and non-developed markets).

The number in the name of each fund in the Santander Atlas Portfolio growth range corresponds to its risk profile classification, ranging from 3 to 7 on the external third party risk rating company's scale. The lower the number in the fund's name and risk profile classification, typically the lower its volatility, the higher its exposure to less volatile assets (such as bonds) and the lower its exposure to more volatile assets (such as shares), and the lower its level of expected capital growth, compared to other funds within the range, and vice versa. More information on volatility and risk profile classifications is provided in the Prospectus.

This Fund is managed with the aim of staying within a risk profile classification of 4, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

The Fund is actively managed. It aims to achieve its objectives by obtaining exposure globally to: bonds issued by companies, governments, government bodies and supranationals; and shares in companies. There are no set limits on the Fund's exposure to either bonds or shares, but it is expected that the Fund will typically have exposure of at least 70% to bonds and shares combined.

The Fund typically has: a lower level of volatility, a higher exposure to less volatile assets (such as bonds) and a lower exposure to more volatile assets (such as shares), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 5-7; and a higher level of volatility, a lower exposure to less volatile assets and a higher exposure to more volatile assets, compared to Santander Atlas Portfolio 3.

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Policy (continued)

Additionally the Fund may obtain exposure globally:

- up to 20% to alternative strategies, for example absolute return strategies (i.e. those which aim to deliver a positive return in all market conditions, although this is not guaranteed);
- up to 10% to commodities;
- up to 10% to real estate; and
- up to 10% to cash, cash like and other money market instruments.

The Fund may have exposure to non-developed markets through its investments.

To obtain exposure to the permissible asset classes stated above, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. The Fund may invest in both Actively Managed and Passively Managed Collective Investment Schemes as detailed in "Investment Strategy and Process" below. At least 85% of the Fund will be invested in Collective Investment Schemes but this figure may be higher (up to 100%) depending on the ACD's investment views.

The Fund will typically be invested between 50% and 65% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

These Collective Investment Schemes can be managed by the ACD or other companies (including within the Santander Group). They will give the Fund exposure to the permissible asset classes (and, where relevant, in the permitted amounts) stated above, but they may have different investment strategies and restrictions to the Fund. For example they may not be managed with the aim of staying within a volatility range, and may use Derivatives differently to the Fund (such as for Investment Purposes).

With the exception of alternative strategies, commodities (where exposure can also be sought through investment in exchange traded commodities) and real estate, the Fund may also invest directly in the above permissible asset classes. However this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

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. This may include passive Derivatives, for example Derivatives which track the performance of an index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

##### Investment Strategy and Process

The Fund is actively managed which means that the ACD uses its expertise and discretion, in accordance with its investment views and opportunities identified as market and economic conditions change, to select investments with the aim of achieving the Fund's investment objectives.

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will meet the investment objectives of the Fund.

The ACD will complete an assessment before any investment decisions are made. This ongoing process will generally consist of:

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- The Fund can invest in a globally unconstrained manner in bonds and shares, and within above stated levels in other permissible asset classes. The ACD will however seek to maintain the Fund's risk profile classification (alongside aiming to achieve its capital growth and income objective) when implementing its investment strategy by considering the types of assets held and the Fund's allocation to different permitted asset classes.
- Observing an internally approved list of both Actively Managed and Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on both Actively Managed and Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.
- Selecting Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

The Fund can invest in both Actively Managed and Passively Managed Collective Investment Schemes. The ACD will favour Collective Investment Schemes which offer attractive returns relative to other Collective Investment Schemes on the approved list. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

When seeking exposure to bonds the ACD will tend to favour Actively Managed Collective Investment Schemes (but the ACD may also select Passively Managed Collective Investment Schemes for exposure to bonds).

When seeking exposure to shares, the ACD will tend to favour those Collective Investment Schemes with lower costs and higher liquidity (i.e. the ease with which units in these Collective Investment Schemes can be sold and returned as cash) relative to others on the approved list. Lower cost Collective Investment Schemes tend to be Passively Managed Collective Investment Schemes (but the ACD may also select Actively Managed Collective Investment Schemes for exposure to shares).

In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any single: operator of Collective Investment Schemes; individual Collective Investment Scheme; or Derivative counterparty.

Where investments are made in instruments other than units in Collective Investment Schemes, these are also subject to investment due diligence.

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

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

##### Further Information

The ACD uses the IA\* Mixed Investment 20-60% Shares peer group as a Comparator Benchmark for the Fund.

As there is no suitable standardised global performance benchmark for risk target managed multi asset investment funds, this Comparator Benchmark has been chosen because it provides shareholders with a comparison of performance against a sector that largely consists of other multi asset funds which have the ability to invest globally, and which the ACD considers is a reasonable proxy for the likely asset mix ranges of the Fund. However this is a broad group of funds, therefore each fund may be aiming for slightly different investment objectives, and so the comparison is for indicative purposes only. As such, the ACD will not use this sector performance or its constituents to determine how it manages the Fund.

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Medium in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

##### Investment Manager

Santander Asset Management UK Limited

\* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

## Santander Atlas Portfolio 4

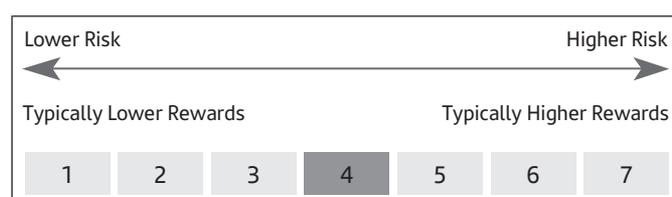
### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Risk Profile

The main risk within the portfolio relate to changes in the prices of securities held. Other risks include: investment in other CIS risk; passively managed CIS associated risks; liquidity risk; derivatives risk; counterparty risk and currency 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



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC (set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

##### Performance

Percentage price change from 1 December 2022 to 1 June 2023	
Santander Atlas Portfolio 4 I Accumulation Shares*	-0.73%
Santander Atlas Portfolio 4 I Income Shares*	-0.75%
IA Mixed Investment 20-60% Shares**	-0.60%
Percentage price change from 1 June 2018 to 1 June 2023	
Santander Atlas Portfolio 4 I Accumulation Shares*	4.64%
Santander Atlas Portfolio 4 I Income Shares*	4.59%
IA Mixed Investment 20-60% Shares**	5.38%

\* Source: Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested.

\*\* Source: FE fundinfo

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

The Fund is not managed against a targeted benchmark, the comparator benchmark IA Mixed Investment 20-60% Shares is added mainly to contextualise performance.

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Market Review

Investors drove stock<sup>27</sup> and bond<sup>28</sup> markets upwards over the reporting period in anticipation of a potential pause in US interest rates rises,<sup>29</sup> which would mark the end of the US Federal Reserve (Fed)'s most aggressive chain of hikes in four decades.<sup>30</sup> Investors are also anticipating that Eurozone interest rate hikes will halt.<sup>31</sup>

These developments have followed a prolonged period of investor uncertainty regarding how central banks would respond to stubborn inflation.<sup>32</sup>

During the period, the Fed<sup>33</sup>, European Central Bank (ECB)<sup>34</sup> and Bank of England<sup>35</sup> scaled back the size of their rate increases as inflation eased. Nevertheless, underlying price pressures persisted, prompting the International Monetary Fund (IMF) to emphasize the importance of maintaining a steadfast anti-inflation approach while simultaneously avoiding a recession.<sup>36</sup>

Despite disappointing inflation data, during May some Fed officials expressed support for skipping an interest rate increase in favour of evaluating the economic effect of previous hikes, prompting markets to bet against another hike at the end of the reporting period.<sup>37</sup>

In Europe, comments from ECB officials left investors split on what action policymakers will take at their September meeting. Towards the end of May, the Dutch central bank chief said increases were needed in June and July and that he would be "open-minded" following that. His French counterpart indicated the ECB should have concluded its increases by September, while the Bundesbank head advocated for several more hikes.<sup>38</sup>

Markets zig-zagged unpredictably throughout the period. The MSCI World Index – which tracks the performance of global shares – soared through January and February but took a sharp downturn during March, only to make a swift recovery in April.<sup>39</sup> Volatility in the US bond market<sup>40</sup> – the world's largest – surged in early March amid concerns about mixed messages from the Fed.<sup>41</sup>

Later that month, shares in the US financial sector slumped in the wake of banking turmoil.<sup>42</sup> Order would ultimately be restored following the acquisition of struggling banks, which fuelled an uptick in US shares.<sup>43</sup>

<sup>27</sup> MSCI World Index, 1 June 2023

<sup>28</sup> S&P Global Sovereign Bonds Index, 1 June 2023

<sup>29</sup> Forbes Advisor, 1 June 2023

<sup>30</sup> Statista, 4 May 2023

<sup>31</sup> Reuters, 5 May 2023

<sup>32</sup> Pension & Investments, 28 February 2023

<sup>33</sup> Trading Economics, 1 June 2023

<sup>34</sup> Reuters, 1 June 2023

<sup>35</sup> Bank of England, 1 June 2023

<sup>36</sup> IMF, 11 April 2023

<sup>37</sup> Associated Press, 1 June 2023

<sup>38</sup> Reuters, 25 May 2023

<sup>39</sup> MSCI World Index, 1 June 2023

<sup>40</sup> Markets Insider, 11 April 2023

<sup>41</sup> Reuters, 10 March 2023

<sup>42</sup> Reuters, 16 May 2023

<sup>43</sup> Yahoo! Finance, 20 March 2023

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Market Review (continued)

Amidst the turmoil, however, bond yields plunged as investors anticipated an earlier-than-expected halt to interest rate hikes.<sup>44</sup> Bond prices and yields move in opposite directions, so this decline in yields was matched by an uptick in bond prices. As bondholders are paid before shareholders, they increased in demand, resulting in elevated prices.

Nonetheless, in early May sentiment towards bonds deteriorated due to a political stalemate over raising the US's national debt ceiling to prevent a default, which would have significantly affected global markets.<sup>45</sup>

However, towards the end of the reporting period, a tentative deal was struck. Yields on US<sup>46</sup> and European<sup>47</sup> bonds fell, with increased investor demand driving up their prices. Investor hopes that the interest rate hiking cycle is approaching its end also fuelled greater enthusiasm for bonds.<sup>48</sup>

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

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. As Atlas Portfolio 4, this Fund is the second-least volatile of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the six months reporting period, the Fund stayed within its Risk Profile Classification of 4 and delivered a return of -0.73% for the Atlas Portfolio 4 I Accumulation Share Class and -0.75% for the Atlas Portfolio 4 I Income Share Class. For comparison, the comparator benchmark of the IA Mixed Investment 20-60% Shares returned -0.60%. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally. However, the design of Atlas Portfolio 4 is to provide certainty to investors by remaining within its' volatility band. The comparator Benchmark does not restrict volatility.

During the period, the Fund gradually increased its holdings of shares. The US fell out of favour in terms of the Fund's position in shares, as it instead favoured Europe and the UK.

This decision was driven by the fact that the European stock market is more diversified, whereas the rally in US shares is being disproportionately driven by a small number of large technology companies.<sup>49</sup>

Shares in US companies are also quite expensive relative to earnings expectations, whereas European shares are trading at a relative discount, adding to their appeal.<sup>50</sup>

<sup>44</sup> Bloomberg, 10 March 2023

<sup>45</sup> Bloomberg, 20 May 2023

<sup>46</sup> CNBC, 30 May, 2023

<sup>47</sup> Reuters, 29 May 2023

<sup>48</sup> Bloomberg, 31 May 2023

<sup>49</sup> The Irish Times, 23 May 2023

<sup>50</sup> Reuters, 27 February 2023

## Santander Atlas Portfolio 4

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

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

In terms of bonds, the Fund shifted from shorter-dated bonds to those that take longer to reach maturity, with a preference for US government bonds. This decision was driven by the expectation that the Fed is closer to concluding its rate-hiking cycle than other major central banks.

The expanded position in bonds was funded by cash, given that up to 10% of the Fund's holdings can be cash.

