

Santander Managed Investments OEIC

Annual report for the year ended 31 July 2023

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

The 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 Max 60% Shares Income Portfolio

Santander Atlas Income Portfolio

Santander Max 30% Shares Portfolio

Santander Max 30% Shares Income Portfolio

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

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

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

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

As at the year ended 31 July 2023 there were no Funds with holdings in a second Fund within the Santander Managed Investments OEIC.

Financial details and the ACD's review of the individual Funds for the year ended 31 July 2023 are given in pages 18 to 154 of this report.

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

Significant Information

Remuneration Disclosure (unaudited)

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

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

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

Pillar 1 - Sound and Effective Risk Management

Pillar 2 - Long Term Sustainability

Pillar 3 - Competitiveness and Fairness

Pillar 4 - Adequate ratio between fixed and variable pay

Pillar 5 - Transparency

Salary and Benefits Structure

Salaries are designed based on the roles and responsibilities of the job and the knowledge and expertise required to carry them

Report of the Authorised Corporate Director (continued)

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

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

Variable Remuneration

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

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

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

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

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

The remuneration disclosure has been provided by SAM UK in its capacity as authorised unit trust manager of UK UCITS as at 31 December 2022. Remuneration information at an individual UK AIF or UCITS level is not readily available. The remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December

Report of the Authorised Corporate Director (continued)

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

2022 with respect to all UK AIFs and UK UCITs it manages. It excludes remuneration paid to Material Risk Takers under the MIFIDPRU Remuneration Code. No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

For the year ended 31/12/2022 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Total remuneration awarded by the SAM UK during the financial year.	£9,074,829	£7,921,066	£16,995,895	78
Remuneration awarded to the Code Staff. **	£2,739,375	£4,908,913	£7,648,288	13

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

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

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

Assessment of Value

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

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

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

Change to the application of swing pricing

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

Swing pricing can be applied in two ways:

Report of the Authorised Corporate Director (continued)

Significant Information (continued)

Change to the application of swing pricing (continued)

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 01 August 2022 to 21 May 2023, non-dynamic swing pricing applied.

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

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

The ACD recognises 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. The ACD conducted volatility testing to assess this, which showed that this is unlikely to affect a Fund's performance.

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

Authorised Corporate Director's Statement

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

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is required to:

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

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

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 28 November 2023.



Pak Chan

Director

For and on behalf of Santander Asset Management UK Limited

Authorised Corporate Director of Santander Managed Investments OEIC

28 November 2023

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Santander Managed Investments OEIC

Statement of the Depositary's Responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited

Edinburgh

November 2023

Independent auditors' Report to the Shareholders of Santander Managed Investments OEIC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Santander Managed Investments OEIC (the "Company"):

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

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

Independent auditors' Report to the Shareholders of Santander Managed Investments OEIC

Report on the audit of the financial statements (continued)

Reporting on other information

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

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

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

Report of the Authorised Corporate Director

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' Report to the Shareholders of Santander Managed Investments OEIC

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Independent auditors' Report to the Shareholders of Santander Managed Investments OEIC

Other required reporting (continued)

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

28 November 2023

Accounting & distribution policies

for the year ended 31 July 2023

Accounting policies

a) Basis of preparation

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

The ACD continues to adopt the going concern basis in preparation of the financial statements.

b) Valuation of investments

Fair Value Hierarchy - Valuation techniques

Level 1 - Quoted prices for identical assets and liabilities in active markets that the entity can access at measurement date. This includes equities, government bonds, options, futures and exchange traded funds.

Level 2 - Observable inputs, such as publicly available market data about actual events and transactions. This includes Collective Investment Scheme securities, fixed interest securities excluding government bonds and forward foreign exchange trades.

Level 3 - Unobservable Inputs where relevant observable market data is not available. This includes suspended or de-listed assets.

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

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

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

c) Foreign exchange

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

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

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

d) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less the book cost. Where realised gains or losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

Accounting & distribution policies (continued)

for the year ended 31 July 2023

Accounting policies (continued)

d) Realised and unrealised gains and losses (continued)

Unrealised gains/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

e) Revenue

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

Dividends are recognised as revenue on the date when the securities are quoted ex-dividend.

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

Distributions from Collective Investment Schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation on distributions from external Collective Investment Schemes is not provided within estimated distribution rates received and is therefore recognised when the final distribution rates are received. Equalisation is deducted from the cost of the investment and does not form part of the Funds distribution.

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

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

Management fee rebates in respect of holdings in other Collective Investment Schemes are recognised on an accruals basis. Where it is the policy of the underlying fund to charge its fees to capital, the rebate is recognised as capital. Otherwise the rebate is recognised as revenue. If information is not available to determine if the policy of the underlying scheme is to charge its fees to revenue or capital, the rebate is recognised as revenue. The percentage rebate is included in the calculation of the Ongoing Charges Figure (OCF).

Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case.

Option premiums received by the Company are amortised to revenue over the period to maturity, where the option is out of the money at the time the contract is written. Option premiums are taken to capital for options which are in the money at the time of writing.

Accounting & distribution policies (continued)

for the year ended 31 July 2023

Accounting policies (continued)

e) Revenue (continued)

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

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

f) Expenses

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

Expenses are charged to the relevant share class against revenue and are then reallocated to capital for the following Funds.

Santander Max 60% Shares Income Portfolio

Santander Atlas Income Portfolio

Santander Max 30% Shares Income Portfolio

Expenses are charged to the relevant share class against revenue for the following Funds:

Santander Max 30% Shares Portfolio.

Expenses payable from the revenue of the Funds are included in the final distribution.

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

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

g) Taxation

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

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

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

Accounting & distribution policies (continued)

for the year ended 31 July 2023

Accounting policies (continued)

g) Taxation (continued)

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

h) Efficient portfolio management

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

The Funds write short dated covered call options on assets which are held in the portfolio of investments. This enables the Fund to enhance its revenue through the receipt of option premiums. Each call option provides the purchaser with any gain achieved on the underlying assets above an agreed price (strike price) at an agreed future date. This has the effect of limiting the potential return on the underlying equity portfolio as any gains above the strike price will be paid to the purchaser of the relevant option.

i) Cash flow statement

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

j) Dilution Adjustment

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

Distribution policies

a) Basis of distribution

The distribution policy of each Fund is to distribute all available revenue after deduction of expenses and taxation payable from revenue. Distributions attributable to income shares are paid to Shareholders. Distributions attributable to accumulation shares are re-invested in the Fund on behalf of the Shareholders.

The Santander Max 30% Shares Portfolio and Santander Max 30% Shares Income Portfolio Funds are known as 'bond funds' and therefore pay interest distributions.

Accounting & distribution policies (continued)

for the year ended 31 July 2023

Distribution policies (continued)

b) Revenue

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

c) Expenses

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

d) Allocation of revenue and expenses to multiple share classes

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

Santander Max 60% Shares Income Portfolio

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

Investment commentary

Investment Objective

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

The Fund has a target annual income of 3 - 4% per annum, although this is not guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by obtaining exposure globally (including in non-developed markets up to 30%):

- between 40% and 60% to shares in companies. This can include Real Estate Investment Trusts (a type of property investment company) and other investment trusts. Although the Fund will invest globally, typically it will have a higher exposure to shares in UK companies;
- between 40% and 60% to bonds issued by companies, governments, government bodies and supranationals. These bonds can be investment grade or sub-investment grade but a maximum of 15% 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;
- up to 20% in 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); and
- up to 10% in cash, cash like and other money market instruments.

To obtain exposure to these investments, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. The Fund may invest in both Passively Managed and Actively 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.

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 assets in the amounts set out above. However they may have different investment limits to the Fund. For example they may have different levels of exposure to shares or bonds, or developed and/or non-developed markets, invest in other types of assets (e.g. commodities and/or property, although these will not be the main asset type invested in by these Collective Investment Schemes), or use different Derivatives strategies (e.g. to enhance income).

Although the Fund may also invest directly in the above asset classes (but not in relation to alternative strategies), 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 is permitted to invest up to 100% in Passively Managed Collective Investment Schemes, although it is expected that the Fund will typically be invested between 25% and 40% in Passively Managed Collective Investment Schemes. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Investment Policy (continued)

The Fund may use Derivatives for Investment Purposes (where Derivatives are used as part of the Fund's investment strategy to help achieve its investment objectives), and 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.

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 base currency of the Fund is UK sterling.

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.

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.
- Selecting Actively Managed or Passively Managed Collective Investment Schemes 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.
- In selecting these Collective Investment Schemes the ACD will consider those managed by companies in the Santander Group (including the ACD). It will also consider those managed by other entities provided, following investment and operational due diligence by either the ACD and/or other companies within the Santander Group, they are included on an internally approved list.

As the Fund has an income target, when selecting Collective Investment Schemes the ACD will favour those which generate income. However as part of its selection process, it will also consider opportunities for capital growth through investment in Collective Investment Schemes.

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Investment Strategy and Process (continued)

When seeking exposure to shares and bonds by investing in Collective Investment Schemes, the ACD can invest in both Actively Managed Collective Investment Schemes and Passively Managed Collective Investment Schemes but will tend to favour Actively Managed Collective Investment Schemes. In addition, when seeking exposure to shares the ACD will favour those Collective Investment Schemes which typically have exposure to shares in UK companies, and when seeking exposure to bonds the ACD will favour those Collective Investment Schemes which typically have exposure to bonds denominated in or Hedged to Pounds Sterling.

In implementing the ACD's investment strategy, there may be times when more of the Fund is invested in Collective Investment Schemes which are managed by the ACD or other companies within the Santander Group, than those managed by other companies.

In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any one: operator of Collective Investment Schemes (other than the ACD or other companies within the Santander Group); 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.

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

Further Information

The ACD uses the following composite benchmark as a Comparator Benchmark: 50% FTSE All Share TR, 37.5% iBoxx Sterling Non Gilts Overall TR and 12.5% FTSE Actuaries UK Conventional Gilts All Stocks TR. The Comparator Benchmark for the Fund has been selected as it contains a broad mix of different 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 Comparator Benchmark are provided by FTSE International Limited and IHS Markit Benchmark Administration Limited respectively. These index providers are on the public register of administrators and benchmarks established and maintained by the FCA.

The Fund has a Risk Category of Medium in accordance with Santander UK plc's Risk Categorisation Process. Please see the General Information and Glossary of Terms at the start of Appendix 1 in the prospectus for more details.

Investment Manager

Santander Asset Management UK Limited

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: Bond Risk, Capital Erosion Risk, Collective Investment Scheme (CIS) Risk, Counterparty Risk, Country Risk, Currency Risk, Derivatives Risk, Income

Santander Max 60% Shares Income Portfolio

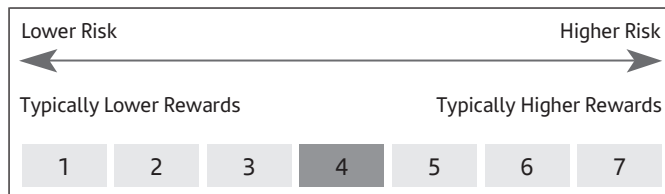
Final Report and Financial Statements for the year ended 31 July 2023

Investment commentary (continued)

Risk Profile (continued)

Risk, Liquidity Risk, Non-Developed Market Risk, Passively Managed CIS Risk and Stock Market Risk, which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund. The indicator is a measure of the Fund's volatility of past returns over the previous 5 years.

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

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

Performance

Income

	Prospectus Target Income	Annual Income Delivered
Calculation Date 31/07/2023		
Santander Max 60% Shares Income Portfolio R Accumulation Shares	3-4%	4.07%
Santander Max 60% Shares Income Portfolio R Income Shares	3-4%	4.08%
Santander Max 60% Shares Income Portfolio S Income Shares	3-4%	4.09%

Target Income: The target annual income per the Fund's investment objective.

Annual Income Delivered: The sum of all income payments made over the Fund's accounting year. Each income payment is a percentage of the Fund price as at the previous XD date.

Income/yield sourced from BNYMIL fund administrator.

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Capital Growth

Percentage price change from 31 July 2018 to 31 July 2023	
Santander Max 60% Shares Income Portfolio R Accumulation Shares	-0.23%
Santander Max 60% Shares Income Portfolio R Income Shares	-0.22%
Santander Max 60% Shares Income Portfolio S Income Shares	0.20%
Percentage price change from 29 July 2022 to 31 July 2023	
Santander Max 60% Shares Income Portfolio R Accumulation Shares	-1.56%
Santander Max 60% Shares Income Portfolio R Income Shares	-1.62%
Santander Max 60% Shares Income Portfolio S Income Shares	-1.57%

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

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.

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Market Review

Despite a turbulent 2022³³, global stock markets ultimately rose during the period³⁴ amid hopes inflation had peaked³⁵ with investors anticipating that the most aggressive period of interest rate increases in decades³⁶ could soon draw to a close.³⁷

After falling to their lowest levels since 2020 early in the period³⁸, shares recovered from late September and continued performing well into 2023 – despite the banking turmoil in March, frequent concerns about economic growth and questions over whether gains in US stock markets are sustainable.³⁹

In contrast, bond prices fell over the period⁴⁰³⁹ as investors grew to fear that persistent inflation would mean interest rates would need to stay higher for longer.⁴¹ As bond prices and yields move in opposite directions, falling prices were met by yields on bonds from the US⁴², Europe and the UK surging to their highest levels in over 15 years in July.⁴³ The fact that bonds also endured their worst year on record in 2022⁴⁴ contributed to their negative performance.

Inflation remains above the targets set by US⁴⁵, European⁴⁶ and UK⁴⁷ central banks, even though it has fallen from last year's highs.⁴⁸ It has proven more stubborn than expected, aided by the fact that strong labour markets have pushed salaries higher and encouraged consumers to spend.⁴⁹

The UK struggled with higher levels of inflation than the US and Europe⁵⁰, despite the Bank of England raising interest rates eight times over the reporting period.⁵¹ High levels of inflation meant that the yields on highly-rated UK company bonds rose and their prices fell.⁵²

UK shares rose over the period⁵³, despite facing challenges such as ex-Prime Minister Liz Truss' September announcement of unfunded tax cuts. The UK's financial markets plunged⁵⁴, Truss resigned and her successor Rishi Sunak implemented higher taxes and spending cuts in a bid to restore economic confidence.⁵⁵

³³ Reuters, 30 December 2022

³⁴ MSCI World Index, 31 July 2023

³⁵ IMF, 13 July 2023

³⁶ World Economic Forum, 12 October 2022

³⁷ Bloomberg, 10 April 2023

³⁸ Associated Press, 29 September 2022

³⁹ Reuters, 29 June 2023

³⁹ S&P Global Developed Sovereign Bond Index, 31 July 2023

⁴¹ Financial Times, 20 April 2023

⁴² NPR, 13 January 2023

⁴³ Reuters, 10 July 2023

⁴⁴ Forbes, 22 September 2022

⁴⁵ Reuters, 3 August 2022

⁴⁶ European Central Bank, 31 July 2023

⁴⁷ The Bank of England, 31 July 2023

⁴⁸ Forbes, 9 November 2022

⁴⁹ Associated Press, 28 June 2022

⁵⁰ BBC, 22 March 2023

⁵¹ Bank of England, 31 July 2023

⁵² S&P UK Investment Grade Corporate Bond Index, 31 July 2023

⁵³ S&P United Kingdom, 31 July 2023

⁵⁴ The Guardian, 28 September 2022

⁵⁵ Deutsche Welle, 17 October 2022

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Market Review (continued)

Rises in the shares of the UK's largest companies⁵⁶, which tend to be more export-oriented, helped to compensate for a decline in the share prices of small- and medium-sized firms⁵⁷, which are more likely to depend on the local economy.⁵⁸

In the US, stock markets climbed amid hopes that inflation could be reduced significantly without disrupting the economy.⁵⁹

European shares also advanced as investors anticipated that China would take stronger measures to stimulate its slowing economy.⁶⁰ Some significant European industries, such as the manufacture of luxury goods⁶¹, rely on Chinese demand.

The S&P Asia Pacific BMI, which measures developed markets in the region, rose.⁶² Japanese shares hit a 33-year high as a weaker yen made exports more competitive.⁶³

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide an income, with the potential for capital growth, over a period of five or more years. The Fund has a target annual income of 3-4%, which isn't guaranteed. It is actively managed and 85-100% invested in other Collective Investment Schemes (CIS). It invests globally, up to 30% in non-developed markets.

The Fund is 40-60% invested in company shares and 40-60% invested in bonds, having a preference for the UK when it comes to both types of asset. It can also be up to 20% invested in alternative investments and up to 10% in cash.

Over five years, the Retail Accumulation shares made a cumulative return of -0.23%, the Retail Income shares delivered -0.22% and the S Income shares 0.20%.

While the Fund took action to reduce risk it was exposed to before COVID-19 was declared a pandemic in March 2020, its performance still suffered as a result of the pandemic's disruption of markets. While the Fund took action to reduce risk when the market fell, did not fully benefit from the subsequent recovery.

In 2022, a combination of the uncertainty from the war in Ukraine and rising inflation and interest rates caused bond and shares to break with tradition by moving in correlation with each other. Typically the asset classes move in opposite directions, providing diversification benefits. While the Fund still delivered an income, absolute returns were affected.

Over the 12 months to July, the R Income Share Class and S Income Share Class both achieved an income of 4.08.%, meaning that the Fund generated an income greater than its one-year target of 3-4% over the reporting period, achieving its primary objective.

⁵⁶ FTSE 100 Index, 31 July 2023

⁵⁷ FTSE 250 Index, 31 July 2023

⁵⁸ Reuters, 22 June 2023

⁵⁹ CNBC, 12 July 2023

⁶⁰ S&P Euro, 31 July 2023

⁶¹ Reuters, 31 January 2023

⁶² S&P Asia Pacific BMI, 31 July 2023

⁶³ S&P Asia Pacific, 31 July 2023

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

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

At the start of the period, the Fund had a smaller exposure to equities than the Target Benchmark due to heightened volatility in financial markets, rising inflation and the prospect of higher interest rates.

The Fund's holdings were instead concentrated on bonds that take less time to reach maturity, which are less risky. It held fewer UK government bonds and Asian bonds that take longer to reach maturity than the Target Benchmark. Instead, it held more cash.

As the period wore on, bonds which take longer to reach maturity were slowly added to the Fund. These purchases were funded mainly from cash.

The dramatic increase in bond yields over the period increased the Fund's income.

Additional investments were made in emerging market bonds. To improve the diversification of the Fund, new positions were also taken in US government bond futures. Bond futures are an agreement in which one party agrees to sell a bond, and another decides to buy the bond at a set price and predetermined date.

As a result, the Fund held fewer shares and cash at the end of the reporting period, with holdings of government and high-yield bonds increasing.

UK shares made the biggest contribution to the Fund's income thanks to dividends, which rose over each of the four quarters.⁶⁴⁶⁵

Highly-rated UK company bonds were the next most significant contributor to income. While the Fund can invest globally, it favours UK investments. Asian shares also contributed positively to the Fund's income.

The Manager allocated to a new active high yield Fund to complement the existing high yield position. The existing high yield Fund focuses mainly on income generation, whereas the new high yield Fund will have a greater focus on increasing the market value of the Manager's Fund's investments with the goal of reaching an improved balance between these two factors.

The Santander Max 60% Shares Income Portfolio Retail Accumulation share class returned -1.56% in the 12 months through to 31 July 2023, the Retail Income share class delivered -1.62% and the S Income share class -1.57%.

Market Outlook

The likelihood of a recession, defined as two quarters of negative growth, is receding thanks to the strength of the labour market. However, economic growth is likely to remain weak as the delayed effects of interest rate increases begin manifesting themselves, with global growth remaining fragile for the remainder of this year and potentially 2024 too.

The Manager is cautious about shares and expect stock markets to decline as companies struggle to increase profits in a low-growth economic environment.

⁶⁴ Computershare, 27 July 2023

⁶⁵ LinkedGroup, 6 January 2023

Santander Max 60% Shares Income Portfolio

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

Investment commentary (continued)

Market Outlook (continued)

With inflation moderating, central banks appear to be approaching the top of their interest rate hiking cycle, creating a favourable market environment for bonds.

As a result, the Manager prefers bonds – with a bias in favour of government and highly-rated high-yield bonds – based on the Manager's view that bond yields are peaking.

This will allow the Fund to benefit from the high yields the bonds are paying now, and when yields fall and prices rise some bonds can be sold for a profit.

Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited
September 2023

Summary of material portfolio changes

for the year ended 31 July 2023

Purchases	Cost		Sales	Proceeds	
	£	Note		£	Note
SPDR Bloomberg Sterling Corporate Bond UCITS ETF	3,014,097		Vanguard FTSE 100 UCITS ETF	4,064,527	
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	2,160,342		iShares Sterling Corporate Bond ex-Financials UCITS ETF	3,341,452	
MFS Meridian Emerging Markets Debt Fund	1,527,184		Janus Henderson Asian Dividend Income Unit Trust	1,184,846	
Robeco Capital Growth High Yield Bonds	1,207,184		PIMCO GIS Global High Yield Bond Fund	1,006,005	
Principal Global Investors Funds - Preferred Fund	1,187,700		Vanguard Investment Series - UK Investment Grade Bond Index Fund	777,432	
Schroder Asian Income Fund	1,007,582		iShares Corporate Bond Index Fund UK	576,412	
Vanguard FTSE 100 UCITS ETF	643,723		iShares Core £ Corporate Bond UCITS ETF	542,129	
Schroder Income Maximiser	580,516		HSBC Investment Funds OEIC - Corporate Bond Fund	295,138	
Fidelity Investment Funds ICVC - Enhanced Income Fund	392,660		Schroder Income Maximiser	165,398	
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	352,110				
HSBC Investment Funds OEIC - Corporate Bond Fund	348,346				
Vanguard Investment Series - UK Investment Grade Bond Index Fund	255,046				
Total cost of purchases for the year	<u>12,676,490</u>	14	Total proceeds from sales for the year	<u>11,953,339</u>	14

All purchases and sales during the year are disclosed above.

Portfolio statement

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Collective Investment Schemes 98.01% (99.74%)			
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	1,489,334	2,131,237	3.43
Amundi Funds European Equity Target Income EUR	2,832	2,878,322	4.63
Fidelity Investment Funds ICVC - Enhanced Income Fund	2,980,497	2,634,461	4.23
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	16,274,926	4,618,824	7.42
HSBC Investment Funds OEIC - Corporate Bond Fund	5,543,191	5,565,364	8.95
iShares Core GBP Bond UCITS ETF*	22,083	2,613,302	4.20
iShares Corporate Bond Index Fund UK	3,283,654	3,636,470	5.84
Janus Henderson Asian Dividend Income Unit Trust	644,813	494,185	0.79
MFS Meridian Funds - Emerging Markets Debt Fund	137,008	1,498,234	2.41
PIMCO GIS Global High Yield Bond Fund	247,173	1,250,695	2.01
Principal Global Investors Funds - Preferred Fund	221,493	1,222,641	1.96
Robeco Capital Growth Funds - High Yield Bonds	15,192	1,218,702	1.96
Santander Enhanced Income Fund**	5,935,789	11,782,540	18.94
Santander Equity Income Unit Trust**	2,458,919	5,013,737	8.06
Schroder Asian Income Fund	344,283	974,665	1.57
Schroder Income Maximiser	7,324,212	2,592,039	4.17
SPDR Bloomberg Sterling Corporate Bond UCITS ETF*	62,237	3,078,864	4.95
Vanguard FTSE 100 UCITS ETF*	123,620	4,143,124	6.66
Vanguard Investment Series - UK Investment Grade Bond Index Fund	75,360	3,625,138	5.83
		60,972,544	98.01
Futures 0.05% (-0.17%)			
S&P 500 E-Mini Sep 23	5	51,665	0.08
STOXX Europe 600 Sep 23	(42)	(16,123)	(0.02)
US 5 Year Note (CBT) Sep 23	23	(5,581)	(0.01)
		29,961	0.05

Portfolio statement (continued)

as at 31 July 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.11% (0.15%)					
Buy GBP : Sell EUR	25/08/2023	£2,250,723	€(2,600,000)	20,254	0.03
Buy GBP : Sell USD	25/08/2023	£1,417,364	US\$(1,760,000)	49,643	0.08
				69,897	0.11
Portfolio of investments				61,072,402	98.17
Net other assets				1,136,580	1.83
Total net assets				62,208,982	100.00

Figures in brackets represent sector distribution at 31 July 2022.

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

Futures securities are derivative instruments listed on recognised exchanges.

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

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

** Related party to the Fund.

Comparative tables

Change in net asset value per share	R Income Shares			R Accumulation Shares		
	2023 p	2022 p	2021 p	2023 p	2022 p	2021 p
Opening net asset value per share	193.95	216.10	198.89	315.14	337.89	301.62
Return before operating charges	(1.87)	(11.98)	26.08	(2.83)	(19.12)	40.13
Operating charges	(1.97)	(2.28)	(2.50)	(3.25)	(3.63)	(3.86)
Return after operating charges	(3.84)	(14.26)	23.58	(6.08)	(22.75)	36.27
Distributions	(7.59)	(7.89)	(6.37)	(12.50)	(12.49)	(9.75)
Retained distributions on accumulation shares	-	-	-	12.50	12.49	9.75
Closing net asset value per share	182.52	193.95	216.10	309.06	315.14	337.89
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance	2023	2022	2021	2023	2022	2021
Return after operating charges**	(1.98)%	(6.60)%	11.85%	(1.93)%	(6.73)%	12.03%
Closing net asset value (£'s)	40,892,970	48,884,603	58,733,540	1,231,925	1,403,259	983,926
Closing number of shares	22,405,090	25,204,932	27,179,397	398,610	445,284	291,199
Operating charges	1.07%	1.11%	1.20%	1.07%	1.11%	1.20%
Direct transaction costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	p	p	p	p	p	p
Highest share price	195.3	220.1	218.0	317.2	347.0	338.0
Lowest share price	168.0	187.5	193.6	273.0	300.8	295.0

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

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

Comparative tables (continued)

Change in net asset value per share	S Income Shares		
	2023 p	2022 p	2021 p
Opening net asset value per share	133.84	148.99	136.96
Return before operating charges	(1.30)	(8.28)	17.93
Operating charges	(1.36)	(1.42)	(1.51)
Return after operating charges	(2.66)	(9.70)	16.42
Distributions	(5.24)	(5.45)	(4.39)
Closing net asset value per share	125.94	133.84	148.99
*after direct transaction costs of	0.00	0.00	0.00
Performance	2023	2022	2021
Return after operating charges**	(1.99)%	(6.51)%	11.99%
Closing net asset value (£'s)	20,084,087	13,555,699	12,737,940
Closing number of shares	15,947,804	10,128,561	8,549,712
Operating charges	1.07%	1.00%	1.05%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	134.8	151.8	150.3
Lowest share price	115.9	129.4	133.3

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

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

Financial Statements - Santander Max 60% Shares Income Portfolio

Statement of total return

for the year ended 31 July 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(3,420,781)		(6,828,257)
Revenue	2	2,784,184		2,817,672	
Expenses	3	(457,168)		(581,487)	
Interest payable and similar charges	4	(2,654)		(10,777)	
Net revenue before taxation		2,324,362		2,225,408	
Taxation	5	(165,744)		(89,275)	
Net revenue after taxation			2,158,618		2,136,133
Total return before distributions			(1,262,163)		(4,692,124)
Distributions	6		(2,540,113)		(2,617,898)
Change in net assets attributable to shareholders from investment activities			(3,802,276)		(7,310,022)

Statement of change in net assets attributable to shareholders

for the year ended 31 July 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		63,843,561		72,455,406
Amounts receivable on issue of shares	9,916,277		5,424,687	
Amounts payable on cancellation of shares	(7,801,349)		(6,779,270)	
		2,114,928		(1,354,583)
Dilution adjustment		328		290
Change in net assets attributable to shareholders from investment activities		(3,802,276)		(7,310,022)
Retained distribution on accumulation shares		52,441		52,470
Closing net assets attributable to shareholders		62,208,982		63,843,561

Balance sheet

as at 31 July 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		61,094,106	63,777,700
Current assets:			
Debtors	7	935,854	3,877,289
Cash and bank balances	8	2,353,403	1,902,929
Total assets		<u>64,383,363</u>	<u>69,557,918</u>
Liabilities:			
Investment liabilities		(21,704)	(110,457)
Creditors			
Bank overdrafts	8	(1,014,540)	(1,005,488)
Distributions payable	6	(744,876)	(813,982)
Other creditors	9	(393,261)	(3,784,430)
Total liabilities		<u>(2,174,381)</u>	<u>(5,714,357)</u>
Net assets attributable to shareholders		<u><u>62,208,982</u></u>	<u><u>63,843,561</u></u>

Notes to the financial statements

for the year ended 31 July 2023

1. Net capital losses

	2023	2022
	£	£
Realised losses on non-derivative securities	(1,213,575)	(1,259,167)
Unrealised losses on non-derivative securities	(2,212,420)	(5,484,194)
Realised (losses)/gains on derivative securities	(118,649)	147,516
Unrealised gains/(losses) on derivative securities	140,418	(162,049)
Currency gains/(losses)	27,320	(241,383)
Realised (losses)/gains on forward currency contracts	(85,477)	-
Unrealised (losses)/gains on forward currency contracts	(28,750)	98,647
Transaction charges	(8,454)	(10,510)
Rebates from holdings in Collective Investment Schemes	78,806	82,883
Net capital losses	<u>(3,420,781)</u>	<u>(6,828,257)</u>

2. Revenue

	2023	2022
	£	£
UK dividends	1,239,348	1,212,213
Overseas UK tax exempt revenue	335,103	633,978
Overseas UK taxable revenue	450,212	405,792
Unfranked revenue	619,306	441,568
Bank interest	8,047	-
Margin interest	2,878	-
Rebates from holdings in Collective Investment Schemes	129,290	124,121
Total revenue	<u>2,784,184</u>	<u>2,817,672</u>

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>430,675</u>	<u>548,863</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>7,383</u>	<u>8,306</u>
Other expenses:		
Audit fees	13,760	18,226
Safe custody fees	3,901	4,797
FCA fee	77	32
Tax service fees	<u>1,372</u>	<u>1,263</u>
	<u>19,110</u>	<u>24,318</u>
Total expenses	<u>457,168</u>	<u>581,487</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

4. Interest payable and similar charges	2023	2022
	£	£
Overdraft interest	675	8,963
Margin interest	1,979	1,814
Total interest payable and similar charges	<u>2,654</u>	<u>10,777</u>

5. Taxation	2023	2022
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	<u>165,744</u>	<u>92,548</u>
Current tax charge	165,744	92,548
Prior year adjustment	-	418
Deferred tax movement	-	(3,691)
Total tax charge(note 5b)	<u>165,744</u>	<u>89,275</u>

b) Factors affecting the tax charge for the year

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

	2023	2022
	£	£
Net revenue before taxation	<u>2,324,362</u>	<u>2,225,408</u>
Corporation tax @ 20%	464,872	445,082
Effects of:		
Capitalised income subject to tax	15,761	16,576
Movement in excess management expenses	-	(3,691)
Prior year adjustment	-	418
Revenue exempt from UK corporation tax	<u>(314,889)</u>	<u>(369,110)</u>
Total tax charge (note 5a)	<u>165,744</u>	<u>89,275</u>

c) Provision for deferred taxation	2023	2022
	£	£
Opening provision	-	3,691
Deferred tax credit (note 5a)	-	(3,691)
Closing provision	-	-

Notes to the financial statements (continued)

for the year ended 31 July 2023

6. Distributions

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

	2023	2022
	£	£
Interim income distribution paid	1,756,090	1,740,816
Interim accumulation distributions paid	36,018	34,116
Final income distribution payable	744,876	813,982
Final accumulation distributions payable	16,423	18,354
	<u>2,553,407</u>	<u>2,607,268</u>
Equalisation:		
Amounts deducted on cancellation of shares	62,271	47,418
Amounts added on issue of shares	(75,565)	(36,788)
Distributions	<u>2,540,113</u>	<u>2,617,898</u>
Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	2,158,618	2,136,133
Add:		
Undistributed revenue brought forward	-	2
Expenses paid from capital	457,167	581,487
Deduct:		
Capital tax relief	(75,672)	(99,724)
Distributions	<u>2,540,113</u>	<u>2,617,898</u>

Details of the distribution per share are disclosed in the distribution table on pages 46 and 47.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	650,356	226,204
Sales awaiting settlement	-	3,477,886
Accrued revenue	84,133	45,087
Income tax recoverable	19,651	-
Rebates from holdings in Collective Investment Schemes	181,714	128,112
Total debtors	<u>935,854</u>	<u>3,877,289</u>

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	101,037	215,333
Cash and bank balances	2,252,366	1,687,596
Total cash and bank balances	<u>2,353,403</u>	<u>1,902,929</u>
Bank overdraft*	<u>1,014,540</u>	<u>1,005,488</u>

As at 31 July 2023, the weighted average of the floating interest rate on bank balances was 0.36% (2022 - 0.00%).

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

9. Other creditors	2023	2022
	£	£
Amounts payable on cancellation of shares	245,805	195,740
Purchases awaiting settlement	-	3,498,760
Accrued expenses	56,375	55,021
Corporation tax	91,081	34,909
Total other creditors	<u>393,261</u>	<u>3,784,430</u>

10. Risk disclosures

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

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies and governments and shares issued by listed companies. The Fund's exposure to global shares will never exceed 60%. To obtain exposure to these assets, the Fund will invest indirectly by purchasing units in Collective Investment Funds in regulated collective investment Funds (collectives). The main risk arising from each Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund.

The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,107,240 (2022 - £6,366,724*). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

* The prior year comparative disclosure has been recalculated from 5% to 10% to reflect the calculation of these figures on a consistent basis with the current year.

b) Interest rate risk

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

Interest rate risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

b) Interest rate risk (continued)

decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 July 2023, 2.15% of the Fund's assets were interest bearing (2022 - 1.41%).

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

c) Currency risk

The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

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

d) Credit risk

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

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

e) Liquidity risk (continued)

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

f) Counterparty risk

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

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

For numerical disclosure see note 15.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed ("ABS") and Mortgage-backed ("MBS") Securities

MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

h) Capital Erosion Risk

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the ACD's fees and expenses and / or other fees and expenses, may be charged against capital instead of against income and may constrain the capital growth of the Fund. This may result in capital erosion or constrain the capital growth of the Fund. See Section 21.8 of the main body of the Prospectus for further details.

i) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

j) Country Risk

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

k) Derivatives Risk

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

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

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

k) Derivatives Risk (continued)

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

l) Income Risk

Certain Funds may have a target income yield although this rate of income is not guaranteed. These Funds will make income distributions to Shareholders on the Distribution Dates listed for each Fund in Appendix 1. During periods of market uncertainty there is an increased risk that a Fund's target yield will not be achieved due to factors such as dividends issued by companies in which the Fund invests being reduced or investment by the Fund in fixed income assets yielding less income than expected.

Whilst Shareholders in each of these Funds will always receive the income earned by the relevant Fund, tax implications for a Shareholder may vary based on whether they subscribed or redeemed units in the Fund during a financial year, and on their individual tax situation.

m) Non-Developed Market Risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

n) Passively Managed CIS Risk

A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:

a) **Passive Investment Risk:** Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) **Index Tracking Risks:** Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) **Index-related Risks:** in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

n) Passively Managed CIS Risk (continued)

benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £367,461 (2022 - £30,464) was due from the ACD at the year end date.

Material shareholders

As at 31 July 2023 21.88% (2022 - 20.84%) of the shares in issue of the Santander Enhanced Income Fund I Income share class, an authorised open-ended investment company also managed by Santander Asset Management UK Limited, were held by the Fund. The transactions associated with this holding are as follows:

- a) The value of the purchases transactions was nil (2022 - nil) and sales transactions was nil (2022 - £800,686).
- b) Revenue receivable for the year was £596,926 (2022 - £106,673) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was £11,782,540 (2022 - £12,275,211).

As at 31 July 2023 4.53% (2022 - 4.36%) of the shares in issue of the Santander Equity Income R Income unit class, an authorised unit trust scheme also managed by Santander Asset Management UK Limited, were held by the Fund. The transactions associated with this holding are as follows:

- a) The value of the purchases transactions was nil (2022 - nil) and sales transactions was nil (2022 - nil).
- b) Revenue receivable for the year was £251,291 (2022 - £594,132) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was £5,013,737 (2022 - £5,222,745).

As at 31 July 2023 99.99% (2022 - 99.43%) of the shares in issue in the Santander Max 60% Shares Income Portfolio were held by Allfunds Nominee Limited therefore deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has three share classes; R Accumulation Shares, R Income Shares and S Income Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
R Income Shares	No of shares	No of shares
Opening shares in issue	25,204,932	27,179,397
Shares issued in the year	270,884	279,874
Shares cancelled in the year	(3,070,726)	(2,254,339)
Closing shares in issue	<u>22,405,090</u>	<u>25,204,932</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

12. Shareholders' funds (continued)

	2023	2022
	No of shares	No of shares
R Accumulation Shares		
Opening shares in issue	445,284	291,199
Shares issued in the year	15,101	228,066
Shares cancelled in the year	(61,775)	(73,981)
Closing shares in issue	<u>398,610</u>	<u>445,284</u>
	2023	2022
	No of shares	No of shares
S Income Shares		
Opening shares in issue	10,128,561	8,549,712
Shares issued in the year	7,467,922	2,938,945
Shares cancelled in the year	(1,648,679)	(1,360,096)
Closing shares in issue	<u>15,947,804</u>	<u>10,128,561</u>

13. Fair value disclosure

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	9,886,955	21,704
Observable inputs using market data*	<u>51,207,151</u>	<u>-</u>
	<u>61,094,106</u>	<u>21,704</u>
	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	14,705,383	110,457
Observable inputs using market data*	<u>49,072,317</u>	<u>-</u>
	<u>63,777,700</u>	<u>110,457</u>

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	£	£	£	£	%	%
Collective Investment schemes	12,676,490	-	-	12,676,490	-	-
Total purchases	12,676,490	-	-	12,676,490		
2022	£	£	£	£	%	%
Collective Investment schemes	56,499,131	-	-	56,499,131	-	-
Total purchases	56,499,131	-	-	56,499,131		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	£	£	£	£	%	%
Collective Investment schemes	11,953,339	-	-	11,953,339	-	-
Total sales	11,953,339	-	-	11,953,339		
2022	£	£	£	£	%	%
Collective Investment schemes	57,651,685	-	-	57,651,685	-	-
Total sales	57,651,685	-	-	57,651,685		

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

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

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.03% (2022 - 0.04%) of the transaction value.

15. Derivatives and Counterparty Exposure

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

15. Derivatives and Counterparty Exposure (continued)

The types of derivatives held at the balance sheet date were forward currency contracts. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	49,643	49,643	49,643
J.P. Morgan	20,254	20,254	20,254
2022			
Ceca Bank	98,646	98,646	98,646

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

16. Post balance sheet events

Subsequent to the year end, the net asset value per share of the R Income share class has decreased from 182.52p to 181.42p, the R Accumulation share class have increased from 309.06p to 311.36p and the S Income class has decreased from 125.94p to 125.18p as at 20 November 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 July 2023

Distributions on R Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	31.12.22	quarter 1	1.7878	-	1.7878	1.7900
	31.03.23	interim	1.7878	-	1.7878	1.7900
	30.06.23	quarter 3	1.7878	-	1.7878	1.7900
	30.09.23	final	2.2279	-	2.2279	2.5237
Group 2	31.12.22	quarter 1	0.4472	1.3406	1.7878	1.7900
	31.03.23	interim	0.6119	1.1759	1.7878	1.7900
	30.06.23	quarter 3	0.5903	1.1975	1.7878	1.7900
	30.09.23	final	0.5438	1.6841	2.2279	2.5237

Distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	31.12.22	quarter 1	2.7943	-	2.7943	2.7900
	31.03.23	interim	2.7943	-	2.7943	2.7900
	30.06.23	quarter 3	2.7943	-	2.7943	2.7900
	30.09.23	final	4.1200	-	4.1200	4.1217
Group 2	31.12.22	quarter 1	0.4393	2.3550	2.7943	2.7900
	31.03.23	interim	0.6979	2.0964	2.7943	2.7900
	30.06.23	quarter 3	0.3445	2.4498	2.7943	2.7900
	30.09.23	final	1.5627	2.5573	4.1200	4.1217

Distributions on S Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	31.12.22	quarter 1	1.2326	-	1.2326	1.2300
	31.03.23	interim	1.2326	-	1.2326	1.2300
	30.06.23	quarter 3	1.2326	-	1.2326	1.2300
	30.09.23	final	1.5407	-	1.5407	1.7560
Group 2	31.12.22	quarter 1	0.2765	0.9561	1.2326	1.2300
	31.03.23	interim	0.2290	1.0036	1.2326	1.2300
	30.06.23	quarter 3	0.0154	1.2172	1.2326	1.2300
	30.09.23	final	0.6647	0.8760	1.5407	1.7560

Distribution tables (continued)

for the year ended 31 July 2023

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 Income Portfolio

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

Investment commentary

Investment Objective

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

The Fund has a target annual income of 3-4% per annum, although this is not guaranteed.