Over the past five years, the Santander Atlas Portfolio 4 I Accumulation Share Class returned 4.64% and the Santander Atlas Portfolio 4 I Income Share Class returned 4.59%, whereas the IA Mixed Investment 20-60% Shares delivered a return of 5.38%. This positive performance was driven by bullish markets in 2019 and 2021, although a challenging 2022 in which both equities and bonds became correlated and underperformed at the same time offset some of the returns.

##### Market Outlook

The ACD expects to see a prolonged period of elevated inflation and sluggish economic growth. However, it does not expect the global economy to tip into a recession, which is defined as two consecutive quarters of negative growth.

Shares look increasingly overpriced from a valuation perspective, following a solid period of gains. Against a backdrop of elevated interest rates and lingering uncertainties over the strength of the banking system, banks are wary of issuing loans.<sup>51</sup> The result is that it's harder for companies to invest and expand, hindering business growth.<sup>52</sup>

The ACD is more positive on bonds. Specifically, we favour government bonds, followed by highly-rated corporate bonds, and then high-yield bonds. The US is of particular interest, given that US bond yields are very attractive at current rates. The ACD does not expect to see any significant defaults but will remain vigilant.

Gold has been very positive for the Fund, and the ACD is becoming more upbeat about this asset class. Given that gold is often seen as a haven in uncertain markets, it thrived during the reporting period, during which the US debt limit, heightened inflation levels and distrust in smaller American banks all fuelled a high degree of uncertainty.<sup>53</sup>

The ACD would like to the Fund's position in this asset type, but if prices remain at these elevated levels its ability to find an entry point may be limited.

The ongoing speculation regarding whether central banks will continue to raise rates or pause is expected to continue driving volatility in stock and bond markets, so the ACD will navigate the market environment carefully.

##### Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

July 2023

<sup>51</sup> *Fortune*, 8 May 2023

<sup>52</sup> *CNN Business*, 2 May 2023

<sup>53</sup> *CBS News*, 17 May 2023

## Summary of material portfolio changes (unaudited)

for the six months ended 1 June 2023

Purchases	Cost £	Sales	Proceeds £
Vanguard UK Short-Term Investment Grade Bond Index Fund	15,103,968	Nordea 1 – Low Duration European Covered Bond Fund HAI	22,531,338
Vanguard USD Treasury Bond UCITS ETF	13,456,639	Nordea 1 SICAV - European Covered Bond Fund	13,266,160
Xtrackers USD Corporate Bond UCITS ETF	12,631,163	Xtrackers S&P 500 Swap UCITS ETF 1C USD	11,950,808
Xtrackers S&P 500 Swap UCITS ETF	8,527,837	Morgan Stanley Investment Funds - Short Maturity Euro Bond Fund Z EUR	10,279,254
Invesco Physical Gold ETC	7,911,817	Gold Bullion Securities Limited	8,283,342
iShares Core £ Corporate Bond UCITS ETF	7,599,388	iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	7,794,279
Vanguard FTSE All-World UCITS ETF	6,279,633	Vanguard FTSE Development Europe EX UK Equity Index GBP Acc	7,173,251
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	6,152,839	Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	5,302,290
HSBC European Index Fund I Inc	5,594,609	Allianz Gilt Yield Fund Share I Inc	5,098,256
iShares UK Gilts All Stocks Index Fund L Acc	4,242,647	iShares Core £ Corporate Bond UCITS ETF	4,872,269
SPDR FTSE UK All Share UCITS ETF	3,827,127	iShares Core FTSE 100 UCITS ETF	3,897,772
HSBC UK Gilt Index Fund	3,468,706	Vanguard UK Government Bond Index Fund Sterling Acc	3,797,858
iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	3,021,085	HSBC UK Gilt Index Fund	3,082,512
UBS ETF - MSCI Japan UCITS ETF A JPY	2,630,419	Invesco S&P 500 UCITS ETF	2,603,972
iShares Global High Yield Bond UCITS ETF	2,621,908	Fidelity MoneyBuilder Income Fund A Inc	2,312,910
Amundi Japan Topix UCITS ETF A JPY	1,502,090	Xtrackers USD Corporate Bond UCITS ETF	1,788,290
Insight Investment UK Corporate All Maturities Bond Fund Gross P Acc	1,405,966	Amundi S&P 500 UCITS ETF	1,597,180
Fidelity MoneyBuilder Income Fund A Inc	1,394,408	iShares UK Gilts All Stocks Index Fund L Acc	1,383,277
Xtrackers USD Corporate Bond UCITS ETF	1,249,075	Fidelity Index UK Fund P Acc	798,451
Vanguard FTSE Developed Europe ex-UK Equity Index Fund A Acc	1,212,242	HSBC FTSE All-Share Index Fund C Inc	689,409
Total cost of purchases for the period	<u>110,839,159</u>	Total proceeds from sales for the period	<u>120,946,942</u>

**Portfolio statement (unaudited)**

as at 1 June 2023

Investment	Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %
<b>Collective Investment Schemes 97.95% (97.82%)</b>			
Allianz Gilt Yield Fund Share I Inc	4,153,611	5,958,770	2.28
Amundi Japan TOPIX UCITS ETF A JPY*	45,411	3,553,292	1.36
Amundi S&P 500 UCITS ETF USD Acc*	189,842	12,210,237	4.66
Bluebay Investment Grade European Government Bond Fund Q Acc	1	30	0.00
Fidelity Index UK Fund P Acc	7,138,755	11,292,083	4.31
Fidelity MoneyBuilder Income Fund A Inc	57,181,054	16,170,802	6.18
HSBC European Index Fund I Inc	476,172	5,234,273	2.00
HSBC FTSE All-Share Index Fund C Inc	3,336,627	11,714,897	4.47
HSBC UK Gilt Index Fund	3,539,490	2,922,557	1.12
Insight Investment UK Corporate All Maturities Bond Fund Gross P Acc	7,719,020	15,955,215	6.09
Invesco Physical Gold ETC*	51,071	7,790,881	2.98
Invesco S&P 500 UCITS ETF*	21,143	13,706,980	5.24
iShares Core £ Corporate Bond UCITS ETF*	197,880	23,484,398	8.97
iShares Global High Yield Bond UCITS ETF*	39,140	2,558,973	0.98
iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF*	157,232	15,150,876	5.79
iShares UK Gilts All Stocks Index Fund L Acc	4,008,415	5,439,499	2.08
Nordea 1 - European Covered Bond Fund BI EUR	-	2	0.00
Nordea 1 - Low Duration European Covered Bond Fund HAI	-	28	0.00
SPDR FTSE UK All Share UCITS ETF*	119,083	7,047,332	2.69
UBS ETF - MSCI Japan UCITS ETF A JPY*	93,210	3,563,418	1.36
Vanguard Euro Investment Grade Bond Index GBP (hedged)	-	1	-
Vanguard FTSE All-World UCITS ETF*	127,535	10,951,430	4.18
Vanguard FTSE Development Europe ex- UK Equity Index A Acc	15,749	5,396,809	2.06
Vanguard FTSE UK All Share Index Unit Trust	20,012	4,819,268	1.84
Vanguard Treasury Bond UCITS ETF USD*	1,373,423	24,411,220	9.33
Vanguard UK Short-Term Investment Grade Bond Index Fund	136,693	14,938,317	5.71
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	308,400	12,062,578	4.61
Xtrackers S&P 500 Swap UCITS ETF*	1,157,600	8,488,759	3.24
Xtrackers USD Corporate Bond UCITS ETF*	1,138,279	11,573,715	4.42
		256,396,640	97.95
<b>Futures 0.10% (-0.14%)</b>			
Euro Stoxx 50 Jun '23	(18)	2,160	0.00
FTSE 100 Jun '23	(28)	3,360	0.00
Long Gilt Sep '23	107	290,644	0.11
S&P 500 E-Mini Jun '23	(8)	(23,300)	(0.01)
		272,864	0.10
<b>Option -0.03% (0.05%)</b>			
S&P 500 Call Option Jun'23 4,150	(13)	(98,019)	(0.04)

**Portfolio statement (continued)**

as at 1 June 2023

Investment		Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %	
<b>Option (continued)</b>					
S&P 500 Put Option Jun'23	3,930	21	6,743	0.01	
STX 600 Call Option Jun'23	475	519	2,224	0.00	
			(89,052)	(0.03)	
				<b>Percentage of total net assets %</b>	
<b>Investment</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/(losses)</b>	<b>%</b>
<b>Forward currency trades 0.92% (0.45%)</b>					
Buy EUR : Sell GBP	02/06/2023	€5,404,159	£(4,760,969)	(128,767)	(0.05)
Buy GBP : Sell EUR	02/06/2023	£4,816,529	€(5,404,159)	184,326	0.07
Buy GBP : Sell USD	02/06/2023	£42,446,824	US\$(50,908,334)	1,785,215	0.68
Buy GBP : Sell USD	02/06/2023	£3,005,233	US\$(3,765,000)	(1,955)	0.00
Buy GBP : Sell USD	25/08/2023	£46,883,069	US\$(58,057,334)	577,538	0.22
				2,416,357	0.92
<b>Portfolio of investments</b>				<b>258,996,809</b>	<b>98.94</b>
<b>Net other assets</b>				<b>2,774,881</b>	<b>1.06</b>
<b>Total net assets</b>				<b>261,771,690</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 1 December 2022.

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

Futures and option securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

\* Collective Investment Scheme securities which are exchange traded funds listed on recognised exchanges.

**Statistical information (unaudited)***for the six months ended 1 June 2023*

		<b>I Income Shares</b>		
	<b>01.06.2023</b>	<b>01.12.2022</b>	<b>01.12.2021</b>	<b>01.12.2020</b>
Other information				
Closing net asset value (£)	3,025,441	3,075,215	3,647,535	3,204,348
Closing number of shares	2,144,286	2,147,125	2,272,208	2,107,131
Net asset value per shares(p)	141.09	143.22	160.53	152.07
Prices				
Highest share price (p)	147.0	162.6	162.7	152.8
Lowest share price (p)	140.3	135.5	151.4	130.4
		<b>I Accumulation Shares</b>		
	<b>01.06.2023</b>	<b>01.12.2022</b>	<b>01.12.2021</b>	<b>01.12.2020</b>
Other information				
Closing net asset value (£)	258,746,249	272,029,294	314,176,666	293,352,010
Closing number of shares	127,265,771	133,086,558	139,107,646	138,299,281
Net asset value per shares(p)	203.31	204.40	225.85	212.11
Prices				
Highest share price (p)	209.8	228.7	228.4	212.2
Lowest share price (p)	200.2	192.5	211.4	179.9

## Statistical information (continued)

for the six months ended 1 June 2023

### Ongoing Charges Figure (OCF)

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

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

Expense Type	Period to 01.06.2023	Year to 01.12.2022
<b>I Income Shares</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.16%	0.21%
Other expenses	0.04%	0.04%
Ongoing charges figure*	0.60%	0.65%
<b>I Accumulation Shares</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.16%	0.21%
Other expenses	0.04%	0.04%
Ongoing charges figure*	0.60%	0.65%

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

## Financial Statements - Santander Atlas Portfolio 4(unaudited)

### Statement of total return (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Income				
Net capital losses		(3,889,144)		(21,908,363)
Revenue	3,497,975		1,854,966	
Expenses	(573,808)		(646,513)	
Interest payable and similar charges	(7,524)		(11,772)	
Net revenue before taxation	<u>2,916,643</u>		<u>1,196,681</u>	
Taxation	<u>(348,427)</u>		<u>(143,176)</u>	
Net revenue after taxation		<u>2,568,216</u>		<u>1,053,505</u>
Total return before distributions		<u>(1,320,928)</u>		<u>(20,854,858)</u>
Distributions		<u>(2,568,216)</u>		<u>(1,053,505)</u>
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><u>(3,889,144)</u></u>		<u><u>(21,908,363)</u></u>

### Statement of change in net assets attributable to shareholders (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		275,104,509		317,824,201
Amounts receivable on issue of shares	2,638,945		6,250,956	
Amounts payable on cancellation of shares	<u>(14,581,718)</u>		<u>(7,862,998)</u>	
		<u>(11,942,773)</u>		<u>(1,612,042)</u>
Dilution adjustment		3,294		(1,109)
Change in net assets attributable to shareholders from investment activities		<u>(3,889,144)</u>		<u>(21,908,363)</u>
Retained distribution on accumulation shares		2,495,804		1,037,431
<b>Closing net assets attributable to shareholders</b>		<u><u>261,771,690</u></u>		<u><u>295,340,118</u></u>

The net assets at the start of the current period do not equal the net assets at the end of the comparative period as they are not consecutive periods.

**Balance sheet (unaudited)**

as at 1 June 2023

	1 June 2023 £	1 December 2022 £
Assets:		
Fixed assets:		
Investments	259,248,850	271,096,501
Current assets:		
Debtors	49,802,359	888,537
Cash and bank balances	11,455,649	11,513,613
Total assets	<u>320,506,858</u>	<u>283,498,651</u>
Liabilities:		
Investment liabilities	(252,041)	(995,524)
Creditors		
Bank overdrafts	(7,379,154)	(6,895,487)
Distributions payable	(26,114)	(14,524)
Other creditors	(51,077,859)	(488,607)
Total liabilities	<u>(58,735,168)</u>	<u>(8,394,142)</u>
<b>Net assets attributable to shareholders</b>	<u><u>261,771,690</u></u>	<u><u>275,104,509</u></u>

**Accounting policies**

The interim financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 1 June 2023

Distributions on I Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	01.05.23	quarter 1	0.1511	-	0.1511	0.0286
	01.08.23	interim	1.2178	-	1.2178	0.5042
Group 2	01.05.23	quarter 1	0.0148	0.1363	0.1511	0.0286
	01.08.23	interim	0.5142	0.7036	1.2178	0.5042

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	01.05.23	quarter 1	0.2156	-	0.2156	0.0402
	01.08.23	interim	1.7392	-	1.7392	0.7094
Group 2	01.05.23	quarter 1	0.0873	0.1283	0.2156	0.0402
	01.08.23	interim	0.7423	0.9969	1.7392	0.7094

### Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes.

### Accumulation distributions

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

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023 (unaudited)

#### 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 is managed with the aim of staying within a risk profile classification (with volatility parameters) of 5 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

##### Investment Policy

The Fund is part of the Santander Atlas Portfolio growth range. This range consists of five funds numbered 3-7 which are each risk target managed funds - i.e. managed with an investment objective of aiming to stay within a risk profile classification (with volatility parameters) as set and monitored by an external third party risk rating company. This company's risk profile classifications range from 1, the lowest risk profile classification and the least volatile (for example a fund focused on holding cash), to 10, the highest risk profile classification and the most volatile (for example a fund focused on investing in riskier equity regions and non-developed markets).

The number in the name of each fund in the Santander Atlas Portfolio growth range corresponds to its risk profile classification, ranging from 3 to 7 on the external third party risk rating company's scale. The lower the number in the fund's name and risk profile classification, typically the lower its volatility, the higher its exposure to less volatile assets (such as bonds) and the lower its exposure to more volatile assets (such as shares), and the lower its level of expected capital growth, compared to other funds within the range, and vice versa. More information on volatility and risk profile classifications is provided in the Prospectus.

This Fund is managed with the aim of staying within a risk profile classification of 5, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

The Fund is actively managed. It aims to achieve its objectives by obtaining exposure globally to: shares in companies; and bonds issued by companies, governments, government bodies and supranationals. There are no set limits on the Fund's exposure to either shares or bonds, but it is expected that the Fund will typically have exposure of at least 70% to shares and bonds combined.

The Fund typically has: a higher level of volatility, a lower exposure to less volatile assets (such as bonds) and a higher exposure to more volatile assets (such as shares), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 3-4; and a lower level of volatility, a higher exposure to less volatile assets and a lower exposure to more volatile assets, compared to other funds within the Santander Atlas Portfolio growth range that are numbered 6-7.

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Policy (continued)

Additionally the Fund may obtain exposure globally:

- up to 20% to alternative strategies, for example absolute return strategies (i.e. those which aim to deliver a positive return in all market conditions, although this is not guaranteed);
- up to 10% to commodities;
- up to 10% to real estate; and
- up to 10% to cash, cash like and other money market instruments.

The Fund may have exposure to non-developed markets through its investments.

To obtain exposure to the permissible asset classes stated above, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. The Fund may invest in both Actively Managed and Passively Managed Collective Investment Schemes as detailed in "Investment Strategy and Process" below. At least 85% of the Fund will be invested in Collective Investment Schemes but this figure may be higher (up to 100%) depending on the ACD's investment views.

The Fund will typically be invested between 65% and 80% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

These Collective Investment Schemes can be managed by the ACD or other companies (including within the Santander Group). They will give the Fund exposure to the permissible asset classes (and, where relevant, in the permitted amounts) stated above, but they may have different investment strategies and restrictions to the Fund. For example they may not be managed with the aim of staying within a volatility range, and may use Derivatives differently to the Fund (such as for Investment Purposes).

With the exception of alternative strategies, commodities (where exposure can also be sought through investment in exchange traded commodities) and real estate, the Fund may also invest directly in the above permissible asset classes. However this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

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. This may include passive Derivatives, for example Derivatives which track the performance of an index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

##### Investment Strategy and Process

The Fund is actively managed which means that the ACD uses its expertise and discretion, in accordance with its investment views and opportunities identified as market and economic conditions change, to select investments with the aim of achieving the Fund's investment objectives.

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will meet the investment objectives of the Fund.

The ACD will complete an assessment before any investment decisions are made. This ongoing process will generally consist of:

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- The Fund can invest in a globally unconstrained manner in shares and bonds, and within above stated levels in other permissible asset classes. The ACD will however seek to maintain the Fund's risk profile classification (alongside aiming to achieve its capital growth and income objective) when implementing its investment strategy by considering the types of assets held and the Fund's allocation to different permitted asset classes.
- Observing an internally approved list of both Actively Managed and Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on both Actively Managed and Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.
- Selecting Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

The Fund can invest in both Actively Managed and Passively Managed Collective Investment Schemes. The ACD will favour Collective Investment Schemes which offer attractive returns relative to other Collective Investment Schemes on the approved list. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

When seeking exposure to shares, the ACD will tend to favour those Collective Investment Schemes with lower costs and higher liquidity (i.e. the ease with which units in these Collective Investment Schemes can be sold and returned as cash) relative to others on the approved list. Lower cost Collective Investment Schemes tend to be Passively Managed Collective Investment Schemes (but the ACD may also select Actively Managed Collective Investment Schemes for exposure to shares).

When seeking exposure to bonds the ACD will tend to favour Actively Managed Collective Investment Schemes (but the ACD may also select Passively Managed Collective Investment Schemes for exposure to bonds).

In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any single: operator of Collective Investment Schemes; individual Collective Investment Scheme; or Derivative counterparty.

Where investments are made in instruments other than units in Collective Investment Schemes, these are also subject to investment due diligence.

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

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

##### Further Information

The ACD uses the IA\* Mixed Investment 40-85% Shares peer group as a Comparator Benchmark for the Fund.

As there is no suitable standardised global performance benchmark for risk target managed multi asset investment funds, this Comparator Benchmark has been chosen because it provides shareholders with a comparison of performance against a sector that largely consists of other multi asset funds which have the ability to invest globally, and which the ACD considers is a reasonable proxy for the likely asset mix ranges of the Fund. However this is a broad group of funds, therefore each fund may be aiming for slightly different investment objectives, and so the comparison is for indicative purposes only. As such, the ACD will not use this sector performance or its constituents to determine how it manages the Fund.

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Medium High in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

##### Investment Manager

Santander Asset Management UK Limited

\* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

## Santander Atlas Portfolio 5

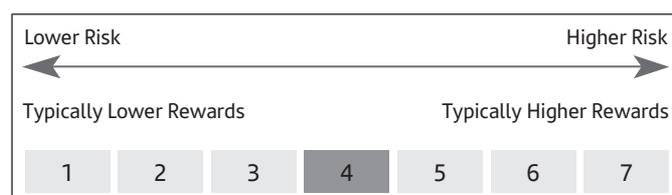
### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Risk Profile

The main risk within the portfolio relate to changes in the prices of securities held. Other risks include: investment in other CIS risk; passively managed CIS associated risks; liquidity risk; derivatives risk; counterparty risk and currency 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



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC (set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

##### Performance

Percentage price change from 1 December 2022 to 1 June 2023	
Santander Atlas Portfolio 5 I Accumulation Shares*	0.05%
IA Mixed Investment 40-85% Shares**	-0.08%
Percentage price change from 1 June 2018 to 1 June 2023	
Santander Atlas Portfolio 5 I Accumulation Shares*	9.85%
IA Mixed Investment 40-85% Shares**	14.90%

\* Source: Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested.

\*\* Source: FE fundinfo

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

The Fund is not managed against a targeted benchmark, the comparator benchmark IA Mixed Investment 40-85% Shares is added mainly to contextualise performance.

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review

Stock<sup>54</sup> and bond<sup>55</sup> markets made gains during the period despite its considerable volatility<sup>56</sup>, as investors speculated about whether central banks would continue to raise interest rates or pause.<sup>57</sup>

The MSCI World Index, which tracks global stock markets, performed well in January and February but took a sharp downturn during March, only to make a swift recovery in April.<sup>58</sup> US bond prices moved sharply<sup>59</sup> as investors struggled to determine what was next for interest rates in the world's biggest bond market.<sup>60</sup>

When it came to the timing of a temporary halt to US rate hikes, the goalposts continuously shifted throughout the reporting period amid mixed economic<sup>61</sup> and inflation<sup>62</sup> data, and the possibility of a debt default.<sup>63</sup> Earlier in the year, banking turmoil<sup>64</sup>, conflicting messages from Federal Reserve (Fed) officials and concerns over excessive rate hikes triggering a recession stoked further uncertainty about the course of interest rates.<sup>65</sup>

At its May meeting, the Fed indicated it would be open to considering whether further hikes are needed.<sup>66</sup> Since then, some Fed officials have supported skipping a rate increase, prompting markets to bet a pause is on the table.<sup>67</sup>

Investors have also wavered over when the European Central Bank (ECB) will pause, with signs emerging that the economy is slowing.<sup>68</sup> Despite this, policymakers have, for months, insisted that the fight against inflation is yet to be won.<sup>69</sup>

However, comments made by ECB officials in late May left investors split on what action the central bank may take in September. The Dutch central bank chief said increases were needed in June and July and that he would be "open-minded" after that. His French counterpart indicated that the ECB should be concluded by September, while the Bundesbank head advocated for several more hikes.<sup>70</sup>

Interest rate increases by the major central banks have helped curb inflation, which reached its highest levels for decades in the US<sup>71</sup> and Europe<sup>72</sup> last year. However, another important indicator of underlying price pressures, known as core inflation, is

<sup>54</sup> MSCI World Index, 1 June 2023

<sup>55</sup> S&P Global Sovereign Bonds Index, 1 June 2023

<sup>56</sup> Investopedia, 1 April 2023

<sup>57</sup> Forbes Advisor, 1 June 2023

<sup>58</sup> MSCI World Index, 1 June 2023

<sup>59</sup> Markets Insider, 11 April 2023

<sup>60</sup> Visual Capitalist, 12 April 2023

<sup>61</sup> The Street, 31 May 2023

<sup>62</sup> CNN Business, 26 May 2023

<sup>63</sup> Bloomberg, 20 May 2023

<sup>64</sup> Reuters, 11 April 2023

<sup>65</sup> Reuters, 10 March 2023

<sup>66</sup> Reuters, 4 May 2023

<sup>67</sup> Associated Press, 1 June 2023

<sup>68</sup> Reuters, 5 May 2023

<sup>69</sup> Bloomberg, 10 May 2023

<sup>70</sup> Reuters, 25 May 2023

<sup>71</sup> Trading Economics, 1 June 2023

<sup>72</sup> Trading Economics, 1 June 2023

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review (continued)

proving more persistent.<sup>73</sup> Against such a backdrop, the International Monetary Fund has emphasised the importance of maintaining a steadfast anti-inflation approach, while simultaneously avoiding a global recession.<sup>74</sup>

Core inflation strips out volatile items such as food and energy costs and is running at double the Fed's target, with the latest data showing core inflation rose in April.<sup>75</sup> While core inflation edged lower in Europe that month, it is still more than three times the ECB's goal and under pressure from rising wage demands.<sup>76</sup> In the UK, data released in May showed that the rate jumped to a 31-year high in April.<sup>77</sup>

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

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. As Atlas Portfolio 5, this Fund falls in the middle of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the six months reporting period, the Fund stayed within its Risk Profile Classification of 5 and delivered a return of 0.05% for the Atlas Portfolio 5 I Accumulation Share Class. For comparison, the comparator benchmark of the IA Mixed Investment 40-85% Shares returned -0.08%. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally. However, the design of Atlas Portfolio 5 is to provide certainty to investors by remaining within its' volatility band. The comparator Benchmark does not restrict volatility.