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 range. This range consists of six funds (five of which are part of the Santander Atlas Portfolio growth range, and in addition the Fund which is the only Fund in the range with an investment objective of a target annual income) 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 risk profile classifications within the Santander Atlas Portfolio range span from 3 to 7 on the external third party risk rating company's scale. The lower the number in the Fund's 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. Please see the General Information and Glossary of Terms at the start of Appendix 1 in the prospectus for more details.

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 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 range which have a higher risk profile classification, and vice versa. The Fund has the same risk profile classification as Santander Atlas Portfolio 4, but will typically have a higher exposure to assets that generate an income than assets that focus on growth compared to Santander Atlas Portfolio 4, because of the Fund's target annual income.

Santander Atlas Income Portfolio

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

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 15% 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 80% 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 35% and 50% 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 or target a specific level of income, 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 Investment Purposes (where Derivatives are used as part of the Fund's investment strategy to help achieve its investment objectives), and 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.

The base currency of the Fund is UK Sterling.

Santander Atlas Income Portfolio

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

Investment commentary (continued)

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.

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 income target 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 ACD will tend to favour Collective Investment Schemes which offer attractive levels of income (through bond yields and share dividends) relative to other Collective Investment Schemes on the approved list. Whilst the ACD can invest globally in an unconstrained manner in bonds and shares, it is likely that it will favour exposure to bonds over shares given the Fund's objective to maintain a risk profile classification of 4.

The Fund can invest in both Actively Managed and Passively Managed Collective Investment Schemes.

The Fund's Investments will be selected with the aim of providing income, but some will also provide capital growth for the Fund.

When seeking exposure to shares and bonds by investing in Collective Investment Schemes that offer attractive levels of income (relative to other Collective Investment Schemes on the approved list), the ACD can invest in both Actively Managed Collective Investment Schemes and Passively Managed Collective Investment Schemes but will tend to favour Actively Managed Collective Investment Schemes.

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Investment Strategy and Process (continued)

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.

The Fund's strategy is complemented by the deployment of Derivatives for Investment Purposes and Efficient Portfolio Management. It is expected that Derivatives (including passive Derivatives such as futures) will be used by the Fund regularly, for both Investment Purposes, and Efficient Portfolio Management (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.

*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.

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. Please see the General Information and Glossary of Terms at the start of Appendix 1 in the prospectus for more details.

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Further Information (continued)

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.

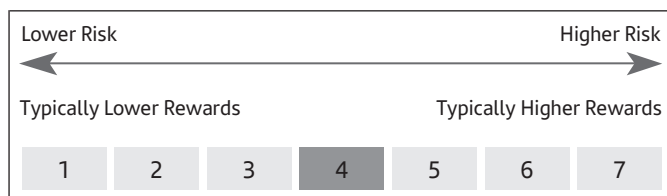
Investment Manager

Santander Asset Management UK Limited

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: Bond Risk, Capital Erosion Risk, Collective Investment Scheme (CIS) Risk, Counterparty Risk, Country Risk, Currency Risk, Derivatives Risk, Income Risk, Liquidity Risk, Non-Developed Market Risk, Passively Managed CIS Risk and Stock Market Risk, which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund. The indicator is a measure of the Fund's volatility of past returns over the previous 5 years.

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

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

Performance

Income

Calculation Date 31/07/2023	Prospectus Target Income	Annual Income Delivered
Santander Atlas Income Portfolio I Accumulation Shares	3-4%	4.42%
Santander Atlas Income Portfolio I Income Shares	3-4%	4.43%

Target Income: The target annual income per the Fund's investment objective.

Annual Income Delivered: The sum of all income payments made over the Fund's accounting year. Each income payment is a percentage of the Fund price as at the previous XD date.

Income/yield sourced from BNYMIL fund administrator.

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Capital Growth

Percentage price change from 31 July 2018 to 31 July 2023	
Santander Atlas Income I Accumulation Shares	-1.00%
Santander Atlas Income I Income Shares	-1.01%
IA Mixed Investment 20-60% Shares	8.68%

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

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.

IA Sector performance sourced from FE fundinfo.

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Market Review

Despite a turbulent 2022⁶⁶, global stock markets ultimately rose during the period⁶⁷ amid hopes inflation had peaked⁶⁸, with investors anticipating that the most aggressive period of interest rate increases in decades⁶⁹ could soon draw to a close.⁷⁰

After falling to their lowest levels since 2020 early in the period⁷¹, shares recovered from late September and continued performing well into 2023 – despite the banking turmoil in March, frequent concerns about economic growth and questions over whether gains in US stock markets are sustainable.⁷²

In contrast, bond prices fell over the period⁷³ as investors grew to fear that persistent inflation would mean interest rates would need to stay higher for longer.⁷⁴ As bond prices and yields move in opposite directions, falling prices were met by yields on bonds from the US⁷⁵, Europe and the UK surging to their highest levels in over 15 years in July.⁷⁶ The fact that bonds also endured their worst year on record in 2022⁷⁷ contributed to their negative performance.

Inflation remains above the targets set by US⁷⁸, European⁷⁹ and UK⁸⁰ central banks, even though it has fallen from last year's highs.⁸¹ It has proven more stubborn than expected, aided by the fact that strong labour markets have pushed salaries higher and encouraged consumers to spend.⁸²

The UK struggled with higher levels of inflation than the US and Europe⁸³, despite the Bank of England raising interest rates eight times over the reporting period.⁸⁴ High levels of inflation meant that the yields on highly-rated UK company bonds rose and their prices fell.⁸⁵

UK shares rose over the period⁸⁶, despite facing challenges such as ex-Prime Minister Liz Truss' September announcement of unfunded tax cuts. The UK's financial markets plunged⁸⁷, Truss resigned and her successor Rishi Sunak implemented higher taxes and spending cuts in a bid to restore economic confidence.⁸⁸

⁶⁶ Reuters, 30 December 2022

⁶⁷ MSCI World Index, 31 July 2023

⁶⁸ IMF, 13 July 2023

⁶⁹ World Economic Forum, 12 October 2022

⁷⁰ Bloomberg, 10 April 2023

⁷¹ Associated Press, 29 September 2023

⁷² Reuters, 29 June 2023

⁷³ S&P Global Developed Sovereign Bond Index, 31 July 2023

⁷⁴ Financial Times, 20 April 2023

⁷⁵ NPR, 13 January 2023

⁷⁶ Reuters, 10 July 2023

⁷⁷ Forbes, 22 September 2022

⁷⁸ Reuters 3 August 2022

⁷⁹ European Central Bank, 31 July 2023

⁸⁰ The Bank of England, 31 July 2023

⁸¹ Forbes, 9 November 2022

⁸² Associated Press, 28 June 2023

⁸³ BBC, 22 March 2023

⁸⁴ Bank of England, 31 July 2023

⁸⁵ S&P UK Investment Grade Corporate Bond Index, 31 July 2023

⁸⁶ S&P United Kingdom, 31 July 2023

⁸⁷ The Guardian, 28 September 2022

⁸⁸ Deutsche Welle, 17 October 2022

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Market Review (continued)

Rises in the shares of the UK's largest companies⁸⁹, which tend to be more export-oriented, helped to compensate for a decline in the share prices of small- and medium-sized firms⁹⁰, which are more likely to depend on the local economy.⁹¹

In the US, stock markets climbed amid hopes that inflation could be reduced significantly without disrupting the economy.⁹²

European shares also advanced as investors anticipated that China would take stronger measures to stimulate its slowing economy.⁹³ Some significant European industries, such as the manufacture of luxury goods⁹⁴, rely on Chinese demand.

The S&P Asia Pacific BMI, which measures developed markets in the region, ticked upwards.⁹⁵ Japanese shares hit a 33-year high as a weaker yen made exports more competitive.⁹⁶

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide income, with the potential for capital growth, over a period of five or more years. It has a target annual income of 3-4% per annum, which isn't guaranteed. The Fund is actively managed and invests 80-100% in other Collective Investment Schemes (CIS). It is typically at least 70% invested in a combination of shares and bonds, but can also invest up to 20% in alternatives, 10% in commodities, 10% in real estate and 15% in cash.

Over five years, the Institutional Accumulation share class returned -1.00%, and the Institutional Income share class returned -1.01%.

While the Fund took action to reduce risk before COVID-19 was declared a pandemic in March 2020, market turmoil still hindered absolute returns. While the Fund took action to reduce risk when markets fell, the Fund didn't fully benefit from the subsequent recovery.

In 2022, a combination of the uncertainty from the war in Ukraine and rising inflation and interest rates caused bond and shares to move in unusual correlation with each other. Typically the asset classes move in opposite directions, providing diversification benefits. While the Fund still delivered an income, absolute returns were affected.

Over the 12 months to July, The I Income Share Class achieved an income of 4.43%, meaning that the Fund generated an income greater than its one-year target of 3-4%, achieving its prime objective.

At the beginning of the period, the Fund's holdings were dominated by bonds that don't take long to reach maturity. This was because they presented less risk, which was attractive given a backdrop of heightened volatility in financial markets, rising inflation and the prospect of further interest rate rises.

⁸⁹ FTSE 100 Index, 31 July 2023

⁹⁰ FTSE 250 Index, 31 July 2023

⁹¹ Reuters, 22 June 2023

⁹² CNBC, 12 July 2023

⁹³ S&P Euro, 31 July 2023

⁹⁴ Reuters, 31 January 2023

⁹⁵ S&P Asia Pacific BMI, 31 July 2023

⁹⁶ S&P Asia Pacific, 31 July 2023

Santander Atlas Income Portfolio

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

Investment commentary (continued)

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

As part of this strategy, the Fund held less UK government bonds and Asian bonds that take a long time to reach maturity than the Target Benchmark. Instead, the Fund held more cash.

Over the last six months of the reporting period, this was reversed, and bonds that took longer to reach maturity were slowly added to the Fund. These purchases were funded mainly from cash. More emerging market bonds were also added to the Fund.

The Fund's income from bonds increased due to the dramatic rise in bond yields. If yields were to decrease, the Fund would still be able to repeat some benefits as bond prices would rise and some bonds could be sold at a profit.

New US government bond futures positions were opened to further diversify the Fund. Futures are a type of financial instrument where two parties agree to buy or sell an asset at a predetermined price on a specified date.

At the start of the period, the Fund held fewer shares than the Target Benchmark due to uncertainty caused by the Ukraine war, which affected stock markets. This position was about the same at the end of the period, although a tactical asset allocation decision was taken to expand the Fund's share holdings in the US and reduce those in Asia. This shift aims to enhance the Fund's capital growth at the expense of some income, which is acceptable as the Fund generated income at the upper end of its target range over the year.

UK shares made the most significant contribution to the Fund's income, thanks to dividends that rose over each of the four quarters.^{97, 98} The active managers held had delivered very attractive yields over the period. They selectively pick stocks which are yielding more than the market, or those which have a lower yield but are forecast to significantly increase their dividend growth over the next 3 years.

Highly-rated UK company bonds were the second-biggest contributor to income. While the Fund can invest globally, it favours investments in the UK. Asian shares also contributed positively to the Fund's income.

The Manager allocated to a new active high yield fund to complement the existing high yield position. The existing high yield fund focuses mainly on income generation, whereas the new high yield fund will have a greater focus on increasing the market value of the Manager's Fund's investments with the goal of reaching an improved balance between these two factors.

The Institutional Accumulation Share Class returned -0.30% in the 12 months to 31 July 2023, while the Institutional Income Share Class returned -0.34% over the period.

Market Outlook

The risk of a recession, characterised by two consecutive quarters of negative growth, is receding due to the strength of the labour market. However, economic growth will likely remain weak as the delayed effects of interest rate hikes begin to take hold.

Global growth will probably remain fragile for the rest of this year and into 2024.

⁹⁷ Computershare, 27 July 2023

⁹⁸ LinkedGroup, 6 January 2023

Santander Atlas Income Portfolio

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

Investment commentary (continued)

Market Outlook (continued)

The Manager has a cautious outlook on the stock market, anticipating a decline in share prices as companies struggle to increase their profits in a sluggish economic environment.

With inflation slowing, central banks appear to be nearing the end of their interest rate hiking cycle, creating a favourable environment for bonds.

The Manager has a positive view of government, highly-rated and high-yield bonds, as the Manager believes that bond yields have reached their peak and will soon begin to decline. This will allow the Fund to benefit from the higher levels of income that bonds are currently paying, and the Fund can also benefit when yields fall and bond prices rise by selling some bonds for a profit.

The risk of a recession, characterised by two consecutive quarters of negative growth, is receding due to the strength of the labour market. However, economic growth will likely remain weak as the delayed effects of interest rate hikes begin to take hold.

Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

September 2023

Summary of material portfolio changes

for the year ended 31 July 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
SPDR Bloomberg Sterling Corporate Bond UCITS ETF	6,174,008		Vanguard FTSE 100 UCITS ETF	6,730,905	
Robeco Capital Growth High Yield Bonds	4,624,343		PIMCO GIS Global High Yield Bond Fund	5,573,985	
Schroder Asian Income Fund	4,521,413		iShares Sterling Corporate Bond ex-Financials UCITS ETF	4,943,403	
MFS Meridian Emerging Markets Debt Fund	3,767,827		Janus Henderson Asian Dividend Income Unit Trust	4,859,905	
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	2,811,438		Principal Global Investors Funds - Preferred Fund	2,635,734	
Vanguard Investment Series - UK Investment Grade Bond Index Fund	2,781,939		Vanguard Investment Series - UK Investment Grade Bond Index Fund	1,340,909	
iShares Corporate Bond Index Fund UK	2,681,369		Schroder Income Maximiser	1,315,384	
iShares Core £ Corporate Bond UCITS ETF	1,098,992		iShares Euro Dividend UCITS ETF	913,915	
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	999,439		Fidelity Investment Funds ICVC - Enhanced Income Fund	770,600	
Schroder Income Maximiser	789,353		Amundi Funds European Equity Target Income EUR	747,668	
PIMCO GIS Global High Yield Bond Fund	699,998		MFS Meridian Funds - Emerging Markets Debt Fund	200,968	
Vanguard FTSE 100 UCITS ETF	522,186				
Principal Global Investors Funds - Preferred Fund	241,265				
iShares Euro Dividend UCITS ETF	194,879				
Total cost of purchases for the year	<u>31,908,449</u>	14	Total proceeds from sales for the year	<u>30,033,376</u>	14

All purchases and sales during the year are disclosed above.

Portfolio statement

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Collective Investment Schemes 96.94% (99.38%)			
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	1,946,246	2,785,078	3.08
Amundi Funds European Equity Target Income EUR	3,811	3,873,202	4.28
Fidelity Investment Funds ICVC - Enhanced Income Fund	7,688,092	6,795,504	7.50
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	14,892,044	4,226,362	4.67
HSBC Investment Funds OEIC - Corporate Bond Fund	4,068,374	4,084,648	4.51
iShares Core GBP Bond UCITS ETF*	39,122	4,629,697	5.11
iShares Corporate Bond Index Fund UK	7,007,608	7,760,548	8.57
iShares Euro Dividend UCITS ETF	376,177	5,586,228	6.17
Janus Henderson Asian Dividend Income Unit Trust	3,889,808	2,981,149	3.29
MFS Meridian Funds - Emerging Markets Debt Fund	700,962	7,665,278	8.47
PIMCO GIS Global High Yield Bond Fund	624,675	3,160,857	3.49
Principal Global Investors Funds - Preferred Fund	678,936	3,747,723	4.14
Robeco Capital Growth Funds - High Yield Bonds	57,915	4,645,941	5.13
Schroder Asian Income Fund	1,574,207	4,456,580	4.92
Schroder Income Maximiser	19,984,754	7,072,605	7.81
SPDR Bloomberg Sterling Corporate Bond UCITS ETF*	126,750	6,270,323	6.92
Vanguard Investment Series - UK Investment Grade Bond Index Fund	167,075	8,037,013	8.88
		87,778,736	96.94
Futures 0.05% (-0.47%)			
S&P 500 E-Mini Sep 23	7	72,331	0.08
STOXX Europe 600 Sep 23	(52)	(19,962)	(0.02)
US 5 Year Note (CBT) Sep 23	34	(8,932)	(0.01)
		43,437	0.05

Portfolio statement (continued)

as at 31 July 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.27% (-0.01%)					
Buy GBP : Sell USD	25/08/2023	£4,356,043	US\$(5,394,277)	164,072	0.18
Buy GBP : Sell USD	25/08/2023	£2,375,696	US\$(2,950,000)	83,207	0.09
				247,279	0.27
Portfolio of investments				88,069,452	97.26
Net other assets				2,480,793	2.74
Total net assets				90,550,245	100.00

Figures in brackets represent sector distribution at 31 July 2022.

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

Futures securities are derivative instruments listed on recognised exchanges.