During the period, the Fund gradually increased its holdings of shares, with a preference for Europe and the UK, while the US fell out of favour.

This adjustment was down to the fact that European shares were particularly attractive compared to US shares, where valuations are still quite expensive relative to earnings expectations.<sup>78</sup> The ACD also believes that the share prices of European companies are yet to fully reflect the milder-than-expected winter and the subsequent reduction in energy costs.<sup>79</sup>

Another change was to transition the Fund from bonds with shorter expiration dates to those that take longer to reach maturity. In particular, the ACD favoured US government bonds, given that we believe the Fed is nearer to ending its rate-hiking cycle than the other major central banks.

Given that the Fund can be up to 10% invested in cash, the expanded position in bonds was fuelled by some of these cash holdings.

<sup>73</sup> Reuters, 31 March 2023

<sup>74</sup> IMF, 1 April 2023

<sup>75</sup> Reuters, 26 May 2023

<sup>76</sup> Reuters, 17 May 2023

<sup>77</sup> CNN Business, 24 May 2023

<sup>78</sup> Reuters, 27 February 2023

<sup>79</sup> International Energy Agency, 14 March 2023

## Santander Atlas Portfolio 5

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

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

Over the past five years, the Santander Atlas Portfolio 5 I Accumulation returned 9.85%, whereas the IA Mixed Investment 40-85% Shares returned 14.90%. This positive performance was driven by bullish markets in 2019 and 2021, although a challenging 2022 in which both equities and bonds became correlated and underperformed at the same time offset some of the returns.

##### Market Outlook

The ACD anticipates a prolonged period of elevated inflation and slow economic growth. Despite this, it does not foresee a global recession, defined as two consecutive quarters of negative growth.

Following robust gains, share prices appear increasingly overstretched, making us less optimistic about their future performance.

With interest rates elevated and uncertainties over the strength of the banking system lingering, banks are hesitant to issue loans, which is inhibiting growth.<sup>80</sup> The collapse of three US banks additionally resulted in stricter lending standards, while the Credit Suisse collapse has pushed demand for business loans in Europe to its lowest level since 2008.<sup>81</sup>

The ACD therefore prefers bonds, with government bonds being our top choice, followed by highly-rated corporate and then high-yield bonds. The rise in US bond yields has made them especially attractive.

The ongoing speculation regarding whether central banks will continue to raise rates or pause is expected to continue driving volatility in stock and bond markets, so the ACD will navigate the market environment carefully.

##### Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

July 2023

<sup>80</sup> *Fortune*, 8 May 2023

<sup>81</sup> *CNN Business*, 2 May 2023

## Summary of material portfolio changes (unaudited)

for the six months ended 1 June 2023

Purchases	Cost £	Sales	Proceeds £
Vanguard UK Short-Term Investment Grade Bond Index Fund	8,296,237	iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	5,986,543
Xtrackers S&P 500 Swap UCITS ETF	5,602,323	Nordea 1 – Low Duration European Covered Bond Fund HAI	5,921,468
iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	5,527,901	Xtrackers S&P 500 Swap UCITS ETF 1C USD	5,632,613
Vanguard USD Treasury Bond UCITS ETF	4,443,944	Lyxor S&P 500 UCITS ETF D USD	4,278,975
Invesco Physical Gold ETC	2,627,996	Nordea 1 SICAV – European Covered Bond Fund	3,719,645
HSBC European Index Fund I Inc	2,592,844	Vanguard FTSE Development Europe EX UK Equity Index GBP Acc	3,318,867
Vanguard FTSE All-World UCITS ETF	2,422,220	Gold Bullion Securities Limited	2,898,658
SPDR FTSE UK All Share UCITS ETF	1,611,406	Morgan Stanley Investment Funds – Short Maturity Euro Bond Fund Z EUR	1,856,035
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	1,438,077	iShares Core FTSE 100 UCITS ETF	1,844,874
HSBC UK Gilt Index Fund	1,399,048	Vanguard UK Short-Term Investment Grade Bond Index Fund	1,589,028
iShares UK Gilts All Stocks Index Fund L Acc	1,236,259	Allianz Gilt Yield Fund Share I Inc	1,402,551
UBS ETF – MSCI Japan UCITS ETF A JPY	1,000,786	iShares Core £ Corporate Bond UCITS ETF	1,087,728
Vanguard UK Government Bond Index Fund Sterling Acc	992,299	Vanguard UK Government Bond Index Fund Sterling Acc	1,007,362
Vanguard FTSE Developed Europe ex-UK Equity Index Fund A Acc	656,496	HSBC FTSE All-Share Index Fund C Inc	750,460
Amundi S&P 500 UCITS ETF USD Acc	603,310	Fidelity Index UK Fund P Acc	748,292
iShares Core £ Corporate Bond UCITS ETF	603,145	HSBC UK Gilt Index Fund	657,345
Amundi Japan Topix UCITS ETF A JPY	600,807	Invesco S&P 500 UCITS ETF	558,221
iShares Global High Yield Bond UCITS ETF	404,141	Vanguard FTSE UK All Share Index Unit Trust	420,879
Fidelity MoneyBuilder Income Fund A Inc	373,502	Vanguard FTSE All-World UCITS ETF	419,384
		Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	209,547
Total cost of purchases for the period	<u>42,432,741</u>	Total proceeds from sales for the period	<u>44,768,637</u>

All purchases during the period are disclosed above.

**Portfolio statement (unaudited)**

as at 1 June 2023

Investment	Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %
<b>Collective Investment Schemes 98.73% (96.56%)</b>			
Allianz Gilt Yield Fund Share I Inc	1,895,679	2,719,541	3.13
Amundi Japan TOPIX UCITS ETF A JPY*	22,573	1,766,278	2.03
Amundi S&P 500 UCITS ETF USD Acc*	37,913	2,438,484	2.81
Bluebay Investment Grade European Government Bond Fund Q Acc	-	36	0.00
Fidelity Index UK Fund P Acc	3,420,875	5,411,139	6.23
Fidelity MoneyBuilder Income Fund A Inc	6,113,843	1,728,995	1.99
HSBC European Index Fund I Inc	220,585	2,424,759	2.79
HSBC FTSE All-Share Index Fund C Inc	1,487,728	5,223,413	6.01
Hsbc Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	1	1	0.00
HSBC UK Gilt Index Fund	793,210	654,953	0.75
Insight Investment UK Corporate All Maturities Bond Fund Gross P Acc	532,482	1,100,640	1.27
Invesco Physical Gold ETC*	16,965	2,588,011	2.98
Invesco S&P 500 UCITS ETF*	11,892	7,709,568	8.88
iShares Core £ Corporate Bond UCITS ETF*	12,649	1,501,183	1.73
iShares Emerging Markets Equity Index Fund L Acc	1,294,811	2,257,693	2.60
iShares Global High Yield Bond UCITS ETF*	6,127	400,583	0.46
iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF*	79,224	7,634,025	8.79
iShares UK Gilts All Stocks Index Fund L Acc	870,471	1,181,247	1.36
SPDR FTSE UK All Share UCITS ETF*	55,215	3,267,624	3.76
UBS ETF - MSCI Japan UCITS ETF A JPY*	46,343	1,771,693	2.04
Vanguard FTSE All-World UCITS ETF*	59,519	5,110,897	5.88
Vanguard FTSE Development Europe ex- UK Equity Index A Acc	7,361	2,522,526	2.91
Vanguard FTSE UK All Share Index Unit Trust	9,338	2,248,767	2.59
Vanguard Treasury Bond UCITS ETF USD*	445,269	7,914,211	9.11
Vanguard UK Short-Term Investment Grade Bond Index Fund	60,741	6,638,001	7.64
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	101,521	3,970,833	4.57
Xtrackers S&P 500 Swap UCITS ETF*	760,480	5,576,651	6.42
		85,761,752	98.73
<b>Futures 0.10% (-0.09%)</b>			
Euro Stoxx 50 Jun '23	(12)	1,440	0.00
FTSE 100 Jun '23	(9)	1,080	0.00
Long Gilt Sep '23	35	95,070	0.11
S&P 500 E-Mini Jun '23	(4)	(11,650)	(0.01)
		85,940	0.10
<b>Option -0.03% (0.06%)</b>			
S&P 500 Call Option Jun'23 4,150	(4)	(30,160)	(0.03)

## Portfolio statement (continued)

as at 1 June 2023

Investment		Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %	
<b>Option (continued)</b>					
S&P 500 Put Option Jun'23	3,930	8	2,569	0.00	
STX 600 Call Option Jun'23	475	160	686	0.00	
			(26,905)	(0.03)	
				<b>Percentage of total net assets %</b>	
<b>Investment</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/(losses)</b>	<b>%</b>
<b>Forward currency trades 0.64% (0.34%)</b>					
Buy EUR : Sell GBP	02/06/2023	€1,003,397	£(883,975)	(23,908)	(0.03)
Buy GBP : Sell EUR	02/06/2023	£894,291	€(1,003,397)	34,224	0.04
Buy GBP : Sell USD	02/06/2023	£9,732,237	US\$(11,666,652)	413,824	0.48
Buy GBP : Sell USD	02/06/2023	£401,001	US\$(502,400)	(277)	0.00
Buy GBP : Sell USD	25/08/2023	£10,758,771	US\$(13,323,052)	132,534	0.15
				556,397	0.64
<b>Portfolio of investments</b>				<b>86,377,184</b>	<b>99.44</b>
<b>Net other assets</b>				<b>482,187</b>	<b>0.56</b>
<b>Total net assets</b>				<b>86,859,371</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 1 December 2022.

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

Futures and option securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

\* Collective Investment Scheme securities which are exchange traded funds listed on recognised exchanges.

## Statistical information (unaudited)

for the six months ended 1 June 2023

	01.06.2023	I Accumulation Shares		
		01.12.2022	01.12.2021	01.12.2020
Other information				
Closing net asset value (£)	86,859,371	91,265,580	104,952,538	103,805,332
Closing number of shares	39,527,814	41,634,982	44,362,707	48,415,754
Net asset value per shares(p)	219.74	219.20	236.58	214.40
Prices				
Highest share price (p)	226.1	240.5	240.6	214.3
Lowest share price (p)	214.1	207.1	214.3	173.4

### Ongoing Charges Figure (OCF)

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

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

Expense Type	Period to 01.06.2023	Year to 01.12.2022
<b>I Accumulation Shares</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.14%	0.17%
Other expenses	0.06%	0.06%
Ongoing charges figure*	0.60%	0.63%

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

## Financial Statements - Santander Atlas Portfolio 5(unaudited)

### Statement of total return (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Income				
Net capital losses		(549,409)		(6,220,068)
Revenue	1,059,901		688,661	
Expenses	(194,884)		(216,911)	
Interest payable and similar charges	(1,049)		(4,935)	
Net revenue before taxation	863,968		466,815	
Taxation	(54,972)		(13,536)	
Net revenue after taxation		808,996		453,279
Total return before distributions		259,587		(5,766,789)
Distributions		(808,996)		(453,279)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(549,409)</b>		<b>(6,220,068)</b>

### Statement of change in net assets attributable to shareholders (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		91,265,580		104,952,538
Amounts receivable on issue of shares	629,973		1,852,268	
Amounts payable on cancellation of shares	(5,282,642)		(3,843,341)	
		(4,652,669)		(1,991,073)
Dilution adjustment		1,194		1,966
Change in net assets attributable to shareholders from investment activities		(549,409)		(6,220,068)
Retained distribution on accumulation shares		794,675		448,798
<b>Closing net assets attributable to shareholders</b>		<b>86,859,371</b>		<b>97,192,161</b>

The net assets at the start of the current period do not equal the net assets at the end of the comparative period as they are not consecutive periods.

**Balance sheet (unaudited)**

as at 1 June 2023

	<b>1 June 2023</b>	<b>1 December 2022</b>
	<b>£</b>	<b>£</b>
Assets:		
Fixed assets:		
Investments	86,443,179	88,732,453
Current assets:		
Debtors	12,403,353	1,672,349
Cash and bank balances	5,070,633	5,112,608
Total assets	<u>103,917,165</u>	<u>95,517,410</u>
Liabilities:		
Investment liabilities	(65,995)	(320,993)
Creditors		
Bank overdrafts	(4,463,894)	(3,806,364)
Other creditors	(12,527,905)	(124,473)
Total liabilities	<u>(17,057,794)</u>	<u>(4,251,830)</u>
<b>Net assets attributable to shareholders</b>	<u><u>86,859,371</u></u>	<u><u>91,265,580</u></u>

**Accounting policies**

The interim financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 1 June 2023

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
Group 1	01.08.23	interim	2.0104	-	2.0104	1.0320
Group 2	01.08.23	interim	1.2596	0.7508	2.0104	1.0320

### Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes.

### Accumulation distributions

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

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (unaudited)

#### 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 is managed with the aim of staying within a risk profile classification (with volatility parameters) of 7 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

##### Investment Policy

The Fund is part of the Santander Atlas Portfolio growth range. This range consists of five funds numbered 3-7 which are each risk target managed funds - i.e. managed with an investment objective of aiming to stay within a risk profile classification (with volatility parameters) as set and monitored by an external third party risk rating company. This company's risk profile classifications range from 1, the lowest risk profile classification and the least volatile (for example a fund focused on holding cash), to 10, the highest risk profile classification and the most volatile (for example a fund focused on investing in riskier equity regions and non-developed markets).

The number in the name of each fund in the Santander Atlas Portfolio growth range corresponds to its risk profile classification, ranging from 3 to 7 on the external third party risk rating company's scale. The lower the number in the fund's name and risk profile classification, typically the lower its volatility, the higher its exposure to less volatile assets (such as bonds) and the lower its exposure to more volatile assets (such as shares), and the lower its level of expected capital growth, compared to other funds within the range, and vice versa. More information on volatility and risk profile classifications is provided in the Prospectus.

This Fund is managed with the aim of staying within a risk profile classification of 7, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

The Fund is actively managed. It aims to achieve its objectives by obtaining exposure globally to: shares in companies; and bonds issued by companies, governments, government bodies and supranationals. There are no set limits on the Fund's exposure to either shares or bonds, but it is expected that the Fund will typically have exposure of at least 70% to shares and bonds combined.

The Fund typically has: a higher level of volatility, a higher exposure to more volatile assets (such as shares) and a lower exposure to less volatile assets (such as bonds), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 3-6.

Additionally the Fund may obtain exposure globally:

- up to 20% to alternative strategies, for example absolute return strategies (i.e. those which aim to deliver a positive return in all market conditions, although this is not guaranteed);
- up to 10% to commodities;

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Policy (continued)

- up to 10% to real estate; and
- up to 10% to cash, cash like and other money market instruments.

The Fund may have exposure to non-developed markets through its investments.

To obtain exposure to the permissible asset classes stated above, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. The Fund may invest in both Actively Managed and Passively Managed Collective Investment Schemes as detailed in "Investment Strategy and Process" below. At least 85% of the Fund will be invested in Collective Investment Schemes but this figure may be higher (up to 100%) depending on the ACD's investment views.

The Fund will typically be invested between 75% and 85% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

These Collective Investment Schemes can be managed by the ACD or other companies (including within the Santander Group). They will give the Fund exposure to the permissible asset classes (and, where relevant, in the permitted amounts) stated above, but they may have different investment strategies and restrictions to the Fund. For example they may not be managed with the aim of staying within a volatility range, and may use Derivatives differently to the Fund (such as for Investment Purposes).

With the exception of alternative strategies, commodities (where exposure can also be sought through investment in exchange traded commodities) and real estate, the Fund may also invest directly in the above permissible asset classes. However this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

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. This may include passive Derivatives, for example Derivatives which track the performance of an index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

##### Investment Strategy and Process

The Fund is actively managed which means that the ACD uses its expertise and discretion, in accordance with its investment views and opportunities identified as market and economic conditions change, to select investments with the aim of achieving the Fund's investment objectives.

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will meet the investment objectives of the Fund.

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

The ACD will complete an assessment before any investment decisions are made. This ongoing process will generally consist of:

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- The Fund can invest in a globally unconstrained manner in shares and bonds, and within above stated levels in other permissible asset classes. The ACD will however seek to maintain the Fund's risk profile classification (alongside aiming to achieve its capital growth and income objective) when implementing its investment strategy by considering the types of assets held and the Fund's allocation to different permitted asset classes.
- Observing an internally approved list of both Actively Managed and Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on both Actively Managed and Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.
- Selecting Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

The Fund can invest in both Actively Managed and Passively Managed Collective Investment Schemes. The ACD will favour Collective Investment Schemes which offer attractive returns relative to other Collective Investment Schemes on the approved list. Investments will be selected with the aim of achieving capital growth, but some will also provide income for the Fund.

When seeking exposure to shares, the ACD will tend to favour those Collective Investment Schemes with lower costs and higher liquidity (i.e. the ease with which units in these Collective Investment Schemes can be sold and returned as cash) relative to others on the approved list. Lower cost Collective Investment Schemes tend to be Passively Managed Collective Investment Schemes (but the ACD may also select Actively Managed Collective Investment Schemes for exposure to shares).

When seeking exposure to bonds the ACD will tend to favour Actively Managed Collective Investment Schemes (but the ACD may also select Passively Managed Collective Investment Schemes for exposure to bonds).

In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any single: operator of Collective Investment Schemes; individual Collective Investment Scheme; or Derivative counterparty.

Where investments are made in instruments other than units in Collective Investment Schemes, these are also subject to investment due diligence.

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023

(continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

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

##### Further Information

The ACD uses the IA\*Flexible Investment peer group as a Comparator Benchmark for the Fund.

As there is no suitable standardised global performance benchmark for risk target managed multi asset investment funds, this Comparator Benchmark has been chosen because it provides shareholders with a comparison of performance against a sector that largely consists of other multi asset funds which have the ability to invest globally, and which the ACD considers is a reasonable proxy for the likely asset mix ranges of the Fund. However this is a broad group of funds, therefore each fund may be aiming for slightly different investment objectives, and so the comparison is for indicative purposes only. As such, the ACD will not use this sector performance or its constituents to determine how it manages the Fund.

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of High in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

##### Investment Manager

Santander Asset Management UK Limited

\* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

## Santander Atlas Portfolio 7

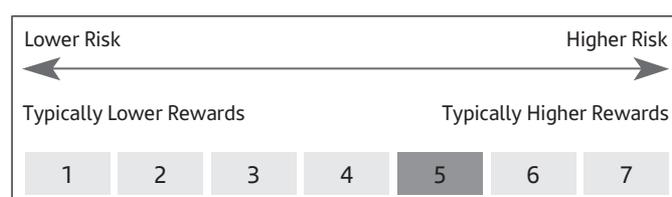
### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Risk Profile

The main risk within the portfolio relate to changes in the prices of securities held. Other risks include: investment in other CIS risk; passively managed CIS associated risks; liquidity risk; derivatives risk; counterparty risk and currency 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



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 5 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC (set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

##### Performance

Percentage price change from 1 December 2022 to 1 June 2023	
Santander Atlas Portfolio 7 I Accumulation Shares*	0.93%
IA Flexible Investment**	-0.11%
Percentage price change from 1 June 2018 to 1 June 2023	
Santander Atlas Portfolio 7 I Accumulation Shares*	24.13%
IA Flexible Investment**	15.42%

\* Source: Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested.

\*\* Source: FE fundinfo

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

The Fund is not managed against a targeted benchmark, the comparator benchmark IA Flexible Investment is added mainly to contextualise performance.

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review

Stock<sup>82</sup> and bond<sup>83</sup> markets ticked upwards during the period against a backdrop of investor uncertainty<sup>84</sup> over when the Federal Reserve (Fed)<sup>85</sup> will take a break from raising interest rates, and how long it will take the European Central Bank (ECB) to follow suit.<sup>86</sup>

Financial markets were volatile. After rallying early in the year, a US banking crisis briefly sent shares tumbling<sup>87</sup> and investors rushing to the relative safety of bonds, as they unsuccessfully bet on an early pause to interest rate increases.<sup>88</sup>

To illustrate the turmoil, yields on two-year US government bonds – which are sensitive to interest rate changes<sup>89</sup> – plunged from their highest level since 2007 (suggesting bondholders were expecting a rate hike<sup>90</sup>) to a six-month low in just over two weeks.<sup>91</sup> As bond yields move in the opposite direction to prices, the plummeting yields sent prices rocketing.<sup>92</sup>

At the Fed's May meeting, it indicated it would be open to considering whether further hikes are needed.<sup>93</sup> Since then, some Fed officials have supported skipping a rate increase, prompting markets to bet a pause is on the cards.<sup>94</sup>

Comments by ECB officials in late May split investors on what policymakers may do in September. The Dutch central bank chief said increases were needed in June and July and that he would be "open-minded" once they had been made. His French counterpart's view was that the ECB should have concluded its rate hikes by September, while the Bundesbank head advocated for several more hikes.<sup>95</sup>

These comments marked a notable break from the ECB's repeated insistence that the fight against inflation is yet to be won.<sup>96</sup>

While interest rate increases by the major central banks have helped to contain soaring inflation, another important indicator of underlying price pressures is proving more difficult to soothe. Core inflation strips out volatile items such as food and energy costs and is double the Fed's target<sup>97</sup>, as well as three times that of the ECB.<sup>98</sup> In the UK, data released in May showed that the rate of core inflation jumped to a 31-year high the prior month.<sup>99</sup>

<sup>82</sup> MSCI World Index, 1 June 2023

<sup>83</sup> S&P Global Sovereign Bonds Index, 1 June 2023

<sup>84</sup> Investopedia, 1 April 2023

<sup>85</sup> Bloomberg, 25 May 2023

<sup>86</sup> Reuters, 5 May 2023

<sup>87</sup> Yahoo! Finance, 20 March 2023

<sup>88</sup> S&P Global Intelligence, 16 March 2023

<sup>89</sup> Financial Times, 13 March 2023

<sup>90</sup> Markets Insider, 11 April 2023

<sup>91</sup> Investing.com, 1 June 2023

<sup>92</sup> Refinitiv Eikon, 1 June 2023

<sup>93</sup> Reuters, 4 May 2023

<sup>94</sup> Associated Press, 1 June 2023

<sup>95</sup> Reuters, 25 May 2023

<sup>96</sup> Bloomberg, 10 May 2023

<sup>97</sup> Reuters, 26 May 2023

<sup>98</sup> Reuters, 17 May 2023

<sup>99</sup> CNN Business, 24 May 2023

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review (continued)

With core inflation continuing to simmer, the International Monetary Fund has stressed the importance of maintaining a steadfast anti-inflation approach, while simultaneously preventing a global recession.<sup>100</sup>

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

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. As Atlas Portfolio 7, this Fund is the most tolerant of volatility among those in the range. Typically, it will be at least 70% invested in shares and bonds.