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

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

Comparative tables

Change in net asset value per share	I Income Shares			I Accumulation Shares		
	2023 p	2022 p	2021 p	2023 p	2022 p	2021 p
Opening net asset value per share	195.91	218.66	210.35	337.69	361.94	336.71
Return before operating charges	0.52	(12.40)	17.41	1.13	(21.01)	28.24
Operating charges	(1.76)	(1.92)	(1.86)	(3.09)	(3.24)	(3.01)
Return after operating charges	(1.24)	(14.32)	15.55	(1.96)	(24.25)	25.23
Distributions	(8.34)	(8.43)	(7.24)	(14.65)	(14.19)	(11.75)
Retained distributions on accumulation shares	-	-	-	14.65	14.19	11.75
Closing net asset value per share	186.33	195.91	218.66	335.73	337.69	361.94
*after direct transaction costs of	0.00	0.00	0.01	0.00	0.00	0.02
Performance	2023	2022	2021	2023	2022	2021
Return after operating charges**	(0.63)%	(6.55)%	7.39%	(0.58)%	(6.70)%	7.49%
Closing net asset value (£'s)	84,349,801	82,880,970	83,106,326	6,200,444	8,119,618	12,324,033
Closing number of shares	45,270,015	42,305,898	38,007,017	1,846,872	2,404,457	3,404,967
Operating charges	0.93%	0.92%	0.86%	0.93%	0.92%	0.86%
Direct transaction costs*	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%
	p	p	p	p	p	p
Highest share price	198.2	221.5	220.7	346.3	370.7	362.9
Lowest share price	178.7	193.1	206.1	309.9	329.8	332.5

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

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

Financial Statements - Santander Atlas Income Portfolio

Statement of total return

for the year ended 31 July 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(4,373,716)		(10,232,681)
Revenue	2	4,576,994		4,310,925	
Expenses	3	(400,900)		(423,980)	
Interest payable and similar charges	4	(8,593)		(9,229)	
Net revenue before taxation		4,167,501		3,877,716	
Taxation	5	(441,577)		(364,622)	
Net revenue after taxation			3,725,924		3,513,094
Total return before distributions			(647,792)		(6,719,587)
Distributions	6		(4,046,643)		(3,852,279)
Change in net assets attributable to shareholders from investment activities			(4,694,435)		(10,571,866)

Statement of change in net assets attributable to shareholders

for the year ended 31 July 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		91,000,588		95,430,359
Amounts receivable on issue of shares	16,177,506		19,185,870	
Amounts payable on cancellation of shares	(12,238,315)		(13,461,589)	
		3,939,191		5,724,281
Dilution adjustment		1,958		2,380
Change in net assets attributable to shareholders from investment activities		(4,694,435)		(10,571,866)
Retained distribution on accumulation shares		302,943		415,434
Closing net assets attributable to shareholders		90,550,245		91,000,588

Balance sheet

as at 31 July 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		88,098,346	90,439,103
Current assets:			
Debtors	7	1,590,062	4,703,637
Cash and bank balances	8	3,094,203	1,811,814
Total assets		<u>92,782,611</u>	<u>96,954,554</u>
Liabilities:			
Investment liabilities		(28,894)	(437,628)
Creditors			
Bank overdrafts	8	-	(380,831)
Distributions payable	6	(779,267)	(775,338)
Other creditors	9	(1,424,205)	(4,360,169)
Total liabilities		<u>(2,232,366)</u>	<u>(5,953,966)</u>
Net assets attributable to shareholders		<u><u>90,550,245</u></u>	<u><u>91,000,588</u></u>

Notes to the financial statements

for the year ended 31 July 2023

1. Net capital losses

	2023	2022
	£	£
Realised losses on non-derivative securities	(4,265,063)	(1,074,219)
Unrealised losses on non-derivative securities	(271,102)	(8,495,144)
Realised losses on derivative securities	(372,277)	(138,017)
Unrealised gains/(losses) on derivative securities	469,926	(508,073)
Currency gains/(losses)	113,350	(3,756)
Realised losses on forward currency contracts	(292,189)	-
Unrealised gains on forward currency contracts	255,393	-
Transaction charges	(11,754)	(13,472)
Net capital losses	<u>(4,373,716)</u>	<u>(10,232,681)</u>

2. Revenue

	2023	2022
	£	£
UK dividends	1,375,075	1,241,932
Overseas UK tax exempt revenue	584,543	877,433
Overseas UK taxable revenue	1,438,716	1,214,914
Unfranked revenue	841,324	662,825
Bank interest	29,048	191
Rebates from holdings in Collective Investment Schemes	308,288	313,630
Total revenue	<u>4,576,994</u>	<u>4,310,925</u>

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>368,045</u>	<u>386,148</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>11,041</u>	<u>11,584</u>
Other expenses:		
Audit fees	13,760	18,225
Safe custody fees	6,567	6,730
FCA fee	115	32
Tax service fees	<u>1,372</u>	<u>1,261</u>
	<u>21,814</u>	<u>26,248</u>
Total expenses	<u>400,900</u>	<u>423,980</u>

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	2,942	5,593
Margin interest	<u>5,651</u>	<u>3,636</u>
Total interest payable and similar charges	<u>8,593</u>	<u>9,229</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	441,577	364,622
Total tax charge(note 5b)	441,577	364,622

b) Factors affecting the tax charge for the year

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

	2023	2022
	£	£
Net revenue before taxation	4,167,501	3,877,716
Corporation tax @ 20%	833,500	775,543
Effects of:		
Prior year adjustment	-	12,952
Revenue exempt from UK corporation tax	(391,923)	(423,873)
Total tax charge (note 5a)	441,577	364,622

6. Distributions

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

	2023	2022
	£	£
Interim income distribution paid	2,970,944	2,678,871
Interim accumulation distributions paid	234,936	338,725
Final income distribution payable	779,267	775,337
Final accumulation distributions payable	68,007	76,709
	4,053,154	3,869,642
Equalisation:		
Amounts deducted on cancellation of shares	59,048	47,757
Amounts added on issue of shares	(65,559)	(65,120)
Distributions	4,046,643	3,852,279
Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	3,725,924	3,513,094
Add:		
Undistributed revenue brought forward	-	6
Expenses paid from capital	400,899	423,975
Deduct:		
Capital tax relief	(80,180)	(84,796)
Distributions	4,046,643	3,852,279

Details of the distribution per share are disclosed in the distribution table on pages 75 and 76.

Notes to the financial statements (continued)

for the year ended 31 July 2023

7. Debtors	2023	2022
	£	£
Amounts receivable on issue of shares	250,596	488,754
Sales awaiting settlement	859,995	3,974,695
Accrued revenue	160,989	50,226
Income tax recoverable	63,571	-
Rebates from holdings in Collective Investment Schemes	254,911	189,962
Total debtors	<u>1,590,062</u>	<u>4,703,637</u>

8. Cash and bank balances	2023	2022
	£	£
Amount held at futures clearing houses and brokers	134,830	1,130,759
Cash and bank balances	2,959,373	681,055
Total cash and bank balances	<u>3,094,203</u>	<u>1,811,814</u>
Bank overdraft*	<u>-</u>	<u>380,831</u>

As at 31 July 2023, the weighted average of the floating interest rate on bank balances was 0.98% (2022 - 0.00%).

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

9. Other creditors	2023	2022
	£	£
Amounts payable on cancellation of shares	251,490	141,995
Purchases awaiting settlement	856,750	3,998,545
Accrued expenses	53,283	48,999
Corporation tax	262,682	170,630
Total other creditors	<u>1,424,205</u>	<u>4,360,169</u>

10. Risk disclosures

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

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies and governments and shares issued by listed companies. To obtain exposure to these assets, at least 80% of the Fund's investments will be accessed indirectly by purchasing units in Collective Investment Funds. The main risk arising from each Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £8,806,945 (2022 - £9,000,148*). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

* The prior year comparative disclosure has been recalculated from 5% to 10% to reflect the calculation of these figures on a consistent basis with the current year.

b) Interest rate risk

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

Interest rate risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 July 2023, 3.41% of the Fund's assets were interest bearing (2022 - 1.57%).

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

c) Currency risk

The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £870,595 (2022 - £480,584). A 5% weakening in GBP would increase the value by £962,237 (2022 - £531,172).

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

c) Currency risk (continued)

For numerical disclosure see note 15.

d) Credit risk

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

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed ("ABS") and Mortgage-backed ("MBS") Securities

MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

h) Capital Erosion Risk

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the ACD's fees and expenses and / or other fees and expenses, may be charged against capital instead of against income and may constrain the capital growth of the Fund. This may result in capital erosion or constrain the capital growth of the Fund. See Section 21.8 of the main body of the Prospectus for further details.

i) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

j) Country Risk

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

k) Derivatives Risk

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

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

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

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

l) Income Risk

Certain Funds may have a target income yield although this rate of income is not guaranteed. These Funds will make income distributions to Shareholders on the Distribution Dates listed for each Fund in Appendix 1. During periods of market uncertainty there is an increased risk that a Fund's target yield will not be achieved due to factors such as dividends issued by companies in which the Fund invests being reduced or investment by the Fund in fixed income assets yielding less income than expected.

Whilst Shareholders in each of these Funds will always receive the income earned by the relevant Fund, tax implications for a Shareholder may vary based on whether they subscribed or redeemed units in the Fund during a financial year, and on their individual tax situation.

m) Non-Developed Market Risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

m) Non-Developed Market Risk (continued)

markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

n) Passively Managed CIS Risk

A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:

a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £31,607 (2022 - £30,566) was due to the ACD at the year end date.

Material shareholders

As at 31 July 2023, 83.0% (2022 - 74.8%) of the shares in issue in the Santander Atlas Income Portfolio were held by Allfunds Nominee Limited therefore deemed as a related party due to being a material shareholder.

Notes to the financial statements (continued)

for the year ended 31 July 2023

12. Shareholders' funds

The Fund currently has two share classes; I Accumulation Shares and I Income Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
	No of shares	No of shares
I Income Shares		
Opening shares in issue	42,305,898	38,007,017
Shares issued in the year	8,439,387	8,877,159
Shares cancelled in the year	(5,475,270)	(4,578,278)
Closing shares in issue	45,270,015	42,305,898

	2023	2022
	No of shares	No of shares
I Accumulation Shares		
Opening shares in issue	2,404,457	3,404,967
Shares issued in the year	28,115	114,539
Shares cancelled in the year	(585,700)	(1,115,049)
Closing shares in issue	1,846,872	2,404,457

13. Fair value disclosure

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	16,558,579	28,894
Observable inputs using market data*	71,539,767	-
	88,098,346	28,894
	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	21,802,479	429,514
Observable inputs using market data*	68,636,624	8,114
	90,439,103	437,628

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	£	£	£	£	%	%
Collective Investment schemes	31,908,449	-	-	31,908,449	-	-
Total purchases	31,908,449	-	-	31,908,449		
2022	£	£	£	£	%	%
Collective Investment schemes	33,757,296	-	-	33,757,296	-	-
Total purchases	33,757,296	-	-	33,757,296		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	£	£	£	£	%	%
Collective Investment schemes	30,033,376	-	-	30,033,376	-	-
Total sales	30,033,376	-	-	30,033,376		
2022	£	£	£	£	%	%
Collective Investment schemes	24,210,053	-	-	24,210,053	-	-
Total sales	24,210,053	-	-	24,210,053		

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

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

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.05% (2022 - 0.06%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 July 2023

15. Currency risk

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

Currency	Net foreign currency assets		Total £
	Monetary exposures £	Non-monetary exposures £	
2023			
Euro	77,107	9,459,030	9,536,137
UK Sterling	2,332,690	69,935,052	72,267,742
US Dollar	70,996	8,675,370	8,746,366
2022			
Euro	177,999	4,095,431	4,273,430
UK Sterling	5,045,701	82,026,556	87,072,257
US Dollar	(4,659,190)	4,314,091	(345,099)

16. Derivatives and Counterparty Exposure

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

The types of derivatives held at the balance sheet date were forward currency contracts. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	83,207	83,207	83,207
J.P. Morgan	164,072	164,072	164,072
2022			
nil	nil	nil	nil

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Income share class has decreased from 186.33p to 186.07p and the I Accumulation class has increased from 335.73p to 338.89p as at 20 November 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 July 2023

Distributions on I Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	30.09.22	monthly	0.6000	-	0.6000	0.6000
	31.10.22	monthly	0.6023	-	0.6023	0.6000
	30.11.22	monthly	0.6023	-	0.6023	0.6000
	31.12.22	monthly	0.6023	-	0.6023	0.6000
	31.01.23	monthly	0.6023	-	0.6023	0.6000
	28.02.23	interim	0.6023	-	0.6023	0.6000
	31.03.23	monthly	0.6023	-	0.6023	0.6000
	30.04.23	monthly	0.6023	-	0.6023	0.6000
	31.05.23	monthly	0.6023	-	0.6023	0.6000
	30.06.23	monthly	0.6023	-	0.6023	0.6000
	31.07.23	monthly	0.6023	-	0.6023	0.6000
	31.08.23	final	1.7214	-	1.7214	1.8327
Group 2	30.09.22	monthly	0.1145	0.4855	0.6000	0.6000
	31.10.22	monthly	0.0000	0.6023	0.6023	0.6000
	30.11.22	monthly	0.0000	0.6023	0.6023	0.6000
	31.12.22	monthly	0.0000	0.6023	0.6023	0.6000
	31.01.23	monthly	0.0000	0.6023	0.6023	0.6000
	28.02.23	interim	0.0000	0.6023	0.6023	0.6000
	31.03.23	monthly	0.0000	0.6023	0.6023	0.6000
	30.04.23	monthly	0.0000	0.6023	0.6023	0.6000
	31.05.23	monthly	0.0000	0.6023	0.6023	0.6000
	30.06.23	monthly	0.0000	0.6023	0.6023	0.6000
	31.07.23	monthly	0.0000	0.6023	0.6023	0.6000
	31.08.23	final	0.2959	1.4255	1.7214	1.8327

Distribution tables (continued)

for the year ended 31 July 2023

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	30.09.22	monthly	1.0000	-	1.0000	1.0000
	31.10.22	monthly	0.9966	-	0.9966	1.0000
	30.11.22	monthly	0.9966	-	0.9966	1.0000
	31.12.22	monthly	0.9966	-	0.9966	1.0000
	31.01.23	monthly	0.9966	-	0.9966	1.0000
	28.02.23	interim	0.9966	-	0.9966	1.0000
	31.03.23	monthly	0.9966	-	0.9966	1.0000
	30.04.23	monthly	0.9966	-	0.9966	1.0000
	31.05.23	monthly	0.9966	-	0.9966	1.0000
	30.06.23	monthly	0.9966	-	0.9966	1.0000
	31.07.23	monthly	0.9966	-	0.9966	1.0000
	31.08.23	final	3.6823	-	3.6823	3.1903
Group 2	30.09.22	monthly	0.2588	0.7412	1.0000	1.0000
	31.10.22	monthly	0.0000	0.9966	0.9966	1.0000
	30.11.22	monthly	0.0000	0.9966	0.9966	1.0000
	31.12.22	monthly	0.0000	0.9966	0.9966	1.0000
	31.01.23	monthly	0.0000	0.9966	0.9966	1.0000
	28.02.23	interim	0.0000	0.9966	0.9966	1.0000
	31.03.23	monthly	0.0000	0.9966	0.9966	1.0000
	30.04.23	monthly	0.0000	0.9966	0.9966	1.0000
	31.05.23	monthly	0.0000	0.9966	0.9966	1.0000
	30.06.23	monthly	0.0000	0.9966	0.9966	1.0000
	31.07.23	monthly	0.0000	0.9966	0.9966	1.0000
	31.08.23	final	0.7237	2.9586	3.6823	3.1903

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 Max 30% Shares Portfolio

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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 also aim to outperform (after the deduction of fees) the following composite Target Benchmark measured over a rolling 3 year time period: 40% Markit iBoxx Sterling Non-Gilts Index TR, 25% ICE BofA UK Gilts All Stocks Index TR, 13% MSCI UK Index TR, 10% Sterling Overnight Index Average (SONIA), 5% ICE BofA Global High Yield Index, 4% MSCI USA Index TR and 3% MSCI Europe Ex UK Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.35% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed by the appointed Sub-Investment Manager and aims to achieve the investment objectives by obtaining exposure to the constituents included in the Indices which make up the Target Benchmark.

The Fund invests its assets directly, or indirectly through Derivatives or Collective Investment Schemes in the following:

- between 60% and 90% in bonds. The Fund can obtain exposure to bonds (typically denominated in or, at the time of purchase, Hedged to Pounds Sterling) issued by companies, supranationals and other non-sovereign entities as well as bonds issued by the UK Government. Up to 15% of the Fund may be exposed to bonds which are, at the time of purchase, sub-investment grade;
- between 10% and 30% in shares in companies which are, at the time of purchase, listed. These comprise direct investment in shares or equity related securities (i.e. other investments whose value is related to shares); and
- up to 10% in cash.

As exposure to bonds and shares can be obtained indirectly through Derivatives (if in the interest of realising the Fund's objectives more efficiently), investment in ancillary assets such as cash, cash like and/or money market instruments could be up to 100%, dependent on market conditions and investment views (see Investment Strategy and Process below).

As a result of the Fund's potential investment in bonds and money market instruments the Fund may have more than 35% invested in these assets issued by the UK Government.

The Fund may invest globally (including up to 15% in non-developed markets).

Up to 10% of the Fund can be invested indirectly, and for a sustained period, by purchasing units of Passively Managed Collective Investment Schemes managed by other companies (not the ACD or other companies within the Santander Group).

Santander Max 30% Shares Portfolio

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Investment commentary (continued)

Investment Policy (continued)

The Fund will use Derivatives (including Derivatives which track the performance of an Index such as index futures) for Efficient Portfolio Management (including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.

Investment Strategy and Process

The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and will put in place the investment guidelines which the Sub-Investment Manager must follow. In these investment guidelines the ACD will set the Sub-Investment Manager a target to outperform the Target Benchmark. Although this is calculated on a different basis to the Fund's outperformance target (i.e. before the deduction of the Fund's fees (other than transaction costs)), it is aligned with the investment objectives of the Fund overall. In addition, the investment guidelines agreed with the Sub-Investment Manager include risk management measures which will reference the Target Benchmark (described below).

The ACD has in place an internal analysis and due diligence process to monitor the Sub-Investment Manager's management of the Fund, and it can change the Sub-Investment Manager at its discretion if it believes that this is in the best interests of Shareholders in the Fund.

The Sub-Investment Manager actively manages the Fund which means it exercises its discretion when making its investment decisions. In aiming to achieve the Fund's investment objectives the Sub-Investment Manager uses an internal systematic, rules based investment process to inform the exposure it will seek in each type of asset (represented by each Index in the Target Benchmark). The Sub-Investment Manager decides whether to implement its investment decision based on the output of the systematic, rules-based investment process.

It is expected that the average outperformance for the Fund will typically not be greater than 0.35% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.

The Sub-Investment Manager's investment process seeks exposure only to constituents included in the Indices which make up the composite Target Benchmark. It will attempt to achieve the investment objectives with similar volatility (how much the returns of the Fund's investments fluctuate around their average return) and lower drawdown (the amount of the decline in value of the Fund's investments from their previous highest value) when compared to the Target Benchmark, but this is not guaranteed.

The Sub-Investment Manager's systematic, rules-based investment process does not consider individual assets or sectors, but instead informs the exposure the Fund will seek in each type of asset (represented by each Index in the Target Benchmark) by using the following strategies:

- (1) the "Risk Parity Strategy", the main goal of which is to generate less volatile returns (but not by a set amount) than the Target Benchmark for the Fund over a 5+ year time horizon. This strategy involves selecting shares and bonds such that each

Santander Max 30% Shares Portfolio

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Investment commentary (continued)

Investment Strategy and Process (continued)

type of asset (represented by Indices in the Target Benchmark) contributes an equal amount of volatility. This strategy will be applied to 75% of the Fund. The Risk Parity Strategy employed by the Sub-Investment Manager does not use borrowing or leverage; and

- (2) the "Momentum Strategy", which is the principal way in which the Sub-Investment Manager aims to outperform the Target Benchmark. This strategy seeks exposure to those shares and bonds (represented by Indices in the Target Benchmark) whose returns have been more favourable when measured over specific time periods, compared to other Indices in the Target Benchmark. In addition, the strategy takes into consideration the consistency and stability of returns over time and favours those types of shares and bonds with higher and more stable returns. The strategy does not take account of why the return has been more favourable. This strategy will be applied to 25% of the Fund.

Cash can also be held in either of the above strategies.

The systematic investment process will inform the exposure to each type of asset (represented by each Index in the Target Benchmark), and decide how to most efficiently implement the proposed investment decision(s) for review and process by the Sub-Investment Manager (an "Active Investment Decision").

Whilst in efficiently implementing its Active Investment Decision the Sub-Investment Manager will only obtain exposure to constituents included in the Indices in the Target Benchmark, it is not constrained by the amount allocated to each Index in the composite Target Benchmark (for example, more than 13% of the Fund could be exposed to the MSCI UK Index TR even though this makes up 13% of the Target Benchmark). Neither is the Fund required to always have exposure to each Index within the Target Benchmark. This freedom allows the Sub-Investment Manager to seek to outperform the returns of the Target Benchmark and therefore generate a combination of capital growth with the potential for income for the Fund.

In implementing its Active Investment Decision, the Sub-Investment Manager will seek to efficiently replicate the performance of the relevant Indices. As part of the overall investment process consideration will be given to the key characteristics that drive the performance of each Index and replication will be via investment in significantly fewer constituents than the total number of constituents of each Index and in different weights.

The Sub-Investment Manager will also obtain exposure to each Index through holding Derivatives which track the performance of an Index (such as index futures). The Sub-Investment Manager will combine its investments in shares and equity-related securities, if it considers that the combination might more efficiently realise the Fund's investment objectives. As a result, generally, the Fund will both invest directly in shares, and indirectly via Derivatives (i.e. equity index futures), for Efficient Portfolio Management, to achieve its exposure to equity markets as well as for hedging purposes. The Fund may have long and short Derivative positions (i.e. buy or sell a Derivative with the expectation that the underlying asset will rise or fall in value), but will only be net long when long and short positions are combined.

Whilst the Sub-Investment Manager's investment strategy favours Derivative use for seeking exposure to shares, Derivatives may also be held to seek exposure to bonds for efficient portfolio management. This means that a substantial amount, or even all, of the Fund may be held in cash, cash like and/or money market instruments for the purpose of managing the exposure

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Investment commentary (continued)

Investment Strategy and Process (continued)

created by Derivative use. The market exposure as a result of holding these Derivatives will be limited to 100% of the Net Asset Value of the Fund. These cash, cash like and money market instruments may not be included in the Target Benchmark. The Fund may use Derivatives extensively but the level of the Fund's use of Derivatives will fluctuate dependent on the investment decision being implemented. As the Fund is not constrained by the amount allocated to each Index in the Target Benchmark, the level of exposure the Fund is seeking to each Index will also change.

The Sub-Investment Manager may also obtain exposure to each Index through holding Passively Managed Collective Investment Schemes which invest in the relevant Index (for up to 10% of the Fund).

To help monitor the Fund, the Sub-Investment Manager will consider a range of risk measures, which may inform its investment processes. Some measures will reference the Target Benchmark.