Over the six months reporting period, the Fund stayed within its Risk Profile Classification of 7 and delivered a return of 0.93% for the Atlas Portfolio 7 I Accumulation Share Class. For comparison, the comparator benchmark of the IA Flexible Investment returned -0.11%. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally. However, the design of Atlas Portfolio 7 is to provide certainty to investors by remaining within its' volatility band. The comparator Benchmark does not restrict volatility.

During the period, the Fund gradually increased its holdings of shares. US shares fell out of favour in its holdings, replaced by those of Europe and the UK.

European shares are particularly attractive compared to US shares, where valuations are still quite expensive relative to earnings expectations.<sup>101</sup> Our view is also that the share prices of European companies are yet to fully reflect the milder-than-expected winter and the subsequent reduction in energy costs.<sup>102</sup>

When it comes to bonds, the Fund shifted from favouring bonds with shorter expiration dates to those which take longer to reach maturity. Specifically, US government bonds were preferred, given that we believe the Fed is closer to ending its rate-hiking cycle than the other major central banks.

The Fund's position in cash – which can comprise up to 10% of its total holdings – was used to fund these bond purchases.

Over the past five years, the Atlas Portfolio 7 I Accumulation Share Class made a return of 24.13%, the comparator benchmark of the IA Flexible Investment returned 15.42%. This positive performance was driven by bullish markets in 2019 and 2021, although a challenging 2022 in which both equities and bonds became correlated and underperformed at the same time offsetting some of the returns.

##### Market Outlook

In our view, there is unlikely to be a global recession, which is defined as two consecutive quarters of negative global growth. However, we do anticipate a prolonged period of elevated inflation and uninspiring growth.

<sup>100</sup> IMF, 11 April 2023

<sup>101</sup> Reuters, 27 February 2023

<sup>102</sup> International Energy Agency, 14 March 2023

## Santander Atlas Portfolio 7

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Outlook (continued)

Despite robust gains over the reporting period, share prices seem increasingly overvalued. This has diminished our confidence in their future performance.

Financial conditions are becoming more challenging due to uncertainty in the banking system and rising interest rates, making it harder for companies to obtain funding.

With interest rates remaining high and possibly rising further, and uncertainties over the stability of the banking system persisting, it's growing more difficult for businesses to obtain loans.<sup>103</sup> This issue has only been deepened by the fact that the collapse of three US banks has further tightened up lending standards, while the Credit Suisse collapse has pushed demand for business loans in Europe to its lowest level since 2008.<sup>104</sup>

With the growth of businesses and their share prices in question, the ACD favours bonds. In particular, it has a bias towards government bonds, followed by highly-rated corporate bonds and then high-yield bonds. The increase in their yields has specifically added to the appeal of US bonds.

The ongoing speculation regarding whether central banks will continue to raise rates or pause is expected to continue driving volatility in stock and bond markets, so the ACD will continue to navigate the market environment with care and vigilance.

##### Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

July 2023

<sup>103</sup> *Fortune*, 8 May 2023

<sup>104</sup> *CNN Business*, 2 May 2023

## Summary of material portfolio changes (unaudited)

for the six months ended 1 June 2023

Purchases	Cost £	Sales	Proceeds £
Xtrackers S&P 500 Swap UCITS ETF	16,554,729	Xtrackers S&P 500 Swap UCITS ETF 1C USD	16,644,192
Vanguard FTSE All-World UCITS ETF	8,476,851	Lyxor S&P 500 UCITS ETF D USD	9,942,968
HSBC European Index Fund I Inc	7,388,890	Vanguard FTSE Development Europe EX UK Equity Index GBP Acc	8,772,217
Invesco Physical Gold ETC	5,245,212	iShares Core FTSE 100 UCITS ETF	5,527,468
SPDR FTSE UK All Share UCITS ETF	4,934,988	Gold Bullion Securities Limited	4,622,637
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	4,919,829	iShares Emerging Markets Equity Index Fund L Acc	4,154,690
Vanguard USD Treasury Bond UCITS ETF	4,430,657	Invesco S&P 500 UCITS ETF	1,623,973
UBS ETF - MSCI Japan UCITS ETF A JPY	2,758,278	Fidelity Index UK Fund P Acc	1,201,884
Amundi S&P 500 UCITS ETF USD Acc	2,387,404	Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	986,365
Vanguard FTSE Developed Europe ex-UK Equity Index Fund A Acc	2,020,511	HSBC FTSE All-Share Index Fund C Inc	782,185
Amundi Japan Topix UCITS ETF A JPY	1,013,374	Vanguard FTSE UK All Share Index Unit Trust	712,428
		SPDR FTSE UK All Share UCITS	542,503
		Vanguard FTSE All-World UCITS ETF	455,248
Total cost of purchases for the period	<u>60,130,723</u>	Total proceeds from sales for the period	<u>55,968,758</u>

All purchases and sales during the period are disclosed above.

**Portfolio statement (unaudited)**

as at 1 June 2023

Investment	Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %
<b>Collective Investment Schemes 97.69% (92.32%)</b>			
Amundi Japan TOPIX UCITS ETF A JPY*	64,537	5,049,851	2.93
Amundi S&P 500 UCITS ETF USD Acc*	186,035	11,965,379	6.93
Fidelity Index UK Fund P Acc	10,205,545	16,143,131	9.35
HSBC European Index Fund I Inc	631,843	6,945,471	4.02
HSBC FTSE All-Share Index Fund C Inc	4,554,650	15,991,376	9.26
Invesco Physical Gold ETC*	33,876	5,167,784	2.99
Invesco S&P 500 UCITS ETF*	32,212	20,882,998	12.10
iShares Emerging Markets Equity Index Fund L Acc	3,932,021	6,856,057	3.97
Lyxor S&P 500 UCITS ETF D USD*	5,974	205,368	0.12
SPDR FTSE UK All Share UCITS ETF*	161,981	9,586,036	5.55
UBS ETF - MSCI Japan UCITS ETF A JPY*	154,535	5,907,873	3.42
Vanguard FTSE All-World UCITS ETF*	185,008	15,886,637	9.20
Vanguard FTSE Development Europe ex- UK Equity Index A Acc	24,108	8,261,144	4.79
Vanguard FTSE UK All Share Index Unit Trust	28,972	6,977,005	4.04
Vanguard Treasury Bond UCITS ETF USD*	242,822	4,315,918	2.50
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	307,374	12,022,448	6.97
Xtrackers S&P 500 Swap UCITS ETF*	2,247,200	16,478,868	9.55
		168,643,344	97.69
<b>Futures 0.07% (-0.06%)</b>			
Euro Stoxx 50 Jun '23	(16)	1,920	0.00
FTSE 100 Jun '23	(17)	6,210	0.00
Long Gilt Sep '23	54	146,680	0.09
S&P 500 E-Mini Jun '23	(8)	(29,903)	(0.02)
		124,907	0.07
<b>Option -0.04% (0.07%)</b>			
S&P 500 Call Option Jun'23 4,150	(11)	(82,939)	(0.05)
S&P 500 Put Option Jun'23 3,930	18	5,780	0.01
STX 600 Call Option Jun'23 475	439	1,881	0.00
		(75,278)	(0.04)

**Portfolio statement (continued)**

as at 1 June 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
<b>Forward currency trades 0.25% (0.02%)</b>					
Buy GBP : Sell USD	02/06/2023	£7,058,679	US\$(8,434,100)	322,177	0.18
Buy GBP : Sell USD	25/08/2023	£9,206,736	US\$(11,401,100)	113,415	0.07
				435,592	0.25
<b>Portfolio of investments</b>				<b>169,128,565</b>	<b>97.97</b>
<b>Net other assets</b>				<b>3,505,058</b>	<b>2.03</b>
<b>Total net assets</b>				<b>172,633,623</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 1 December 2022.

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

Futures and option securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

\* Collective Investment Scheme securities which are exchange traded funds listed on recognised exchanges.

## Statistical information (unaudited)

for the six months ended 1 June 2023

	01.06.2023	I Accumulation Shares		
		01.12.2022	01.12.2021	01.12.2020
Other information				
Closing net asset value (£)	172,633,623	176,060,660	189,769,264	168,054,294
Closing number of shares	63,726,603	65,782,286	68,026,973	70,106,500
Net asset value per shares(p)	270.90	267.64	278.96	239.71
Prices				
Highest share price (p)	279.7	285.4	286.1	239.6
Lowest share price (p)	258.9	251.4	239.9	179.6

### Ongoing Charges Figure (OCF)

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

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

Expense Type	Period to 01.06.2023	Year to 01.12.2022
<b>I Accumulation Shares*</b>		
ACD's periodic charge	0.40%	0.40%
Synthetic OCF	0.12%	0.11%
Other expenses	0.04%	0.05%
Ongoing charges figure*	0.56%	0.56%

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

## Financial Statements - Santander Atlas Portfolio 7(unaudited)

### Statement of total return (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Income				
Net capital gains/(losses)		725,266		(8,055,426)
Revenue	1,789,443		958,152	
Expenses	(371,689)		(391,601)	
Interest payable and similar charges	(2,056)		(5,528)	
Net revenue before taxation	<u>1,415,698</u>		<u>561,023</u>	
Taxation	-		-	
Net revenue after taxation		<u>1,415,698</u>		<u>561,023</u>
Total return before distributions		2,140,964		(7,494,403)
Distributions		(1,415,698)		(561,023)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><u>725,266</u></u>		<u><u>(8,055,426)</u></u>

### Statement of change in net assets attributable to shareholders (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		176,060,660		189,769,264
Amounts receivable on issue of shares	809,411		2,533,462	
Amounts payable on cancellation of shares	<u>(6,369,552)</u>		<u>(4,799,440)</u>	
		(5,560,141)		(2,265,978)
Dilution adjustment		1,934		2,528
Change in net assets attributable to shareholders from investment activities		725,266		(8,055,426)
Retained distribution on accumulation shares		1,405,904		557,776
<b>Closing net assets attributable to shareholders</b>		<u><u>172,633,623</u></u>		<u><u>180,008,164</u></u>

The net assets at the start of the current period do not equal the net assets at the end of the comparative period as they are not consecutive periods.

**Balance sheet (unaudited)**

as at 1 June 2023

	<b>1 June 2023</b>	<b>1 December 2022</b>
	<b>£</b>	<b>£</b>
Assets:		
Fixed assets:		
Investments	169,241,407	163,089,963
Current assets:		
Debtors	12,128,168	1,088,702
Cash and bank balances	9,399,025	17,363,859
Total assets	<u>190,768,600</u>	<u>181,542,524</u>
Liabilities:		
Investment liabilities	(112,842)	(498,273)
Creditors		
Bank overdrafts	(6,277,253)	(4,292,450)
Other creditors	(11,744,882)	(691,141)
Total liabilities	<u>(18,134,977)</u>	<u>(5,481,864)</u>
<b>Net assets attributable to shareholders</b>	<u><u>172,633,623</u></u>	<u><u>176,060,660</u></u>

**Accounting policies**

The interim financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 1 June 2023

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
Group 1	01.08.23	interim	2.2061	-	2.2061	0.8301
Group 2	01.08.23	interim	1.5545	0.6516	2.2061	0.8301

### Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes.

### Accumulation distributions

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

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (unaudited)

#### Investment commentary

##### Investment Objective

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

The Fund will aim to outperform (before the deduction of fees) the following composite Target Benchmark measured over a rolling 3 year time period: 37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.75% per annum (before 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 obtaining exposure globally through investment in Collective Investment Schemes:

- between 70% and 85% to shares in companies;
- between 15% and 30% to bonds issued by companies, governments, government bodies and supranationals. These bonds can be investment grade or sub-investment grade but a maximum of 10% of the Fund can be exposed to sub-investment grade bonds. Although the Fund will invest globally, typically it will have a higher exposure to bonds denominated in or Hedged to Pounds Sterling; and
- up to 5% in cash, cash like and other money market instruments.

Between 80% and 100% of the Fund will obtain exposure to the above asset classes through investment in Passively Managed Collective Investment Schemes. These will be managed by other companies (not the ACD or other companies within the Santander Group), and may have different investment restrictions or strategies when compared to the Fund, for example they will seek to track a specific Index or Indices. As these will each seek to track an Index or Indices, the Fund will have exposure to multiple Indices and these will generally differ to the Indices in the Target Benchmark. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

The Fund may also seek exposure to the above asset classes through investing up to 5% in Actively Managed Collective Investment Schemes (which can be managed by the ACD or other companies including within the Santander Group). The Fund can also invest directly in the above asset classes, although this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

Up to 30% of the Fund can have exposure to non-developed markets, however it is not a key part of the Fund's investment strategy to invest in these markets and so typically the level of exposure will be less than 30%.

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Policy (continued)

The ACD will aim to achieve the Fund's investment objectives by seeking exposure to asset or sub-asset classes, geographies and sectors which it believes, based on its views on market and economic outlook, and geopolitical considerations, will outperform the Target Benchmark. This is the key strategy by which the ACD seeks to achieve the investment objectives.

In implementing this asset or sub-asset class, geography and sector led strategy, the Fund is permitted to invest up to 100% in Passively Managed Collective Investment Schemes for a sustained period.

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. This may include passive Derivatives, for example Derivatives which track the performance of an Index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

##### Investment Strategy and Process

The Fund is actively managed which means that the ACD uses its expertise and discretion, in accordance with its investment views and opportunities identified as market and economic conditions change, to select investments with the aim of achieving the Fund's investment objectives.

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will outperform the Target Benchmark. It is expected that average outperformance by the Fund of the Target Benchmark will typically not be greater than 0.75% per annum (before the deduction of fees) over a rolling 3 year period (although any such outperformance is a target only and is not guaranteed). Additional detail is included in the "Further Information" section below.

As part of its investment process the ACD will consider the composition of the Target Benchmark but it is not constrained by reference to, nor does it track, the Target Benchmark. This means that it does not have to seek exposure to the same constituents that make up the Target Benchmark or in the same amounts, although there may be times when the Fund's investment exposures are similar to those of the Target Benchmark.

The ACD will complete an assessment before any investment decisions are made. This ongoing process will generally consist of:

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- Observing an internally approved list of Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Investment Strategy and Process (continued)

- Selecting Passively Managed Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

The ACD will favour Passively Managed Collective Investment Schemes which offer attractive returns and therefore generate capital growth and income for the Fund, relative to other Passively Managed Collective Investment Schemes on the approved list. As the Fund's fees will be deducted from its income, the Fund may not always provide an income return.

In implementing the ACD's investment strategy there may be times when up to 100% of the Fund may be held in Passively Managed Collective Investment Schemes for a sustained period.

The ACD will operate limits to ensure that the Fund does not have excessive exposure to any one: individual Passively Managed Collective Investment Scheme; or Derivative counterparty.

To help monitor the Fund, the ACD will consider a range of risk measures, which may inform its investment processes. Some measures will reference an Index or Indices in the Target Benchmark.

Where investments are made in instruments other than units in Collective Investment Schemes, these are also subject to investment due diligence.

The Fund's strategy is complemented by the deployment 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).

##### Further Information

The Target Benchmark for the Fund has been selected as it contains a broad mix of different asset and sub-asset classes and countries/regions which are broadly in line with the investment policy of the Fund.

The Indices which together make up the composite Target Benchmark are provided by FTSE International Limited and IHS Markit Benchmark respectively. As at the date of this Prospectus, these index providers are on the public register of administrators and benchmarks established and maintained by the FCA.

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.

The outperformance target is set before the Fund's fees are charged. In order to determine the Fund's outperformance of the Target Benchmark, if any, after the Fund's fees are applied, the OCF (1.5%) and transaction costs will need to be deducted. Once the OCF and transaction costs are deducted, it is unlikely that the Fund will outperform the Target Benchmark. The past performance shown in the NURS Key Investor Information represents the past performance after the OCF and transaction costs have been deducted.

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Further Information (continued)

The Fund operates with an OCF cap of 1.5% in relation to the CTF Share Class. The OCF is expected to exceed its cap of 1.5%. This means, for this Share Class, the ACD will pay all OCF costs which exceed 1.5% out of its own resources.

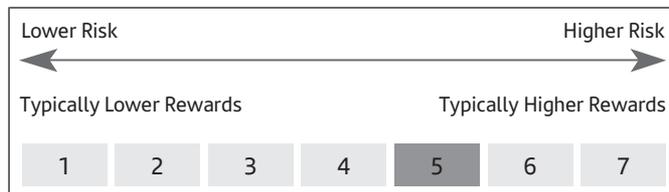
##### Investment Manager

Santander Asset Management UK Limited

##### Risk Profile

The main risk within the portfolio relate to changes in the prices of securities held. Other risks include: investment in other CIS risk; passively managed CIS associated risks; liquidity risk; derivatives risk; counterparty risk and currency 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



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 5 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested.

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Performance

Percentage price change from 1 December 2022 to 1 June 2023		
International Multi-Index CTF Accumulation Shares*	0.91%	
37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR**	0.90%	
Percentage price change from 1 June 2020 to 1 June 2023		
	Annualised	Cumulative
International Multi-Index CTF Accumulation Shares*	6.33%	20.22%
37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR**	6.21%	19.82%
Percentage price change from 1 June 2018 to 1 June 2023		
	Annualised	Cumulative
International Multi-Index CTF Accumulation Shares*	4.59%	25.17%
37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR**	4.69%	25.74%

\* Fund returns are internally calculated (Data Department) gross of fee, at noon.

\*\* 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.

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review

Speculation that the Federal Reserve (Fed) would soon take a break from raising interest rates<sup>105</sup> – and that the European Central Bank (ECB) could follow shortly afterwards<sup>106</sup> – helped drive gains in stock<sup>107</sup> and bond<sup>108</sup> markets during the reporting period.

Uncertainty about the timing of such action meant financial markets were somewhat volatile<sup>109</sup> right up until the end of the period.<sup>110</sup> Mixed US economic<sup>111</sup> and inflation<sup>112</sup> data, as well as a last-minute push to avoid a debt default<sup>113</sup>, added pressure.<sup>114</sup> Earlier in the year, uncertainty about the direction of interest rate hikes increased due to bank failures<sup>115</sup>, mixed signals from Fed officials and worries that excessive rate rises could trigger a recession.<sup>116</sup>

Since the Fed's May meeting, some officials have supported skipping a rate increase<sup>117</sup>, prompting markets to bet a pause is on the table.<sup>118</sup>

On May 10, ECB President Christine Lagarde reiterated that the fight against inflation has yet to be won, while Latvia's central bank governor also stressed that markets are wrong to bet on rate cuts next year.<sup>119</sup>

However, in late May, the Dutch central bank chief said interest rate increases were needed in June and July, but that he would be "open-minded" after that. His French counterpart also commented that the ECB should have concluded its interest rate rises by September, while the Bundesbank head advocated for several more hikes. These conflicting remarks split investors on what policymakers will do in September.<sup>120</sup>

While inflation has slowed from the peaks it hit in the US<sup>121</sup> and Europe<sup>122</sup> in 2022, another important indicator of underlying price pressures is proving itself difficult to contain. Core inflation strips out volatile items such as food and energy costs, and is double the Fed's target<sup>123</sup> and three times that of the ECB.<sup>124</sup> In the UK, recent data revealed that the rate jumped to a 31-year high in April.<sup>125</sup>

<sup>105</sup> *Bloomberg*, 25 May 2023

<sup>106</sup> *Reuters*, 5 May 2023

<sup>107</sup> *MSCI World Index*, 1 June 2023

<sup>108</sup> *S&P Global Sovereign Bonds Index*, 1 June 2023

<sup>109</sup> *Investopedia*, 1 April 2023

<sup>110</sup> *Markets Insider*, 11 April 2023

<sup>111</sup> *The Street*, 31 May 2023

<sup>112</sup> *CNN Business*, 26 May 2023

<sup>113</sup> *BBC*, 31 May 2023

<sup>114</sup> *Bloomberg*, 20 May 2023

<sup>115</sup> *Reuters*, 11 April 2023

<sup>116</sup> *Reuters*, 10 March 2023

<sup>117</sup> *Reuters*, 4 May 2023

<sup>118</sup> *Associated Press*, 1 June 2023

<sup>119</sup> *Bloomberg*, 10 May 2023

<sup>120</sup> *Reuters*, 25 May 2023

<sup>121</sup> *Trading Economics*, 1 June 2023

<sup>122</sup> *Trading Economics*, 1 June 2023

<sup>123</sup> *Reuters*, 26 May 2023

<sup>124</sup> *Reuters*, 17 May 2023

<sup>125</sup> *CNN Business*, 24 May 2023

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

##### Market Review (continued)

The stubbornness of inflation bolstered expectations that the Bank of England will continue its unbroken chain of 12 interest rate increases.<sup>126</sup>

UK shares illustrated the nation's struggle against one of the highest inflation rates in Europe, with slow economic growth only compounding investor woes.<sup>127</sup> The FTSE 250 Index, which is weighted towards small- and medium-sized companies, declined over the period.<sup>128</sup> However, the FTSE 100 Index, which lists larger companies, edged into positive territory.<sup>129</sup>

Bonds also struggled, with highly rated UK company bonds delivering negative returns over the period.<sup>130</sup>

Smaller British firms are struggling to keep pace with rising costs and raise capital following the failure of regional banks in the US, along with Switzerland's Credit Suisse in March.<sup>131</sup> With interests rates and inflation high, firms are increasingly struggling to obtain loans.<sup>132</sup>

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

The Fund's objective is to provide capital growth, with the potential for income, over a period of five or more years. The Fund will aim to outperform (before fees) the target benchmark over a rolling three-year period. Average outperformance will typically not exceed 0.75% per annum (which isn't guaranteed). The Fund is actively managed.

Over the six months reporting period, the Santander International Multi-Index CTF Accumulation Share Class produced a return of 0.91%, while its target benchmark produced a return of 0.90%. The fund's exposure to UK markets, which suffered during the period, impacted its ability to make additional gains.<sup>133</sup>

During the period, the Fund gradually increased its holdings of shares, with a preference for Europe and the UK, while the US fell out of favour.

European shares are especially attractive compared to their US counterparts, where valuations are still quite expensive relative to earnings expectations.<sup>134</sup> We also believe that the share prices of European companies have not yet fully reflected the milder-than-expected winter and the subsequent reduction in energy costs.<sup>135</sup>

With regards to bonds, the Fund switched from bonds with short maturity dates to those that take longer to reach maturity. Here, we favoured US government bonds, as the Fed appears nearer to ending its rate-hiking cycle than the other major central banks.

<sup>126</sup> *The Guardian*, 26 May 2023

<sup>127</sup> *Reuters*, 26 May 2023

<sup>128</sup> *Reuters*, 24 May 2023

<sup>129</sup> *FTSE 100 Index*, 1 June 2023

<sup>130</sup> *S&P UK Investment Grade Corporate Bond Index*

<sup>131</sup> *Refinitiv Eikon*, 1 June 2023

<sup>132</sup> *Peer2Peer Finance News*, 12 April 2023

<sup>133</sup> *Refinitiv Eikon*, 1 June 2023

<sup>134</sup> *Reuters*, 27 February 2023

<sup>135</sup> *International Energy Agency*, 14 March 2023

## International Multi-Index

### Interim Report and Financial Statements for the six months ended 1 June 2023 (continued)

#### Investment commentary (continued)

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

The Fund's position in cash was used to fund its expanded holdings of bonds.