Further Information

The Indices which together make up the Target Benchmark have been selected as they include the types of assets the Fund will invest in.

The Indices are provided by IHS Markit Benchmark Administration Limited, MSCI Limited, ICE Benchmark Administration Limited and the Bank of England respectively. IHS Markit Benchmark Administration Limited, MSCI Limited and ICE Benchmark Administration Limited are on the public register of administrators and benchmarks established and maintained by the FCA (this register does not apply to the Bank of England).

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

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

Please see the Risk Factor section of the Prospectus for details of the specific risks associated with the systematic, rules-based investment process.

The Fund has a Risk Category of Lower in accordance with Santander UK plc's Risk Categorisation Process. The General Information and Glossary of Terms at the start of the Appendix 1 in the prospectus explains what this means.

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.

Santander Max 30% Shares Portfolio
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Investment commentary (continued)

Further Information (continued)

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

Investment Manager

Santander Asset Management UK Limited

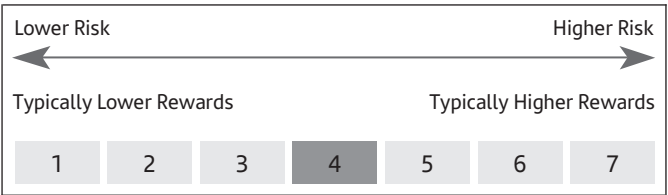
Sub-Investment Manager

Santander Asset Management, S.A, SGIC

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: Bond Risk, Counterparty Risk, Country Risk, Currency Risk, Derivatives Risk, Liquidity Risk, Non-Developed Market Risk, Number-Based Model Risk and Stock Market Risk, which are outlined in more detail in the notes to the financial statements. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business.

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund. The indicator is a measure of the Fund's volatility of past returns over the previous 5 years.

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

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

Santander Max 30% Shares Portfolio

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Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 31 July 2018 to 31 July 2023		
	Annualised	Cumulative
Santander Max 30% Shares Portfolio R Accumulation Shares	0.18%	0.93%
Santander Max 30% Shares Portfolio S Accumulation Shares	0.22%	1.09%
Percentage price change from 31 July 2020 to 31 July 2023		
	Annualised	Cumulative
Santander Max 30% Shares Portfolio R Accumulation Shares	-1.74%	-5.13%
Santander Max 30% Shares Portfolio S Accumulation Shares	-1.71%	-5.04%
40% Markit iBoxx Sterling Non-Gilts Index TR, 25% ICE BofA UK Gilts All Stocks Index TR, 13% MSCI UK Index TR, 10% Sterling Overnight Index Average (SONIA), 5% ICE BofA Global High Yield Index, 4% MSCI USA Index TR and 3% MSCI Europe Ex UK Index TR	-2.47%	-7.23%
Percentage price change from 29 July 2022 to 31 July 2023		
Santander Max 30% Shares Portfolio R Accumulation Shares	-3.92%	
Santander Max 30% Shares Portfolio S Accumulation Shares	-3.95%	
40% Markit iBoxx Sterling Non-Gilts Index TR, 25% ICE BofA UK Gilts All Stocks Index TR, 13% MSCI UK Index TR, 10% Sterling Overnight Index Average (SONIA), 5% ICE BofA Global High Yield Index, 4% MSCI USA Index TR and 3% MSCI Europe Ex UK Index TR	-5.01%	

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

Market index returns are based on daily index valuations as at close-of-business of the relevant market. Source Factset.

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 constituents of the Target Benchmark were updated with effect from 22 December 2021 and any performance after that date is shown against this updated Benchmark. From 14 January 2022 the Fund transitioned to a new investment strategy, with performance prior to this date having been achieved under different circumstances that no longer apply.

Target Benchmark figures are included over 3 years to show Fund Performance against the Investment Objective. Target Benchmark Returns over 1 year are included for performance comparison purposes only.

Santander Max 30% Shares Portfolio

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Investment commentary (continued)

Market Review

Despite a turbulent 2022⁹⁹, global stock markets ultimately rose during the period¹⁰⁰ amid hopes inflation had peaked¹⁰¹, with investors anticipating that the most aggressive period of interest rate increases in decades¹⁰² could soon draw to a close.¹⁰³

After falling to their lowest levels since 2020 early in the period¹⁰⁴, shares recovered from late September and continued performing well into 2023 – despite the banking turmoil in March, frequent concerns about economic growth and questions over whether gains in US stock markets are sustainable.¹⁰⁵

In contrast, bond prices fell over the period¹⁰⁶ as investors grew to fear that persistent inflation would mean interest rates would need to stay higher for longer.¹⁰⁷ As bond prices and yields move in opposite directions, falling prices were met by yields on bonds from the US¹⁰⁸, Europe and the UK surging to their highest levels in over 15 years in July.¹⁰⁹ The fact that bonds also endured their worst year on record in 2022¹¹⁰ contributed to their negative performance.

Inflation remains above the targets set by US¹¹¹, European¹¹² and UK¹¹³ central banks, even though it has fallen from last year's highs.¹¹⁴ It has proven more stubborn than expected, aided by the fact that strong labour markets have pushed salaries higher and encouraged consumers to spend.¹¹⁵

The UK struggled with higher levels of inflation than the US and Europe¹¹⁶, despite the Bank of England raising interest rates eight times over the reporting period.¹¹⁷ High levels of inflation meant that the yields on highly-rated UK company bonds rose and their prices fell.¹¹⁸

UK shares rose over the period¹¹⁹, despite facing challenges such as ex-Prime Minister Liz Truss' September announcement of unfunded tax cuts. The UK's financial markets plunged¹²⁰, Truss resigned and her successor, Rishi Sunak, implemented higher taxes and spending cuts in a bid to restore economic confidence.¹²¹

⁹⁹ Reuters, 30 December 2022

¹⁰⁰ MSCI World Index, 31 July 2023

¹⁰¹ IMF, 13 July 2023

¹⁰² World Economic Forum, 12 October 2022

¹⁰³ Bloomberg, 10 April 2023

¹⁰⁴ Associated Press, 29 September 2023

¹⁰⁵ Reuters, 29 June 2023

¹⁰⁶ S&P Global Developed Sovereign Bond Index, 31 July 2023

¹⁰⁷ Financial Times, 20 April 2023

¹⁰⁸ NPR, 13 January 2023

¹⁰⁹ Reuters, 10 July 2023

¹¹⁰ Forbes, 22 September 2022

¹¹¹ Reuters, 3 August 2022

¹¹² European Central Bank, 31 July 2023

¹¹³ The Bank of England, 31 July 2023

¹¹⁴ Forbes, 9 November 2022

¹¹⁵ Associated Press, 28 June 2023

¹¹⁶ BBC, 22 March 2023

¹¹⁷ Bank of England, 31 July 2023

¹¹⁸ S&P UK Investment Grade Corporate Bond Index, 31 July 2023

¹¹⁹ S&P United Kingdom, 31 July 2023

¹²⁰ The Guardian, 28 September 2022

¹²¹ Deutsche Welle, 17 October 2022

Santander Max 30% Shares Portfolio

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

Investment commentary (continued)

Market Review (continued)

Rises in the shares of the UK's largest companies¹²², which tend to be more export-oriented, helped to compensate for a decline in the share prices of small- and medium-sized firms¹²³, which are more likely to depend on the local economy.¹²⁴

In the US, stock markets climbed amid hopes that inflation could be reduced significantly without disrupting the economy.¹²⁵

European shares also advanced as investors anticipated that China would take stronger measures to stimulate its slowing economy.¹²⁶ Some significant European industries, such as the manufacture of luxury goods¹²⁷, rely on Chinese demand.

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. It aims to outperform (after fees) the Target Benchmark over a rolling three-year period.

Since February 2022, the Fund is actively managed by a sub-investment manager. It invests globally (up to 15% in non-developed markets) either directly or indirectly via index tracking funds (which up to 10% of the Fund can be invested in). It is 60-90% invested in bonds (which are typically in pounds), 10-30% in company shares and up to 10% in cash.

The Fund's investment process combines the risk parity and momentum strategies. Risk parity is applied to 75% of the Fund and involves investing in shares and bonds that balance out in terms of volatility, with the goal of generating less volatile returns than the Target Benchmark. The momentum strategy, which applies to 25% of the Fund, seeks to outperform the Target Benchmark by investing in shares and bonds that have historically outperformed.

Over five years, the R Accumulation share class produced a cumulative return of 0.93% (0.18% annualised) and the S Accumulation share class made a cumulative return of 1.09% (0.22% annualised). The Funds positive performance over this timeframe means that it has achieved its objective of providing capital growth over a 5-year time horizon.

Over three years, the Fund's R Accumulation share class produced a cumulative return of -5.13% (-1.74% annualised) and the S Accumulation share class delivered a cumulative return of -5.04% (-1.71% annualised), outperforming the Target Benchmark which returned -7.23% (-2.47% annualised).

Much of the Fund's outperformance over the last three years was achieved in the last 18 months. Over this period the Fund held an underweight position in bonds, relative to the Target Benchmark (meaning it holds fewer bonds than the Target Benchmark). Bonds performed poorly in the period as a result of high inflation and increasing interest rates. Outperformance was also driven by the Fund having more shares in its portfolio than the Target Benchmark as shares delivered better returns over the period.

¹²² FTSE 100 Index, 31 July 2023

¹²³ FTSE 250 Index, 31 July 2023

¹²⁴ Reuters, 22 June 2023

¹²⁵ CNBC, 12 July 2023

¹²⁶ S&P Euro, 31 July 2023

¹²⁷ Reuters, 31 January 2023

Santander Max 30% Shares Portfolio

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

Investment commentary (continued)

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

The Fund's R Accumulation share class returned -3.92% over the 12 months through July and the S Accumulation share class returned -3.95%, while the Target Benchmark returned -5.01%.

The Fund's outperformance over the period was primarily driven by its underweight position in bonds, relative to the Target Benchmark (meaning it holds fewer bonds than the Target Benchmark). Bonds performed poorly in the period as a result of high inflation and increasing interest rates. The outperformance was also driven by the Fund having shares in its portfolio as shares delivered better returns over the period.

From 14 January 2022 the Fund transitioned to a new investment strategy, systematic investing. The performance prior to this date have been achieved under the fundamental investment strategy that no longer applies.

The Fund has historically held a bias in favour of the UK, but this has since been revised so its investments can be spread across a larger region.

Market Outlook

SAM UK have a cautious outlook on the stock market, anticipating a decline in share prices as companies struggle to increase their profits in a sluggish economic environment.

With inflation slowing, central banks appear to be nearing the end of their interest rate hiking cycle, creating a favourable environment for bonds.

The risk of a recession, characterised as two consecutive quarters of negative growth, is diminishing due to the strength of the labour market. However, economic growth will likely remain weak as the delayed effects of interest rate hikes begin to take hold.

Global growth will probably remain fragile for the rest of this year and into 2024.

The systematic investment approach doesn't incorporate economic and political considerations in its strategic decision-making process, instead purely focusing on market factors. The models are designed to operate within the Fund's risk profile in all market conditions.

Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

September 2023

Summary of material portfolio changes

for the year ended 31 July 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
United Kingdom Gilt 0.75% 2023	10,313,364		United Kingdom Gilt 0.75% 2023	10,432,458	
United Kingdom Gilt 0.125% 2024	6,889,913		iShares Core £ Corporate Bond UCITS ETF	6,294,209	
iShares Core £ Corporate Bond UCITS ETF	6,458,349		iShares Global High Yield Bond UCITS ETF USD	5,949,980	
United Kingdom Gilt 0.125% 2023 0.125% 2023	5,631,270		United Kingdom Gilt 0.125% 2023 0.125% 2023	5,678,000	
iShares Global High Yield Bond UCITS ETF USD	5,552,432		United Kingdom Gilt 4.25% 2036	2,302,692	
United Kingdom Gilt 2.25% 2023	5,480,695		United Kingdom Gilt 1.25% 2027	1,716,512	
United Kingdom Gilt 0.375% 2030	2,126,720		United Kingdom Gilt 0.125% 2028	1,677,097	
United Kingdom Gilt 1% 2024	2,087,834		United Kingdom Gilt 1.5% 2026	1,440,697	
United Kingdom Gilt 2% 2025	2,042,208		United Kingdom Gilt 0.625% 2025	1,337,106	
Kreditanstalt fuer Wiederaufbau 3.75% 2027	1,914,617		Cooperatieve Rabobank 1.875% 2028	1,287,630	
United Kingdom Gilt 4% 2060	1,756,006		United Kingdom Gilt 4.25% 2032	1,109,190	
United Kingdom Gilt 4.25% 2039	1,417,587		United Kingdom Gilt 1.625% 2054	1,104,228	
United Kingdom Gilt 1.5% 2047	1,407,070		Toyota Motor Finance Netherlands 0.75% 2025	1,069,392	
United Kingdom Gilt 3.5% 2068	1,402,990		European Investment Bank 0.875% 2023	1,064,901	
BHP Billiton Finance 3.25% 2024	1,371,533		United Kingdom Gilt 1.25% 2041	1,029,684	
Cooperatieve Rabobank 1.875% 2028	1,292,610		United Kingdom Gilt 1.75% 2022 1.75% 2022	1,000,000	
United Kingdom Gilt 0.625% 2050	1,054,223		Barclays 3.125% 2024	886,725	
OP Corporate Bank 3.375% 2026	862,362		United Kingdom Gilt 3.75% 2052	881,138	
Telefonica Emisiones 5.445% 2029	793,556		Kreditanstalt fuer Wiederaufbau 1.25% 2023	878,044	
Annington Funding 3.184% 2029	744,471		Annington Funding 3.184% 2029	851,350	
Total cost of purchases for the year	<u>91,093,618</u>	14	Total proceeds from sales for the year	<u>89,094,175</u>	14

Portfolio statement

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Fixed interest securities 48.25% (55.03%)			
AAA to AA 9.77% (10.58%)			
Allianz Finance II 4.5% 2043	£400,000	371,618	0.21
CPPIB Capital 1.625% 2071	£400,000	161,592	0.09
European Investment Bank 1% 2026	£1,000,000	881,435	0.49
European Investment Bank 1.375% 2025	£1,300,000	1,220,973	0.68
European Investment Bank 3.875% 2037	£643,000	593,634	0.33
European Investment Bank 6% 2028	£700,000	735,617	0.41
Inter-American Development Bank 1.25% 2025	£768,000	695,222	0.39
Inter-American Development Bank 1.375% 2024	£1,200,000	1,132,796	0.63
International Bank for Reconstruction & Development 0.25% 2026	£789,000	681,980	0.38
International Bank for Reconstruction & Development 0.75% 2026	£679,000	587,219	0.33
International Development Association 0.75% 2028	£778,000	628,336	0.35
Kreditanstalt fuer Wiederaufbau 1.375% 2024	£1,129,000	1,066,975	0.59
Kreditanstalt fuer Wiederaufbau 3.75% 2027	£2,001,000	1,907,693	1.06
Kreditanstalt fuer Wiederaufbau 6% 2028	£507,000	531,969	0.30
LCR Finance 5.1% 2051	£149,000	156,974	0.09
Lloyds Bank 4.875% 2027	£690,000	674,229	0.37
Lloyds Bank 5.125% 2025	£500,000	494,271	0.27
Lloyds Bank 6% 2029	£400,000	414,082	0.23
Network Rail Infrastructure Finance 4.75% 2035	£580,000	576,976	0.32
Santander UK 5.75% 2026*	£1,633,000	1,635,000	0.91
SNCF Reseau 5% 2052	£400,000	383,590	0.21
Southern Water Services Finance 6.192% 2029	£322,000	319,405	0.18
State of North Rhine-Westphalia Germany 0.625% 2024	£800,000	746,440	0.41
University of Oxford 2.544% 2117	£400,000	206,082	0.11
Walmart 5.625% 2034	£420,000	439,252	0.24
Wellcome Trust 2.517% 2118	£654,000	339,187	0.19
		17,582,547	9.77
AA- to A+ 16.87% (21.79%)			
Banque Federative du Credit Mutuel 1.75% 2024	£800,000	754,168	0.42
Equinor 6.875% 2031	£500,000	548,474	0.31
Nestle 2.5% 2032	£800,000	666,072	0.37
OP Corporate Bank 3.375% 2026	£800,000	752,056	0.42
United Kingdom Gilt 0.125% 2028	£1,650,000	1,360,532	0.76
United Kingdom Gilt 0.375% 2030	£2,608,000	1,984,936	1.10
United Kingdom Gilt 0.625% 2025	£2,075,000	1,916,418	1.06
United Kingdom Gilt 0.625% 2035	£2,479,000	1,620,708	0.90
United Kingdom Gilt 0.625% 2050	£2,077,000	841,341	0.47
United Kingdom Gilt 0.875% 2029	£2,848,000	2,322,786	1.29
United Kingdom Gilt 1.25% 2027	£1,539,000	1,356,544	0.75

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 1.25% 2041	£1,515,000	913,810	0.51
United Kingdom Gilt 1.5% 2026	£1,877,000	1,711,777	0.95
United Kingdom Gilt 1.5% 2047	£2,073,000	1,173,681	0.65
United Kingdom Gilt 1.625% 2054	£1,042,000	556,610	0.31
United Kingdom Gilt 1.75% 2037	£1,758,000	1,266,243	0.70
United Kingdom Gilt 2% 2025	£2,100,000	1,975,334	1.10
United Kingdom Gilt 3.5% 2045	£2,103,000	1,812,313	1.01
United Kingdom Gilt 3.5% 2068	£1,295,000	1,099,552	0.61
United Kingdom Gilt 3.75% 2052	£979,000	869,230	0.48
United Kingdom Gilt 4% 2060	£1,508,000	1,416,728	0.79
United Kingdom Gilt 4.25% 2032	£1,593,000	1,596,863	0.89
United Kingdom Gilt 4.25% 2039	£1,280,000	1,247,712	0.69
Westfield Stratford City Finance NO 2 1.642% 2031	£700,000	601,140	0.33
		30,365,028	16.87
A to A- 4.71% (4.09%)			
ABN AMRO Bank 5.25% 2026	£700,000	688,961	0.38
Aspire Defence Finance 4.674% 2040	£161,168	147,519	0.08
AXA 5.453% 2172	£350,000	339,518	0.19
Bank of America 1.667% 2029	£900,000	739,476	0.41
Bank of America 7% 2028	£800,000	840,379	0.47
BHP Billiton Finance 3.25% 2024	£1,408,000	1,371,954	0.76
Clarion Funding 3.125% 2048	£900,000	594,505	0.33
GlaxoSmithKline Capital 1.625% 2035	£500,000	343,058	0.19
GlaxoSmithKline Capital 4.25% 2045	£300,000	258,341	0.14
GlaxoSmithKline Capital 5.25% 2033	£300,000	302,625	0.17
HSBC 1.75% 2027	£700,000	613,227	0.34
JPMorgan Chase & 0.991% 2026	£779,000	715,834	0.40
JPMorgan Chase & 1.895% 2033	£400,000	296,938	0.16
London & Quadrant Housing Trust 5.5% 2040	£600,000	580,225	0.32
THFC Funding No 3 5.2% 2043	£700,000	657,189	0.37
		8,489,749	4.71
BBB+ to BBB 13.06% (14.96%)			
Annington Funding 3.184% 2029	£910,000	748,361	0.42
Annington Funding 3.935% 2047	£562,000	400,055	0.22
AT&T 4.875% 2044	£400,000	332,850	0.18
Banco Santander 2.25% 2032*	£1,100,000	896,122	0.50
Barclays 1.7% 2026	£900,000	806,121	0.45
Barclays 3% 2026	£700,000	638,570	0.35
Barclays 3.25% 2033	£800,000	618,913	0.34

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
BAT International Finance 4% 2026	£900,000	842,215	0.47
BNP Paribas 2% 2031	£700,000	602,000	0.33
BP Capital Markets 4.25% 2172	£265,000	235,082	0.13
Cadent Finance 2.125% 2028	£850,000	708,668	0.39
Cooperatieve Rabobank 4.625% 2029	£700,000	633,662	0.35
E.ON International Finance 6.125% 2039	£300,000	304,993	0.17
E.ON International Finance 6.25% 2030	£500,000	515,880	0.29
E.ON International Finance 6.75% 2039	£300,000	323,414	0.18
Electricite de France 5.125% 2050	£400,000	332,553	0.18
Electricite de France 6.125% 2034	£600,000	585,575	0.33
Enel 5.75% 2037	£279,000	271,938	0.15
Enel Finance International 1% 2027	£764,000	627,816	0.35
Enel Finance International 5.75% 2040	£361,000	349,535	0.19
Engie 5% 2060	£500,000	441,703	0.25
GE Capital UK Funding Unlimited 5.875% 2033	£500,000	493,995	0.27
General Motors Financial 2.35% 2025	£550,000	507,815	0.28
Goldman Sachs 1% 2025	£594,000	553,787	0.31
Goldman Sachs 1.5% 2027	£772,000	644,925	0.36
Goldman Sachs 3.125% 2029	£690,000	592,729	0.33
Heathrow Funding 4.625% 2046	£300,000	247,645	0.14
Heathrow Funding 5.875% 2043	£479,000	467,605	0.26
HSBC 6% 2040	£500,000	453,946	0.25
HSBC 7% 2038	£400,000	400,987	0.22
Imperial Brands Finance 5.5% 2026	£750,000	727,055	0.40
Intesa Sanpaolo 2.625% 2036	£500,000	334,091	0.19
M&G 5.625% 2051	£560,000	505,566	0.28
National Grid Electricity Distribution West Midlands 5.75% 2032	£500,000	495,350	0.28
Orange 3.25% 2032	£400,000	342,600	0.19
Phoenix 5.625% 2031	£500,000	446,022	0.25
Sage 2.875% 2034	£300,000	231,366	0.13
Severn Trent Utilities Finance 6.25% 2029	£700,000	706,022	0.39
Thames Water Utilities Finance 5.125% 2037	£650,000	563,037	0.31
Thames Water Utilities Finance 5.5% 2041	£300,000	264,166	0.15
Verizon Communications 1.125% 2028	£610,000	480,773	0.27
Verizon Communications 3.375% 2036	£1,000,000	770,919	0.43
Volkswagen Financial Services 2.125% 2028	£400,000	337,992	0.19
Volkswagen Financial Services 4.25% 2025	£300,000	286,985	0.16
Wells Fargo 2% 2025	£1,033,000	950,838	0.53
Wells Fargo 2.5% 2029	£600,000	494,448	0.27
		23,516,690	13.06

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Below BBB to unrated 3.84% (3.61%)			
Centene 3.375% 2030	\$1,000,000	668,463	0.37
Deutsche Bank 4% 2032	€600,000	464,010	0.26
Ford Motor Credit 4.125% 2027	\$700,000	497,830	0.28
Lloyds Banking 2.707% 2035	£700,000	523,268	0.29
Natura &Co Luxembourg Sarl 6% 2029	\$600,000	444,203	0.25
NatWest 3.622% 2030	£400,000	372,906	0.21
Renault 2% 2026	€800,000	634,077	0.35
Telefonica Emisiones 5.445% 2029	£800,000	779,320	0.43
Tesco Corporate Treasury Services 2.75% 2030	£611,000	503,034	0.28
Tesco Property Finance 1 7.6227% 2039	£156,840	168,003	0.09
Tesco Property Finance 4 5.8006% 2040	£183,914	172,325	0.10
TransDigm 6.25% 2026	\$800,000	618,823	0.34
UniCredit 7.296% 2034	\$1,000,000	753,927	0.42
Vodafone 6.25% 2078	\$400,000	306,688	0.17
		6,906,877	3.84
Total Fixed interest securities		86,860,891	48.25
Money Market Securities 8.08% (0.51%)			
United Kingdom Gilt 2.25% 2023	£5,500,000	5,480,008	3.04
United Kingdom Gilt 1% 2024	£2,205,000	2,139,324	1.19
United Kingdom Gilt 0.125% 2024	£7,105,869	6,928,968	3.85
		14,548,300	8.08
Equities 28.14% (26.98%)			
Aerospace & Defence 0.65% (0.49%)			
Airbus	1,853	212,706	0.12
BAE Systems	54,736	509,811	0.28
Boeing	881	163,567	0.09
Safran	2,255	291,546	0.16
		1,177,630	0.65
Agriculture 0.55% (nil)			
British American Tobacco	29,208	763,935	0.43
Philip Morris International	2,869	222,291	0.12
		986,226	0.55

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Alternative Energy Sources 0.06% (nil)			
Vestas Wind Systems	4,974	104,045	0.06
		104,045	0.06
Apparel 0.38% (nil)			
LVMH Moet Hennessy Louis Vuitton	945	686,765	0.38
		686,765	0.38
Automobile Manufacturers 0.61% (0.54%)			
Mercedes-Benz	3,490	217,146	0.12
Tesla Motors	1,705	354,463	0.20
Volkswagen	1,857	191,938	0.11
Volvo	19,389	333,227	0.18
		1,096,774	0.61
Banks 2.94% (1.91%)			
Banco Bilbao Vizcaya Argentaria	38,235	236,225	0.13
Banco Santander*	83,857	264,649	0.15
Bank of America	10,937	272,097	0.15
Barclays	362,630	561,931	0.31
BNP Paribas	6,117	314,551	0.17
DNB Bank	16,336	261,924	0.15
HSBC	259,330	1,675,790	0.93
JPMorgan Chase &	2,709	332,622	0.18
Lloyds Banking	1,515,163	680,839	0.38
Morgan Stanley	3,202	227,834	0.13
UBS	15,274	263,834	0.15
Wells Fargo	5,581	200,225	0.11
		5,292,521	2.94
Beverages 0.79% (nil)			
Diageo	35,263	1,198,061	0.66
Heineken	3,599	229,756	0.13
		1,427,817	0.79
Building Materials 0.28% (nil)			
CRH	4,821	223,823	0.12
Geberit	635	280,919	0.16
		504,742	0.28

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Chemicals 0.42% (0.39%)			
Air Liquide	3,406	476,490	0.27
Linde	910	276,504	0.15
		<hr/> 752,994	0.42
Commercial Services 1.35% (nil)			
Adyen	120	173,491	0.10
Ashtead	9,193	529,149	0.29
Experian	20,018	602,141	0.34
RELX	42,858	1,122,880	0.62
		<hr/> 2,427,661	1.35
Computers 0.76% (nil)			
Apple	8,991	1,372,916	0.76
		<hr/> 1,372,916	0.76
Construction & Materials nil (0.26%)			
Cosmetics & Personal Care 1.21% (2.24%)			
L'Oreal	821	297,586	0.17
Procter & Gamble	2,745	333,564	0.18
Unilever	36,792	1,541,769	0.86
		<hr/> 2,172,919	1.21
Diversified Financial Services 0.57% (nil)			
London Stock Exchange	4,758	402,622	0.22
Mastercard	939	287,710	0.16
Visa	1,852	342,274	0.19
		<hr/> 1,032,606	0.57
Electricity 0.91% (nil)			
Duke Energy	4,675	340,129	0.19
Enel	53,399	286,945	0.16
Iberdrola	35,421	344,649	0.19
National Grid	64,971	670,176	0.37
		<hr/> 1,641,899	0.91
Electronic & Electrical Equipment 0.17% (0.36%)			
Schneider Electric	2,230	309,639	0.17
		<hr/> 309,639	0.17

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Electronics 0.15% (nil)			
Trimble Navigation	6,631	277,269	0.15
		277,269	0.15
Finance and Credit Services nil (1.25%)			
Food & Beverages 0.40% (2.06%)			
Nestlé	7,466	715,338	0.40
		715,338	0.40
Food Services 0.46% (nil)			
Compass	41,187	834,861	0.46
		834,861	0.46
Healthcare Products 0.52% (0.35%)			
Abbott Laboratories	3,061	264,859	0.15
Alcon	2,759	183,060	0.10
Danaher	1,175	232,945	0.13
Thermo Fisher Scientific	581	247,753	0.14
		928,617	0.52
Healthcare Services 0.27% (0.52%)			
Lonza	364	164,882	0.09
UnitedHealth	828	325,994	0.18
		490,876	0.27
Home Builders 0.41% (nil)			
Barratt Developments	114,442	522,656	0.29
PulteGroup	3,267	214,254	0.12
		736,910	0.41
Household Goods 0.33% (nil)			
Reckitt Benckiser	10,114	590,253	0.33
		590,253	0.33
Industrial Goods and Services nil (2.24%)			
Insurance 1.07% (0.47%)			
Allianz	3,160	589,217	0.33
American Financial	3,292	311,149	0.17

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Insurance (continued)			
Berkshire Hathaway 'B'	1,551	424,465	0.24
Prudential	55,759	603,313	0.33
		1,928,144	1.07
Internet 1.12% (nil)			
Alphabet class 'A'	6,998	722,018	0.40
Amazon	5,745	597,116	0.33
Meta Platforms	1,268	314,001	0.18
Netflix	382	130,352	0.07
Palo Alto Networks	478	92,877	0.05
Prosus	2,482	153,195	0.09
		2,009,559	1.12
Investment Companies 0.21% (nil)			
Groupe Bruxelles Lambert	6,030	379,781	0.21
		379,781	0.21
Machinery Construction & Mining 0.13% (nil)			
Sandvik	15,268	241,453	0.13
		241,453	0.13
Machinery Diversified 0.54% (nil)			
Atlas Copco	20,497	197,474	0.11
Deere	427	142,608	0.08
Ingersoll Rand	5,360	271,906	0.15
Westinghouse Air Brake Technologies	3,925	361,308	0.20
		973,296	0.54
Media 0.22% (0.74%)			
Comcast class 'A'	5,981	210,438	0.12
Walt Disney	2,675	184,764	0.10
		395,202	0.22
Mining 0.97% (0.92%)			
Anglo American	17,465	418,025	0.23
Glencore	118,959	563,271	0.31
Rio Tinto	14,791	761,736	0.43
		1,743,032	0.97

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Miscellaneous Manufacturing 0.38% (nil)			
General Electric	1,692	150,217	0.08
Siemens	2,237	297,922	0.17
Teledyne Technologies	792	236,686	0.13
		<hr/>	
		684,825	0.38
Oil & Gas 2.48% (2.17%)			
BP	246,320	1,189,726	0.66
Chevron	1,910	242,979	0.14
Exxon Mobil	3,367	280,581	0.16
Hess	1,804	212,753	0.12
Shell	90,892	2,150,050	1.19
TotalEnergies	8,068	382,038	0.21
		<hr/>	
		4,458,127	2.48
Packaging & Containers 0.10% (nil)			
Stora Enso	18,121	173,446	0.10
		<hr/>	
		173,446	0.10
Pharmaceuticals & Biotechnology 3.22% (3.23%)			
AbbVie	1,460	169,699	0.09
AstraZeneca	19,171	2,144,085	1.19
Eli Lilly	555	196,162	0.11
GSK	63,787	882,940	0.49
Johnson & Johnson	2,742	357,217	0.20
Merck	2,324	192,744	0.11
Novartis	5,632	459,882	0.26
Novo Nordisk 'B'	4,231	529,890	0.29
Pfizer	4,989	139,784	0.08
Roche	1,924	466,811	0.26
Sanofi	3,055	253,929	0.14
		<hr/>	
		5,793,143	3.22
Real Estate nil (0.60%)			
Real Estate Investment Trusts 0.39% (nil)			
Kimco Realty	23,365	367,913	0.21
Realty Income	6,992	331,273	0.18
		<hr/>	
		699,186	0.39

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Retailers 0.50% (1.24%)			
Cie Financiere Richemont	2,177	273,857	0.15
Costco Wholesale	585	254,919	0.14
Home Depot	1,456	377,962	0.21
		906,738	0.50
Semiconductors 1.01% (nil)			
Advanced Micro Devices	1,265	112,495	0.06
Applied Materials	1,710	201,508	0.11
ASML	905	505,699	0.28
Broadcom	286	199,885	0.11
Infineon Technologies	4,988	170,947	0.10
Intel	4,115	114,464	0.06
Nvidia	1,421	516,161	0.29
		1,821,159	1.01
Tech - Software & Services 1.17% (3.28%)			
Adobe	359	152,409	0.09
Microsoft	4,342	1,133,749	0.63
Salesforce	1,023	178,958	0.10
SAP	3,570	380,739	0.21
SS&C Technologies	5,663	256,335	0.14
		2,102,190	1.17
Telecommunications 0.44% (0.49%)			
Cisco Systems	5,316	215,053	0.12
Deutsche Telekom	15,021	256,271	0.14
Vodafone	432,854	322,130	0.18
		793,454	0.44
Travel & Leisure nil (0.46%)			
Utilities nil (0.77%)			
Total Equities		50,664,013	28.14

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Collective Investment Schemes 9.66% (9.40%)			
iShares Global High Yield Bond UCITS ETF USD**	264,514	17,386,505	9.66
		17,386,505	9.66
Futures -0.13% (0.07%)			
BP Currency Sep 23	(374)	(338,951)	(0.19)
EURO/GBP Sept 23	(21)	13,102	0.01
FTSE 100 Index Sep 23	(16)	(12,028)	(0.01)
Long Gilt Sep 23	46	121,408	0.07
MSCI Europe Sep 23	(43)	(29,702)	(0.02)
S&P 500 E-Mini Sep 23	13	12,934	0.01
		(233,237)	(0.13)
Portfolio of investments		169,226,472	94.00
Net other assets		10,805,138	6.00
Total net assets		180,031,610	100.00

Figures in brackets represent sector distribution at 31 July 2022.

Fixed interest securities are not listed and are valued using publicly available market data unless otherwise stated.

All equity shares are listed ordinary shares unless otherwise stated.

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

Futures securities are derivative instruments listed on recognised exchanges.

* Related party to the Fund.

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

Comparative tables

Change in net asset value per share	R Accumulation Shares			S Accumulation Shares		
	2023 p	2022 p	2021 p	2023 p	2022 p	2021 p
Opening net asset value per share	182.12	190.40	183.22	175.42	183.32	176.33
Return before operating charges	(6.62)	(7.21)	8.60	(6.37)	(6.94)	8.26
Operating charges	(1.06)	(1.07)	(1.42)	(1.03)	(0.96)	(1.27)
Return after operating charges	(7.68)	(8.28)	7.18	(7.40)	(7.90)	6.99
Distributions	(4.09)	(3.60)	(2.64)	(3.94)	(3.50)	(2.54)
Retained distributions on accumulation shares	4.09	3.60	2.64	3.94	3.50	2.54
Closing net asset value per share	174.44	182.12	190.40	168.02	175.42	183.32
*after direct transaction costs of	0.03	0.11	0.02	0.02	0.11	0.02
Performance	2023	2022	2021	2023	2022	2021
Return after operating charges**	(4.22)%	(4.35)%	3.92%	(4.22)%	(4.31)%	3.96%
Closing net asset value (£'s)	13,157,018	14,936,157	16,882,223	166,874,592	179,756,717	195,404,280
Closing number of shares	7,542,398	8,201,213	8,866,728	99,318,638	102,472,961	160,589,282
Operating charges	0.61%	0.58%	0.76%	0.61%	0.54%	0.71%
Direct transaction costs*	0.01%	0.09%	0.01%	0.01%	0.09%	0.01%
	p	p	p	p	p	p
Highest share price	183.8	193.2	190.7	177.0	186.0	183.6
Lowest share price	161.7	172.8	181.3	155.7	166.4	174.5

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

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

Financial Statements - Santander Max 30% Shares Portfolio

Statement of total return

for the year ended 31 July 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(12,668,835)		(12,774,386)
Revenue	2	5,446,603		4,687,514	
Expenses	3	(961,014)		(1,089,560)	
Interest payable and similar charges	4	(60,534)		(27,618)	
Net revenue before taxation		4,425,055		3,570,336	
Taxation	5	(129,682)		(67,529)	
Net revenue after taxation			4,295,373		3,502,807
Total return before distributions			(8,373,462)		(9,271,579)
Distributions	6		(4,295,373)		(4,006,610)
Change in net assets attributable to shareholders from investment activities			(12,668,835)		(13,278,189)

Statement of change in net assets attributable to shareholders

for the year ended 31 July 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		194,692,874		212,286,503
Amounts receivable on issue of shares	9,037,456		4,017,068	
Amounts payable on cancellation of shares	(15,291,861)		(12,291,929)	
		(6,254,405)		(8,274,861)
Dilution adjustment		8,814		4,417
Change in net assets attributable to shareholders from investment activities		(12,668,835)		(13,278,189)
Retained distribution on accumulation shares		4,253,162		3,955,004
Closing net assets attributable to shareholders		180,031,610		194,692,874

Balance sheet

as at 31 July 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		169,607,153	179,405,848
Current assets:			
Debtors	7	1,326,610	1,420,687
Cash and bank balances	8	18,605,893	19,731,603
Total assets		<u>189,539,656</u>	<u>200,558,138</u>
Liabilities:			
Investment liabilities		(380,681)	(310,181)
Creditors			
Bank overdrafts	8	(8,843,259)	(4,978,785)
Other creditors	9	(284,106)	(576,298)
Total liabilities		<u>(9,508,046)</u>	<u>(5,865,264)</u>
Net assets attributable to shareholders		<u><u>180,031,610</u></u>	<u><u>194,692,874</u></u>

Notes to the financial statements

for the year ended 31 July 2023

1. Net capital losses	2023	2022
	£	£
Realised losses on non-derivative securities	(5,694,754)	(1,814,503)
Unrealised losses on non-derivative securities	(5,774,649)	(15,655,854)
Realised (losses)/gains on derivative securities	(534,547)	4,264,868
Unrealised (losses)/gains on derivative securities	(359,093)	125,856
Currency (losses)/gains	(289,085)	475,481
Forward currency contracts	–	(140,822)
Transaction charges	(16,707)	(29,412)
Net capital losses	<u>(12,668,835)</u>	<u>(12,774,386)</u>
2. Revenue	2023	2022
	£	£
UK dividends	808,742	855,403
Overseas UK tax exempt revenue	714,998	882,907
Overseas UK taxable revenue	821,220	1,270,192
Unfranked revenue	–	476,508
Interest on debt securities	2,984,338	1,100,060
Bank interest	102,188	1,880
Margin interest	14,557	–
Rebates from holdings in Collective Investment Schemes	560	100,564
Total revenue	<u>5,446,603</u>	<u>4,687,514</u>
3. Expenses	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>915,109</u>	<u>1,031,998</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>21,963</u>	<u>24,624</u>
Other expenses:		
Audit fees	13,760	18,225
Safe custody fees	8,695	13,425
FCA fee	115	32
Tax service fees	<u>1,372</u>	<u>1,256</u>
	<u>23,942</u>	<u>32,938</u>
Total expenses	<u>961,014</u>	<u>1,089,560</u>
4. Interest payable and similar charges	2023	2022
	£	£
Overdraft interest	8,369	7,375
Margin interest	<u>52,165</u>	<u>20,243</u>
Total interest payable and similar charges	<u>60,534</u>	<u>27,618</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Withholding tax on overseas dividends	129,682	67,529
Total tax charge(note 5b)	<u>129,682</u>	<u>67,529</u>

b) Factors affecting the tax charge for the year

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

	2023	2022
	£	£
Net revenue before taxation	<u>4,425,055</u>	<u>3,570,336</u>
Corporation tax @ 20%	885,011	714,067
Effects of:		
Movement in excess management expenses	104	625
Overseas capital gains tax	-	(625)
Overseas tax	129,682	67,529
Prior year adjustment to excess management expenses	625	-
Relief on overseas tax expensed	(730)	-
Revenue exempt from UK corporation tax	(305,899)	(347,708)
Tax deductible interest distributions	<u>(579,111)</u>	<u>(366,359)</u>
Total tax charge (note 5a)	<u>129,682</u>	<u>67,529</u>

c) Provision for deferred taxation

At the year end there is a potential deferred tax asset of £729 (2022: £625) due to tax losses of £3,647 (2022: £3,125). It is considered unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

6. Distributions

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

	2023	2022
	£	£
Interim accumulation distributions paid	1,886,450	1,925,021
Final accumulation distributions payable	<u>2,366,713</u>	<u>2,029,983</u>
	4,253,163	3,955,004
Equalisation:		
Amounts deducted on cancellation of shares	101,332	66,476
Amounts added on issue of shares	<u>(59,122)</u>	<u>(14,870)</u>
Distributions	<u>4,295,373</u>	<u>4,006,610</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	4,295,373	3,502,807
Add:		
Undistributed revenue brought forward	-	69
Expenses paid from capital	-	503,734
Distributions	<u>4,295,373</u>	<u>4,006,610</u>

Details of the distribution per share are disclosed in the distribution table on page 114.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	123,074	20,769
Sales awaiting settlement	-	211,006
Accrued revenue	1,172,839	1,175,451
Overseas withholding tax	28,948	-
Rebates from holdings in Collective Investment Schemes	-	13,461
Currency sales awaiting settlement	1,749	-
Total debtors	<u>1,326,610</u>	<u>1,420,687</u>

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	1,560,134	861,178
Cash and bank balances	17,045,759	18,870,425
Total cash and bank balances	<u>18,605,893</u>	<u>19,731,603</u>
Bank overdraft*	<u>8,843,259</u>	<u>4,978,785</u>

As at 31 July 2023, the weighted average of the floating interest rate on bank balances was 0.60% (2022 - 0.00%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	179,583	471,006
Accrued expenses	102,772	105,292
Currency purchases awaiting settlement	1,751	-
Total other creditors	<u>284,106</u>	<u>576,298</u>

10. Risk disclosures

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

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies and governments and shares issued by listed companies. The Fund's exposure to global shares will never exceed 30%. To obtain exposure to these assets, at least 10% of the Fund's investments will be accessed indirectly by purchasing units in Collective Investment Funds. The main risk

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

arising from each Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £16,922,647 (2022 - £17,909,567*). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

* The prior year comparative disclosure has been recalculated from 5% to 10% to reflect the calculation of these figures on a consistent basis with the current year.

b) Interest rate risk

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

Interest rate risk in fixed income investments is monitored by the Manager and appropriate Sub-Investment Manager by analysing the investment characteristics of the underlying securities and issuers. The Manager and appropriate Sub-Investment Manager manages such risk by taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying holdings. If interest rates rise, the revenue potential of the Scheme will also rise, but the capital value of fixed interest investments will decline. A decline in interest rates will generally have the opposite effect. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates. Interest rate risk in holdings of Collective Investment funds is monitored by the ACD and appropriate Sub-Investment Manager by understanding the investment objectives of the underlying funds as well as a regular risk and performance review with external managers.