Over three years, the Fund delivered a cumulative return of 20.22% (6.33% annualised), compared with 19.82% (6.21% annualised) for the target benchmark, meeting its objective to outperform the target benchmark gross of fees. Over the past five years, the Fund delivered a cumulative return of 25.17% (4.59% annualised), achieving its objective of capital growth over this time horizon.

##### Market Outlook

While the ACD expects a prolonged period of elevated inflation and sluggish economic growth, we do not predict a global recession, which is defined as two consecutive quarters of negative growth.

Despite robust gains, share prices appear increasingly overvalued, leading to a drop in our confidence about their future performance.

Financial conditions are becoming more challenging due rising interest rates, making it harder for companies to obtain funding. The failure of three US banks led to stricter lending standards,<sup>136</sup> while the near-collapse of Credit Suisse rattled investors and caused demand for business loans in Europe to drop to its lowest level since 2008.<sup>137</sup>

For these reasons, the ACD prefers government bonds, followed by highly-rated corporate and then high-yield bonds. The increase in US bond yields has made them particularly appealing.

The ongoing speculation regarding whether central banks will continue to raise rates or pause is expected to continue driving volatility in stock and bond markets, so the ACD will navigate the market environment carefully as it moves forward.

##### Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

July 2023

<sup>136</sup> *Fortune*, 8 May 2023

<sup>137</sup> *CNN Business*, 2 May 2023

## Summary of material portfolio changes (unaudited)

for the six months ended 1 June 2023

Purchases	Cost £	Sales	Proceeds £
SPDR FTSE UK All Share UCITS ETF	44,711,270	iShares Core FTSE 100 UCITS ETF	27,812,086
iShares Corporate Bond Index Fund L Acc	9,785,869	iShares Markit iBoxx £ Corporate Bond 0-5 year UCITS ETF	22,837,843
iShares UK Gilts All Stocks Index Fund L Acc	5,971,829	iShares £ Ultrashort Bond UCITS ETF	16,646,093
Vanguard USD Treasury Bond UCITS ETF	4,225,593	HSBC European Index Fund C Inc	5,629,630
Vanguard UK Investment Grade Bond Index Fund Acc	2,683,632	Fidelity Index UK Fund P Acc	5,132,504
Invesco S&P 500 UCITS ETF	2,017,242	Invesco S&P 500 UCITS ETF	4,904,372
iShares North American Equity Index Fund L Acc	1,343,294	Vanguard USD Treasury Bond UCITS ETF	4,096,666
		HSBC FTSE All-Share Index Fund C Inc	3,014,129
		iShares UK Gilts All Stocks Index Fund L Acc	2,979,594
		iShares Japan Equity Index Fund L Acc	2,624,818
		iShares North American Equity Index Fund L Acc	1,789,041
		SPDR FTSE UK All Share UCITS	1,774,145
		iShares Corporate Bond Index Fund L Acc	1,101,781
Total cost of purchases for the period	<u>70,738,729</u>	Total proceeds from sales for the period	<u>100,342,702</u>

All purchases and sales during the period are disclosed above.

**Portfolio statement (unaudited)**

as at 1 June 2023

Investment	Holding or nominal value of positions at 1 June	Market value £	Percentage of total net assets %
<b>Collective Investment Schemes 93.24% (94.71%)</b>			
Fidelity Index UK Fund P Acc	17,961,167	28,410,974	9.03
HSBC European Index Fund C Inc	2,458,278	18,451,835	5.86
HSBC FTSE All-Share Index Fund C Inc	8,415,684	29,547,466	9.39
Invesco S&P 500 UCITS ETF*	72,102	46,743,634	14.85
iShares Continental European Equity Index Fund L Acc	2,397,977	8,067,095	2.56
iShares Corporate Bond Index Fund L Acc	24,367,079	35,094,613	11.15
iShares Japan Equity Index Fund L Acc	7,286,260	19,357,631	6.15
iShares North American Equity Index Fund L Acc	4,360,556	26,117,254	8.30
iShares UK Gilts All Stocks Index Fund L Acc	23,185,802	31,463,597	10.00
SPDR FTSE UK All Share UCITS ETF*	684,640	40,516,995	12.88
Vanguard UK Investment Grade Bond Index Fund Acc	110,115	9,670,189	3.07
		293,441,283	93.24
<b>Futures 0.03% (nil)</b>			
Euro Stoxx 50 Jun '23	(21)	2,520	0.00
FTSE 100 Jun '23	223	(185,273)	(0.06)
Long Gilt Sep '23	97	263,481	0.08
S&P 500 E-Mini Jun '23	(10)	(29,125)	(0.01)
US 10 Year Note (CBT)	22	21,372	0.01
US 5 Year Note (CBT)	23	14,639	0.01
		87,614	0.03
<b>Option -0.04% (0.04%)</b>			
S&P 500 Call Option Jun'23 4,150	(16)	(120,639)	(0.04)
S&P 500 Put Option Jun'23 3,930	31	9,954	0.00
STX 600 Call Option Jun'23 475	638	2,734	0.00
		(107,951)	(0.04)

**Portfolio statement (continued)**

as at 1 June 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
<b>Forward currency trades 0.05% (-0.08%)</b>					
Buy GBP : Sell USD	02/06/2023	£2,492,907	US\$(2,956,250)	131,685	0.04
Buy USD : Sell GBP	02/06/2023	US\$2,956,250	£(2,345,342)	15,881	0.01
				147,566	0.05
<b>Portfolio of investments</b>				<b>293,568,512</b>	<b>93.28</b>
<b>Net other assets</b>				<b>21,137,350</b>	<b>6.72</b>
<b>Total net assets</b>				<b>314,705,862</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 1 December 2022.

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

Futures and option securities are derivative instruments listed on recognised exchanges.

All other securities are unlisted and are valued using publicly available market data.

\* Collective Investment Scheme securities which are exchange traded funds listed on recognised exchanges.

## Statistical information (unaudited)

for the six months ended 1 June 2023

	01.06.2023	CTF Accumulation Shares*		
		01.12.2022	01.12.2021	01.12.2020
Other information				
Closing net asset value (£)	314,705,862	342,076,131	402,740,932	415,229,088
Closing number of shares	81,966,529	88,679,376	99,967,656	113,961,632
Net asset value per shares(p)	383.94	385.74	402.87	364.36
Prices				
Highest share price (p)	398.9	414.1	412.6	371.7
Lowest share price (p)	373.8	355.9	364.2	288.2

\*The Retail Accumulation share class changed its name to R Accumulation Shares on 2 December 2019 and subsequently to CTF Accumulation on 7 July 2021.

### Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the ACD's periodic charge. Depositary, safe custody, audit, taxation services, transaction charges and FCA fees are borne by the ACD. The OCF expenses incurred by the underlying Funds, the synthetic OCF, are rebated back to the Fund by the ACD.

Expense Type	Period to 01.06.2023	Year to 01.12.2022
<b>CTF Accumulation Shares</b>		
ACD's periodic charge	1.50%	1.50%
Ongoing charges figure*	1.50%	1.50%

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

## Financial Statements - International Multi-Index(unaudited)

### Statement of total return (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Income				
Net capital losses		(3,097,645)		(9,961,581)
Revenue	4,280,152		2,951,960	
Expenses	(2,479,137)		(2,909,062)	
Interest payable and similar charges	(7,350)		(22,330)	
Net revenue before taxation	<u>1,793,665</u>		<u>20,568</u>	
Taxation	-		-	
Net revenue after taxation		<u>1,793,665</u>		<u>20,568</u>
Total return before distributions		(1,303,980)		(9,941,013)
Distributions		(1,835,500)		(80,584)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(3,139,480)</u>		<u>(10,021,597)</u>

### Statement of change in net assets attributable to shareholders (unaudited)

for the six months ended 1 June 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		342,076,131		402,740,932
Amounts receivable on issue of shares	154,649		294,190	
Amounts payable on cancellation of shares	<u>(26,190,474)</u>		<u>(19,364,698)</u>	
		(26,035,825)		(19,070,508)
Dilution adjustment		4,023		30,108
Change in net assets attributable to shareholders from investment activities		(3,139,480)		(10,021,597)
Retained distribution on accumulation shares		1,801,013		78,035
<b>Closing net assets attributable to shareholders</b>		<u>314,705,862</u>		<u>373,756,970</u>

The net assets at the start of the current period do not equal the net assets at the end of the comparative period as they are not consecutive periods.

**Balance sheet (unaudited)**

as at 1 June 2023

	1 June 2023 £	1 December 2022 £
Assets:		
Fixed assets:		
Investments	293,903,549	324,559,720
Current assets:		
Debtors	3,886,065	750,959
Cash and bank balances	31,767,048	28,308,741
Total assets	<u>329,556,662</u>	<u>353,619,420</u>
Liabilities:		
Investment liabilities	(335,037)	(714,627)
Creditors		
Bank overdrafts	(12,265,260)	(9,761,822)
Other creditors	(2,250,503)	(1,066,840)
Total liabilities	<u>(14,850,800)</u>	<u>(11,543,289)</u>
<b>Net assets attributable to shareholders</b>	<u><u>314,705,862</u></u>	<u><u>342,076,131</u></u>

**Accounting policies**

The interim financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 1 December 2022 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 1 June 2023

Distributions on CTF Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
Group 1	01.08.23	interim	2.1973	-	2.1973	0.0820
Group 2	01.08.23	interim	1.6878	0.5095	2.1973	0.0820

### Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes.

### 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 1 December, and the interim reporting period ends on 1 June.

The annual reports of the Company are published on or before 1 April and interim reports by 1 August each year.

### Funds and share classes

Fund	Share classes	ACD's annual management charge
Santander Atlas Portfolio 3	I Accumulation Shares	0.40%
	I Income Shares	0.40%
Santander Atlas Portfolio 4	I Accumulation Shares	0.40%
	I Income Shares	0.40%
Santander Atlas Portfolio 5	I Accumulation Shares	0.40%
Santander Atlas Portfolio 7	I Accumulation Shares	0.40%
International Multi-Index	CTF Accumulation Shares	1.50%

Income attributable to income Shares is distributed to Shareholders in respect of each accounting period. 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.

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

With the exception of International Multi-Index, the minimum initial investment that can be made for all I Accumulation and I Income share classes is £500.

For Santander Atlas Portfolio 3 and Santander Atlas Portfolio 4, the minimum subsequent investment that can be made to both the I Accumulation and I Income share class is £250.

For Santander Atlas Portfolio 5 and Santander Atlas Portfolio 7, the minimum subsequent investment that can be made to the I Accumulation share class is £250.

For International Multi-Index, the minimum initial and subsequent investment for the CTF Accumulation share class is £1.

## Further information (continued)

### 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.

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 must 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;

## Further information (continued)

### Winding Up of the Company or Terminating a Fund (continued)

- (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);
- (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

## Further information (continued)

### Winding Up of the Company or Terminating a Fund (continued)

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.

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 Funds are currently available to retail and institutional investors. Retail investors may only invest in a Fund through authorised intermediaries such as Fund platforms, nominees or a financial advisor.

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 12noon Valuation Point are dealt that day;
- if requests are received after the Valuation Point, they are marked at the price at the next Valuation Point; and
- valid requests are processed at the next applicable Valuation Point following receipt of the request except in the case where dealing in a Fund has been deferred or suspended.

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.

## Further information (continued)

### Pricing and dilution adjustment (continued)

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 may be higher or lower than 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.

For the CTF Share Class in International Multi-Index the OCF is expected to exceed its cap of 1.5%. This means, for this Share Class, the ACD will pay all OCF costs which exceed 1.5% out of its own resources.

### 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 £2,000 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 Santander Atlas Portfolio 3 Fund. 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.

## Further information (continued)

### Taxation (continued)

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.

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 shares and any revenue 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](http://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)  
Dr Jocelyn Dehnert  
Lazaro de Lazaro Torres  
Pak Chan  
Jacqueline Hughes  
Miguel Angel Sanchez Lozano (appointed 6 February 2023)  
Richard George Royds (appointed 8 May 2023)

### **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 One, 144 Morrison Street  
Edinburgh EH3 8EX, United Kingdom

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