As at 31 July 2023, 61.75% of the Fund's assets were interest bearing (2022 - 63.20%).

As at the balance sheet date, a decrease in interest rates by 300 basis points (2022 - 25 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £178,560,403 (2022 - £2,567,008). An increase in interest rates would have an equal but opposite effect. It is expected that a change in interest rates of similar magnitude would not have a material impact on the portfolio's income stream generated from fixed income assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Numerical disclosure of the interest rate risk profile is made in note 15.

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

c) Currency risk

The Fund is permitted to invest in fixed income securities denominated in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the fixed income securities can therefore be affected by currency movements.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £1,722,581 (2022 - £nil)*. A 5% weakening in GBP would increase the value by £1,903,905 (2022 - £nil)*.

For numerical disclosure see note 16.

*The Fund did not hold any significant currency balances in the prior year so no sensitivity analysis has been presented.

d) Credit risk

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

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

Please see credit rate ratings analysis below:

Credit Ratings

2023	Market value	Percentage of
Investments	£	total net assets
		%
Investment grade (AAA - BBB)	79,954,014	44.41
Below investment grade (Below BBB to unrated)	6,906,877	3.84
Total fixed interest securities	86,860,891	48.25

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

d) Credit risk (continued)

2022	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	100,106,948	51.42
Below investment grade (Below BBB to unrated)	7,033,084	3.61
Total fixed interest securities	107,140,032	55.03

e) Liquidity risk

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

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

f) Counterparty risk

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

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

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed ("ABS") and Mortgage-backed ("MBS") Securities

MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

h) Country Risk

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

i) Derivatives Risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

j) Non-Developed Market Risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as “emerging markets” in a Fund’s investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund’s Shareholders bear the risks of investing in such markets.

k) Number-Based Model Risk

The Fund uses a systematic, rules-based investment process which includes numbers-based models. Flaws or errors in the model’s design, assumptions, execution, or data inputs may mean that the process may not identify particular investment opportunities or risks, or it may not perform as expected. Errors in the data used in these models may occur from time to time and may not be identified and/or corrected before investment decisions have been implemented and could, therefore, have an adverse impact on the Fund’s performance or on its aim to achieve the investment objectives.

The systematic rules-based investment process uses the following models:

- A “Risk Parity Strategy” which aims to generate less volatile returns for the Fund when compared to the Fund’s Target Benchmark. When selecting assets under this strategy it may not be able to benefit from market upswings in the same way that other investment strategies might be able to. However, this will be with the intention of managing the Fund’s volatility; and

- A “Momentum Strategy” which is the principal way in which the Sub-Investment Manager aims to outperform the Fund’s Target Benchmark. This seeks exposure to those types of assets whose returns have been more favourable when measured over specific time periods (which are different to the time periods in the Fund’s investment objectives), when compared to other assets which are available for investment. The strategy takes into consideration the consistency and stability of returns over time and favours those types of assets with higher and more stable returns. The strategy does not consider the reasons why an asset has a higher and more stable return and is only concerned with what the return is. As it only considers returns over specific time periods, the Fund will not be able to take advantage of preferable returns which are outside of those specific time periods, however the strategy aims to reduce the risk of the Fund being exposed to short term changes in market movements. There is no guarantee that higher and more stable past returns will mean similar or increased returns in the future and so the Fund may experience losses if returns fall or stop. The investment limits the Fund is subject could restrict the Momentum Strategy from operating in the most beneficial way, although this is not expected to be the case.

There is no guarantee that the use of numbers-based models will enable the Fund to achieve its investment objectives.

11. Related party transactions

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

11. Related party transactions (continued)

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £132,236 (2022 - £450,237) was due to the ACD at the year end date.

Material shareholders

As at 31 July 2023 0.00% (2022 - 0.00%) of the shares in issue of the Santander Corporate Bond Fund Institutional Accumulation Gross share class, an authorised open-ended investment company also managed by Santander Asset Management UK Limited, were held by the Fund. The transactions associated with this holding are as follows:

- a) The value of the purchases transactions was nil (2022 - nil) and sales transactions was £nil (2022 - £20,312,491).
- b) Revenue receivable for the year was nil (2022 - £200,677) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was nil (2022 - nil).

As at 31 July 2023 0.00% (2022 - 0.00%) of the shares in issue of the Santander Sterling Government Bond Fund Institutional Income Gross share class, an authorised open-ended investment company also managed by Santander Asset Management UK Limited, were held by the Fund. The transactions associated with this holding are as follows:

- a) The value of the purchases transactions was nil (2022 - nil) and sales transactions was nil (2022 - £30,479,972).
- b) Revenue receivable for the year was nil (2022 - £84,732) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was nil (2022 - nil).

As at 31 July 2023, the Fund held assets which are related to the ultimate holding company, Banco Santander S.A. The holdings and the associated transactions in this period and the comparative period are as follows:

Santander UK 5.75% 2026

- a) The value of the purchases transactions was £233,466 (2022 - £1,632,415) and sales transactions was nil (2022 - nil)
- b) Revenue receivable for the year was £80,500 (2022 - £1,812) and the outstanding amount was £38,739 (2022 - £33,303).
- c) The aggregate value of investments held at the year end was £1,635,000 (2022 - £1,559,880).

Banco Santander 2.25% 2032

- a) The value of the purchases transactions was nil (2022 - £1,062,358) and sales transactions was nil (2022 - nil).
- b) Revenue receivable for the year was £24,750 (2022 - nil) and the outstanding amount was £20,342 (2022 - £20,342).
- c) The aggregate value of investments held at the year end was £896,122 (2022 - £951,500).

Banco Santander

- a) The value of the purchases transactions was £346,945 (2022 - nil) and sales transactions was £215,337 (2022 - nil).
- b) Revenue receivable for the year was £14,232 (2022 - nil) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was £264,649 (2022 - nil).

As at 31 July 2023, 99.99% (2022 - 99.96%) of the shares in issue were held by AllFunds Nominees Ltd.

Notes to the financial statements (continued)

for the year ended 31 July 2023

12. Shareholders' funds

The Fund currently has two share classes; R Accumulation Shares and S Accumulation Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
	No of shares	No of shares
R Accumulation Shares		
Opening shares in issue	8,201,213	8,866,728
Shares issued in the year	123,543	204,370
Shares cancelled in the year	(782,358)	(869,885)
Closing shares in issue	<u>7,542,398</u>	<u>8,201,213</u>
	2023	2022
	No of shares	No of shares
S Accumulation Shares		
Opening shares in issue	102,472,961	106,589,282
Shares issued in the year	5,235,786	2,029,127
Shares cancelled in the year	(8,390,109)	(6,145,448)
Closing shares in issue	<u>99,318,638</u>	<u>102,472,961</u>

13. Fair value disclosure

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	109,789,380	380,681
Observable inputs using market data*	<u>59,817,773</u>	<u>-</u>
	<u>169,607,153</u>	<u>380,681</u>
	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	110,931,727	310,181
Observable inputs using market data*	<u>68,474,121</u>	<u>-</u>
	<u>179,405,848</u>	<u>310,181</u>

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Debt securities included in the highest fair value hierarchy level relating to government bonds, where their valuation is determined to be sufficiently close to a binding quoted price, amount to £43,040,015 for assets as at 31 July 2023 (2022 - £40,784,906).

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	£	£	£	£	%	%
Bonds	57,309,096	-	-	57,309,096	-	-
Collective Investment schemes	12,010,782	-	-	12,010,782	-	-
Equities	21,754,950	6,567	12,223	21,773,740	0.03	0.06
Total purchases	91,074,828	6,567	12,223	91,093,618		
2022	£	£	£	£	%	%
Bonds	126,375,323	-	-	126,375,323	-	-
Collective Investment schemes	15,407,392	-	-	15,407,392	-	-
Equities	66,720,016	59,025	119,026	66,898,067	0.09	0.18
In-specie transfers	28,718,831	-	-	28,718,831	-	-
Total purchases	237,221,562	59,025	119,026	237,399,613		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	£	£	£	£	%	%
Bonds	50,055,826	-	-	50,055,826	-	-
Collective Investment schemes	12,244,189	-	-	12,244,189	-	-
Equities	26,802,387	(8,046)	(181)	26,794,160	0.03	0.00
Total sales	89,102,402	(8,046)	(181)	89,094,175		
2022	£	£	£	£	%	%
Bonds	34,753,706	-	-	34,753,706	-	-
Collective Investment schemes	191,959,127	-	(1)	191,959,126	-	-
Equities	13,277,315	(92)	(2)	13,277,221	-	-
PY - In-specie transfers	29,827,890	-	-	29,827,890	-	-
Total sales	269,818,038	(92)	(3)	269,817,943		

	Broker Commission	Transfer Taxes
2023	£	£
Total costs from purchases & sales	14,613	12,404
Total costs as % of Average NAV	0.01%	0.01%
2022	£	£
Total costs from purchases & sales	59,117	119,029
Total costs as % of Average NAV	0.03%	0.06%

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs (continued)

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.23% (2022 - 0.27%) of the transaction value.

15. Interest rate risk profile of financial assets and liabilities

The analysis and tables provided below refer to the narrative disclosure on Interest rate risk disclosure in Note 10.

The interest rate risk profile of the Fund's financial assets and liabilities at 31 July 2023 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2023				
Danish Krone	256,799	-	636,212	893,011
Euro	473,996	1,098,087	8,352,636	9,924,719
Norwegian Krone	74,678	-	261,924	336,602
Swedish Krona	209,935	-	772,154	982,089
Swiss Franc	233,627	-	2,808,583	3,042,210
UK Sterling	7,189,080	97,021,170	39,941,553	144,151,803
US Dollar	1,324,519	3,289,934	16,751,509	21,365,962
2022				
Danish Krone	-	-	979,064	979,064
Euro	249,142	-	8,663,039	8,912,181
Swedish Krona	-	-	509,618	509,618
Swiss Franc	9,285	-	3,108,185	3,117,470
UK Sterling	12,626,313	102,914,057	42,451,421	157,991,791
US Dollar	2,021,418	5,225,680	16,975,494	24,222,592

Currency	Financial liabilities not carrying interest £	Total £
2023		
Euro	(29,701)	(29,701)
UK Sterling	(294,383)	(294,383)
US Dollar	(340,702)	(340,702)
2022		
UK Sterling	(734,941)	(734,941)

Notes to the financial statements (continued)

for the year ended 31 July 2023

15. Interest rate risk profile of financial assets and liabilities (continued)

Currency	Financial liabilities not carrying interest £	Total £
US Dollar	(304,901)	(304,901)

16. Currency risk

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

Currency	Net foreign currency assets		Total £
	Monetary exposures £	Non-monetary exposures £	
2023			
Danish Krone	259,075	633,936	893,011
Euro	525,545	9,369,473	9,895,018
Norwegian Krone	74,678	261,924	336,602
Swedish Krona	209,934	772,155	982,089
Swiss Franc	233,628	2,808,582	3,042,210
UK Sterling	8,085,114	135,772,305	143,857,419
US Dollar	1,417,164	19,608,097	21,025,261

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the R Accumulation share class has increased from 174.44p to 178.79p and the S Accumulation class has increased from 168.02p to 172.21p as at 20 November 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 July 2023

Gross interest distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	31.03.23	interim	1.7980	-	1.7980	1.7226
	30.09.23	final	2.2933	-	2.2933	1.8793
Group 2	31.03.23	interim	0.4160	1.3820	1.7980	1.7226
	30.09.23	final	1.2578	1.0355	2.2933	1.8793

Gross interest distributions on S Accumulation Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023	Distribution paid 2022
Group 1	31.03.23	interim	1.7319	-	1.7319	1.6657
	30.09.23	final	2.2088	-	2.2088	1.8306
Group 2	31.03.23	interim	0.6867	1.0452	1.7319	1.6657
	30.09.23	final	1.0773	1.1315	2.2088	1.8306

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 Max 30% Shares Income Portfolio

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

Investment commentary

Investment Objective

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

The Fund has a target annual income of 2.5-3.5% per annum, although this is not guaranteed.

Investment Policy

The Fund is actively managed (by the ACD and the appointed Sub-Investment Managers) and aims to achieve its objectives by investing between 60% and 90% in bonds issued by companies, governments, government bodies and supranationals. It is expected that the Fund will ordinarily invest between 65% and 80% in bonds, and of this holding at least 80% will be in investment grade bonds.

The Fund will also invest between 10% and 30% in shares in companies listed at the time of purchase, including Real Estate Investment Trusts (a type of property investment company) and other investment trusts.

Up to 10% of the Fund may be invested in cash, cash like and other money market instruments.

Although the Fund can invest globally, it is expected that at least 75% of the Fund will be invested in bonds denominated in, or Hedged to, GBP and shares issued by UK companies (i.e. companies whose shares are listed in the UK as at the time of purchase, and which may also be domiciled, incorporated or conduct a significant part of their business in the UK). No more than 15% of the Fund will be invested in non-developed markets. The Fund's investment in bonds can include bonds which:

- are "non-standard". These may, for example, be bonds which can make payments earlier than their target maturity date, or have terms where the principal amount of the bond can be paid back over the term of the bond, instead of being paid at the bond's maturity date, or asset backed or mortgage backed securities (investments whose return is generated from a basket of debt, for example mortgages); and/or
- have a relatively low credit rating, or are unrated, at the time of purchase.

With regard to asset backed and mortgage backed securities, the Fund's exposure will be limited to 6%.

The Fund will typically invest directly. However, the Fund can also invest indirectly:

- by investing up to 10% in units of Actively Managed and/or Passively Managed Collective Investment Schemes. These Collective Investment Schemes may be managed by the ACD, any Sub-Investment Manager or other companies (including within the Santander Group). The Collective Investment Schemes may invest in a broader range of assets than the Fund (for example they may have exposure to commodities) and may use Derivatives differently; and
- in property, through investment in Real Estate Investment Trusts primarily to generate income.

The Fund may use Derivatives for Investment Purposes (where Derivatives are used as part of the Fund's investment strategy to help achieve its investment objectives), and 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

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

Investment Policy (continued)

Fund. The Fund is managed with reference to the following composite Constraint Benchmark: 50% Markit iBoxx £ Non Gilt Index TR, 25% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 20% FTSE All Share Index TR and 5% Sterling Overnight Index Average (SONIA).

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, 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 base currency of the Fund is UK Sterling.

Investment Strategy and Process

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

The ACD will appoint Sub-Investment Managers to provide investment management services in relation to specified allocations of the assets of the Fund based on their asset class expertise. The proportion of the Fund's assets under the management of each of the ACD and Sub-Investment Managers (each such portion of the Fund a "Mandate") will be determined by the ACD through its assessment of investment analysis and research in relation to market outlook.

The Fund is actively managed. This means that the ACD and, subject to the investment guidelines agreed with the ACD, each Sub-Investment Manager, will use its expertise and discretion to select assets for its respective Mandate according to its investment views and opportunities identified as market and economic conditions change. However each Mandate will be managed with reference to an Index which is part of the Fund's Constraint Benchmark and which is relevant to that Mandate. For example, the Mandate allocated to gilts (a type of bond) will be managed with reference to the FTSE Actuaries UK Conventional Gilts All Stocks Index TR.

This means that the ACD or Sub-Investment Manager (as applicable) will consider the composition of the relevant Index as part of its investment process. Other than one Mandate which represents no more than 10% of the Fund, each Mandate is subject to:

- a Tracking Error, and may also be subject to other risk management measures, which will limit the degree to which its composition is permitted to deviate from the assets which make up its relevant Index; and
- a performance or outperformance target relevant to its Index. However it is not the objective of the Fund as a whole to outperform the Constraint Benchmark.

Although the ACD and each Sub-Investment Manager may have a different investment style or bias, each Mandate will be managed in such a way as to ensure that the aim of the Fund as a whole is to meet its investment objectives. The ACD will ensure that it and the Sub-Investment Managers use assets relevant to their Mandate which collectively will ensure the appropriate mix of assets for the Fund with the aim of meeting the Fund's objectives during market cycles and economic events. In practice this means that each Mandate, through the discretion of the ACD or Sub-Investment Manager (as relevant), will

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

Investment Strategy and Process (continued)

focus on investments which are intended to deliver income. An assessment will be completed by the ACD or each Sub-Investment Manager on investment opportunities before investment decisions are made on their respective Mandates.

Derivative strategies will be used to help deliver income for the Fund. It is expected that Derivatives will be used by the Fund regularly for Efficient Portfolio Management and less frequently for Investment Purposes.

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

The discretion the ACD and each Sub-Investment Manager has means that, subject to Tracking Error and any other risk management measures, they will use their expertise to select assets and do not have to invest in the same assets that make up the relevant Index, or in the same amounts, and it is possible that each Mandate may hold significantly fewer assets than those which make up the relevant Index. This means that the construction of each Mandate may diverge from its relevant Index and the ACD or any Sub-Investment Manager retains discretion, within the limits described above, regarding the selection and weighting of assets. The Fund as a whole may, therefore, diverge from the Constraint Benchmark, and may hold significantly fewer assets than those which make up the Constraint Benchmark.

Further Information

The Constraint Benchmark for the Fund has been selected as it is representative of the types of assets the Fund may invest in.

The Indices which together make up the composite Constraint Benchmark are provided by IHS Markit Benchmark Administration Limited, FTSE International Limited and The Bank of England respectively. IHS Markit Benchmark Administration Limited and FTSE International Limited are on the public register of administrators and benchmarks established and maintained by the FCA (this register does not apply to the Bank of England).

The Fund has a Risk Category of Lower in accordance with Santander UK plc's Risk Categorisation Process. Please see the General Information and Glossary of Terms at the start of Appendix 1 in the prospectus for more details.

Investment Manager

Santander Asset Management UK Limited

Sub-Investment Manager

BlackRock Investment Management (UK) Limited

Schroder Investment Management Limited

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include: Bond Risk, Capital Erosion Risk, Counterparty Risk, Country Risk, Currency Risk, Derivatives Risk, Income Risk, Liquidity Risk, Non-Developed

Santander Max 30% Shares Income Portfolio

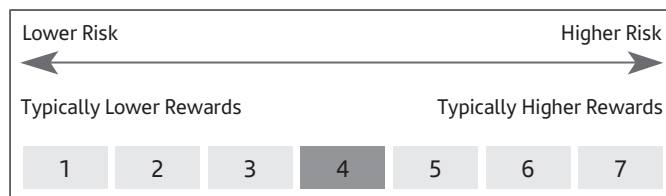
Final Report and Financial Statements for the year ended 31 July 2023

Investment commentary (continued)

Risk Profile (continued)

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

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund. The indicator is a measure of the Fund's volatility of past returns over the previous 5 years.

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

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

Performance

Income

	Prospectus Target Income	Annual Income Delivered
Calculation Date 31/07/2023		
Santander Max 30% Shares Income Portfolio R Income Shares	2.5 - 3.5%	3.70%
Santander Max 30% Shares Income Portfolio S Income Shares	2.5 - 3.5%	3.70%

Target Income: The target annual income per the Fund's investment objective.

Annual Income Delivered: The sum of all income payments made over the Fund's accounting year. Each income payment is a percentage of the Fund price as at the previous XD date.

Income/yield sourced from BNYMIL fund administrator.

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

Capital Growth

Percentage price change from 31 July 2018 to 31 July 2023	
Santander Max 30% Shares Income Portfolio R Income Shares	-5.14%
Santander Max 30% Shares Income Portfolio S Income Shares	-4.93%
Percentage price change from 29 July 2022 to 31 July 2023	
Santander Max 30% Shares Income Portfolio R Income Shares	-6.91%
Santander Max 30% Shares Income Portfolio S Income Shares	-6.92%

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

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.

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

Market Review

Despite a turbulent 2022¹, global stock markets ultimately rose during the period² amid hopes inflation had peaked³, with investors anticipating that the most aggressive period of interest rate increases in decades⁴ could soon draw to a close.⁵

After falling to their lowest levels since 2020 early in the period⁶, shares recovered from late September and continued performing well into 2023 – despite the banking turmoil in March, frequent concerns about economic growth and questions over whether gains in US stock markets were sustainable.⁷

In contrast, bond prices fell over the period⁸ as investors grew to fear that persistent inflation would mean interest rates would need to stay higher for longer.⁹ As bond prices and yields move in opposite directions, falling prices were met by yields on bonds from the US¹⁰, Europe and the UK surging to their highest levels in over 15 years in July.¹¹ The fact that bonds also endured their worst year on record in 2022¹² contributed to their negative performance.

Inflation remains above the targets set by US¹³, European¹⁴ and UK¹⁵ central banks, even though it has fallen from last year's highs.¹⁶ It has proven more stubborn than expected, aided by the fact that strong labour markets have pushed salaries higher and encouraged consumers to spend.¹⁷

The UK struggled with higher levels of inflation than the US and Europe¹⁸, despite the Bank of England raising interest rates eight times over the reporting period.¹⁹ High levels of inflation meant that the yields on highly-rated UK company bonds rose and their prices fell.²⁰

UK shares rose over the period²¹, despite facing challenges such as ex-Prime Minister Liz Truss' September announcement of unfunded tax cuts. The UK's financial markets plunged²², Truss resigned and her successor Rishi Sunak implemented higher taxes and spending cuts in a bid to restore economic confidence.²³

¹ Reuters, 30 December 2022

² MSCI World Index, 31 July 2023

³ IMF, 13 July 2023

⁴ World Economic Forum, 12 October 2022

⁵ Bloomberg, 10 April 2023

⁶ Associated Press, 29 September 2023

⁷ Reuters, 29 June 2023

⁸ S&P Global Developed Sovereign Bond Index, 31 July 2023

⁹ Financial Times, 20 April 2023

¹⁰ NPR, 13 January 2023

¹¹ Reuters, 10 July 2023

¹² Forbes, 22 September 2022

¹³ Reuters, 3 August 2022

¹⁴ European Central Bank, 31 July 2023

¹⁵ The Bank of England, 31 July 2023

¹⁶ Forbes, 9 November 2022

¹⁷ Associated Press, 28 June 2023

¹⁸ BBC, 22 March 2023

¹⁹ Bank of England, 31 July 2023

²⁰ S&P UK Investment Grade Corporate Bond Index, 31 July 2023

²¹ S&P United Kingdom, 31 July 2023

²² The Guardian, 28 September 2022

²³ Deutsche Welle, 17 October 2022

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

Market Review (continued)

Rises in the shares of the UK's largest companies²⁴, which tend to be more export-oriented, helped to compensate for a decline in the share prices of small- and medium-sized firms²⁵, which are more likely to depend on the local economy.²⁶

In the US, stock markets climbed amid hopes that inflation could be reduced significantly without disrupting the economy.²⁷

European shares also advanced as investors anticipated that China would take stronger measures to stimulate its slowing economy.²⁸ Some significant European industries, such as the manufacture of luxury goods²⁹, rely on Chinese demand.

The S&P Asia Pacific BMI, which measures developed markets in the region, ticked upwards.³⁰ Japanese shares hit a 33-year high as a weaker yen made exports more competitive.³¹

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide income, with the potential for capital growth, over a period of five or more years. It has a target annual income of 2.5-3.5% per annum, which isn't guaranteed. The Fund is actively managed and invests globally, up to 15% of which can be in non-developed markets.

The Fund is 60-90% invested in bonds (at least 80% of which are high-quality company bonds), 10-30% invested in shares and up to 10% invested in cash. While it can invest globally, at least 75% of the Fund invests in assets denominated in pounds.

For the five years through July 2023, the R Income share class returned -5.14%, the S Income share class returned -4.93%.

While the Fund took action to reduce risk it was exposed to before COVID-19 was declared a pandemic in March 2020, its performance still suffered as a result of the pandemic's disruption of markets. While the Fund took action to reduce risk when the market fell, did not fully benefit from the subsequent recovery. 2022 also saw a rare market environment where shares and bonds became correlated and fell dramatically. While the Fund took action to reduce risk when markets fell, it missed out on short-term bounces in performance.

Over the 12 months to July, the R Income Share Class and S Income Share Class both delivered an income of 3.70%, meaning that the Fund generated an income greater than its one-year target of 2.5- 3.5%, meeting its primary objective.

Highly-rated UK company bonds were the most significant contributor to income. The dramatic increase in bond yields over the period increased the Fund's income.

²⁴ FTSE 100 Index, 31 July 2023

²⁵ FTSE 250 Index, 31 July 2023

²⁶ Reuters, 22 June 2023

²⁷ CNBC, 12 July 2023

²⁸ S&P Euro, 31 July 2023

²⁹ Reuters, 31 January 2023

³⁰ S&P Asia Pacific BMI, 31 July 2023

³¹ S&P Asia Pacific, 31 July 2023

Santander Max 30% Shares Income Portfolio

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

Investment commentary (continued)

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

UK shares were the next most significant contributor to income. Contribution here was thanks to dividends which rose over each of the four quarters.³²

European shares, UK government bonds, High Yield and Emerging Market bonds also contributed to the income generation.

The Fund's R Income share class returned -6.91% in the 12 months through 31 July, while the S Income share class made a return of -6.92%.

Market Outlook

The Manager is cautious about shares and expect stock markets to decline as companies struggle to increase profits in a low-growth economic environment.

With inflation moderating, central banks appear to be approaching the top of their interest rate hiking cycle, creating a favourable market environment for bonds.

As a result, the Manager prefers bonds – with a bias in favour of government and highly-rated high-yield corporate bonds – based on the Manager's view that bond yields are peaking.

This will allow the Fund to benefit from the high yields the bonds are paying now, and when yields fall and prices rise some bonds can be sold for a profit.

The likelihood of a recession, defined as two quarters of negative growth, is receding thanks to the strength of the labour market. However, economic growth is likely to remain weak as the delayed effects of interest rate increases begin manifesting themselves, with global growth remaining fragile for the remainder of this year and potentially 2024 too.

Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

September 2023

³² Computershare, 27 July 2023

Summary of material portfolio changes

for the year ended 31 July 2023

Purchases	Cost £	Note	Sales	Proceeds £	Note
United Kingdom Gilt 0.125% 2028	3,422,292		United Kingdom Gilt 0.125% 2028	2,285,166	
United Kingdom Gilt 1.25% 2041	2,479,830		United Kingdom Gilt 1.25% 2041	1,957,618	
United Kingdom Gilt 1.25% 2027	2,030,619		United Kingdom Gilt 1.25% 2027	1,896,029	
United Kingdom Gilt 1.125% 2039	1,705,122		United Kingdom Gilt 1.75% 2037	1,600,503	
United Kingdom Gilt 1.75% 2037	1,566,432		United Kingdom Gilt 0.875% 2033	1,595,206	
United Kingdom Gilt 0.875% 2033	1,529,919		United Kingdom Gilt 4.5% 2034	1,315,196	
United Kingdom Gilt 0.5% 2029	1,467,310		United Kingdom Gilt 1.5% 2053	1,242,966	
United Kingdom Gilt 4.5% 2034	1,455,299		United Kingdom Gilt 0.875% 2046	1,136,335	
United Kingdom Gilt 3.75% 2052	1,354,118		United Kingdom Gilt 2.75% 2024	1,082,907	
United Kingdom Gilt 2.75% 2024	1,318,834		United Kingdom Gilt 1.125% 2039	1,068,549	
United Kingdom Gilt 3.5% 2025	1,049,679		United Kingdom Gilt 0.25% 2025	1,058,358	
United Kingdom Gilt 1.5% 2053	1,045,539		United Kingdom Gilt 3.75% 2052	1,055,868	
US Treasury Notes 1.625% Tips 2027	997,133		US Treasury Notes 1.625% Tips 2027	995,432	
United Kingdom Gilt 3.75% 2038	965,916		United Kingdom Gilt 3.75% 2038	965,305	
United Kingdom Gilt 0.875% 2046	918,784		United Kingdom Gilt 3.5% 2025	871,525	
European Investment Bank 0.875% 2026	902,386		United Kingdom Gilt 0.125% 2024	850,985	
United Kingdom Gilt 0.25% 2025	788,714		Amundi Funds European Equity Target Income EUR	794,242	
United Kingdom Gilt 4.25% 2049	681,726		United Kingdom Gilt 0.25% 2031	766,671	
United Kingdom Gilt 1.5% 2047	669,566		United Kingdom Gilt 4.25% 2049	754,486	
United Kingdom Gilt 4.25% 2027	658,706		United Kingdom Gilt 0.5% 2029	728,008	
Total cost of purchases for the year	<u>61,263,058</u>	14	Total proceeds from sales for the year	<u>61,517,421</u>	14

Portfolio statement

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Fixed interest securities 72.06% (73.62%)			
AAA to AA 7.82% (23.15%)			
BNG Bank 1.625% 2025	£380,000	349,929	0.61
Caisse des Depots et Consignations 0.25% 2026	£200,000	175,467	0.30
Caisse des Depots et Consignations 1.125% 2024	£100,000	93,920	0.16
Dexia Credit Local 0.25% 2024	£100,000	92,851	0.16
Dexia Credit Local 0.25% 2026	£600,000	505,296	0.87
Dexia Credit Local 4.375% 2026	£200,000	194,218	0.34
European Investment Bank 0.875% 2026	£1,000,000	889,150	1.54
European Investment Bank 4.5% 2044	£103,000	99,943	0.17
European Investment Bank 4.625% 2054	£80,000	79,152	0.14
European Union 3% 2053	€158,480	125,717	0.22
Inter-American Development Bank 1.25% 2025	£300,000	271,571	0.47
International Development Association 0.375% 2027	£145,000	119,982	0.21
International Development Association 0.75% 2024	£30,000	28,084	0.05
Kommunalbanken 4% 2026	£280,000	269,828	0.47
Kreditanstalt fuer Wiederaufbau 1.125% 2025	£53,000	48,774	0.08
Kreditanstalt fuer Wiederaufbau 1.375% 2025	£400,000	363,627	0.63
Land Capital Markets 2.399% 2031	£100,000	84,944	0.15
LCR Finance 4.5% 2028	£10,000	9,828	0.02
Nederlandse Waterschapsbank 0.25% 2025	£200,000	176,484	0.31
Nederlandse Waterschapsbank 4.5% 2025	£100,000	97,712	0.17
Network Rail Infrastructure Finance 4.75% 2035	£100,000	99,479	0.17
SNCF Réseau 4.83% 2060	£50,000	47,193	0.08
Telereal Securitisation 5.3887% 2033	£19,216	18,545	0.03
Walmart 5.625% 2034	£100,000	104,584	0.18
Wellcome Trust 2.517% 2118	£100,000	51,863	0.09
Wellcome Trust Finance 4.625% 2036	£120,000	116,944	0.20
		4,515,085	7.82
AA- to A+ 25.10% (2.60%)			
Allianz 5.824% 2053	€200,000	177,895	0.31
Banco Santander 4.75% 2028*	£200,000	189,750	0.33
Banque Federative du Credit Mutuel 0.875% 2027	£100,000	81,191	0.14
Banque Federative du Credit Mutuel 1.875% 2028	£100,000	82,871	0.14
DNB Bank 2.625% 2026	£245,000	229,381	0.40
LVMH Moet Hennessy Louis Vuitton 1.125% 2027	£200,000	174,962	0.30
Metropolitan Life Global Funding I 1.625% 2028	£160,000	131,043	0.23
Metropolitan Life Global Funding I 5% 2030	£180,000	174,010	0.30
Nestle 2.5% 2032	£100,000	83,259	0.14
Pfizer Investment Enterprises Pte 5.3% 2053	\$145,000	115,589	0.20
Province of Ontario Canada 0.25% 2026	£100,000	84,279	0.15

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
Prs Finance 2% 2029	£200,000	171,470	0.30
UNITE USAF II 3.921% 2030	£140,000	132,263	0.23
United Kingdom Gilt 0.125% 2028	£1,845,217	1,521,501	2.64
United Kingdom Gilt 0.25% 2025	£707,000	658,221	1.14
United Kingdom Gilt 0.25% 2031	£585,000	427,685	0.74
United Kingdom Gilt 0.375% 2026	£418,000	363,742	0.63
United Kingdom Gilt 0.375% 2030	£468,000	356,192	0.62
United Kingdom Gilt 0.5% 2029	£909,000	735,258	1.27
United Kingdom Gilt 0.5% 2061	£172,000	52,800	0.09
United Kingdom Gilt 0.625% 2035	£399,000	260,856	0.45
United Kingdom Gilt 0.625% 2050	£373,000	151,093	0.26
United Kingdom Gilt 0.875% 2029	£223,000	181,875	0.32
United Kingdom Gilt 0.875% 2033	£228,124	165,316	0.29
United Kingdom Gilt 0.875% 2046	£1,169,000	577,223	1.00
United Kingdom Gilt 1% 2032	£105,000	80,734	0.14
United Kingdom Gilt 1.125% 2039	£1,358,851	855,091	1.48
United Kingdom Gilt 1.125% 2073	£218,000	82,311	0.14
United Kingdom Gilt 1.25% 2027	£150,000	132,217	0.23
United Kingdom Gilt 1.25% 2041	£1,478,000	891,493	1.54
United Kingdom Gilt 1.25% 2051	£254,000	125,622	0.22
United Kingdom Gilt 1.5% 2047	£257,000	145,507	0.25
United Kingdom Gilt 1.5% 2053	£303,000	157,492	0.27
United Kingdom Gilt 1.625% 2028	£521,000	454,507	0.79
United Kingdom Gilt 1.625% 2054	£384,960	205,636	0.36
United Kingdom Gilt 1.625% 2071	£286,383	137,944	0.24
United Kingdom Gilt 1.75% 2037	£246,577	177,603	0.31
United Kingdom Gilt 1.75% 2049	£261,000	154,271	0.27
United Kingdom Gilt 1.75% 2057	£314,000	171,499	0.30
United Kingdom Gilt 2.5% 2065	£270,000	177,896	0.31
United Kingdom Gilt 2.75% 2024	£478,000	465,565	0.81
United Kingdom Gilt 3.25% 2033	£46,000	42,267	0.07
United Kingdom Gilt 3.25% 2044	£125,000	104,234	0.18
United Kingdom Gilt 3.5% 2025	£171,000	164,694	0.29
United Kingdom Gilt 3.5% 2045	£177,000	152,534	0.26
United Kingdom Gilt 3.75% 2052	£419,000	372,020	0.64
United Kingdom Gilt 3.75% 2053	£20,000	17,684	0.03
United Kingdom Gilt 4% 2060	£110,000	103,342	0.18
United Kingdom Gilt 4.25% 2027	£278,000	274,354	0.48
United Kingdom Gilt 4.25% 2032	£6,000	6,015	0.01
United Kingdom Gilt 4.25% 2036	£152,000	150,127	0.26
United Kingdom Gilt 4.25% 2039	£74,000	72,133	0.12

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 4.25% 2040	£180,000	174,956	0.30
United Kingdom Gilt 4.25% 2046	£59,000	56,821	0.10
United Kingdom Gilt 4.25% 2049	£180,000	173,714	0.30
United Kingdom Gilt 4.25% 2055	£105,000	102,425	0.18
United Kingdom Gilt 4.5% 2034	£224,000	227,265	0.39
United Kingdom Gilt 4.5% 2042	£111,000	111,130	0.19
United Kingdom Gilt 4.75% 2030	£60,000	61,872	0.11
United Kingdom Gilt 4.75% 2038	£44,000	45,455	0.08
United Kingdom Inflation-Linked Gilt 0.625% 2045	£159,000	149,485	0.26
Zurich Finance Ireland Designated Activity 5.125% 2052	£255,000	226,509	0.39
		14,484,149	25.10
A to A- 12.60% (12.55%)			
ABN AMRO Bank 5.25% 2026	£300,000	295,269	0.51
Anglian Water Services Financing 4.5% 2026	£200,000	193,070	0.33
AXA 5.453% 2172	£300,000	291,015	0.50
AXA 5.5% 2043	€100,000	86,332	0.15
Bank of America 1.667% 2029	£110,000	90,380	0.16
Blend Funding 3.459% 2049	£200,000	146,863	0.25
BNP Paribas 5.75% 2032	£200,000	194,912	0.34
BP Capital Markets 4.323% 2035	€200,000	170,961	0.30
BUPA Finance 1.75% 2027	£100,000	85,060	0.15
Circle Anglia Social Housing 5.2% 2044	£100,000	91,947	0.16
Clarion Funding 1.875% 2035	£100,000	67,981	0.12
Cooperatieve Rabobank UA 1.875% 2028	£200,000	171,750	0.30
Development Bank of Japan 1.25% 2025	£100,000	93,560	0.16
DNB Bank 4% 2027	£170,000	158,525	0.27
EnBW International Finance 4% 2035	€200,000	167,993	0.29
Experian Finance 0.739% 2025	£140,000	125,241	0.22
GlaxoSmithKline Capital 1.625% 2035	£150,000	102,918	0.18
GlaxoSmithKline Capital 5.25% 2033	£63,000	63,551	0.11
Guinness Partnership 4% 2044	£110,000	89,111	0.15
HSBC 1.75% 2027	£330,000	289,093	0.50
HSBC 2.256% 2026	£100,000	90,974	0.16
ING Groep 4.75% 2034	€300,000	260,283	0.45
ING Groep 5% 2026	£200,000	194,307	0.34
JPMorgan Chase & 0.991% 2026	£365,000	335,404	0.58
Legal & General Finance 5.875% 2031	£15,000	15,450	0.03
London & Quadrant Housing Trust 2.25% 2029	£100,000	81,828	0.14
London & Quadrant Housing Trust 4.625% 2033	£100,000	91,738	0.16
London & Quadrant Housing Trust 5.5% 2040	£100,000	96,704	0.17

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
A to A- (continued)			
Meadowhall Finance 4.986% 2037	£31,365	27,503	0.05
Morgan Stanley 2.95% 2032	€265,000	206,657	0.36
Morgan Stanley 5.789% 2033	£135,000	132,592	0.23
Motability Operations 2.375% 2032	£100,000	80,559	0.14
NatWest Markets 6.375% 2027	£145,000	145,855	0.25
Nordea Bank 1.625% 2032	£160,000	127,600	0.22
Northern Powergrid Northeast 1.875% 2062	£100,000	46,687	0.08
Northern Powergrid Yorkshire 2.25% 2059	£100,000	52,034	0.09
Orbit Capital 3.375% 2048	£100,000	69,029	0.12
Realty Income 1.125% 2027	£100,000	82,284	0.14
Realty Income 1.875% 2027	£100,000	86,517	0.15
Robert Bosch 4.375% 2043	€200,000	172,598	0.30
Sanctuary Capital 2.375% 2050	£200,000	114,561	0.20
Societe Generale 6.25% 2033	£200,000	203,264	0.35
Society of Lloyd's 4.875% 2047	£100,000	92,210	0.16
South Eastern Power Networks 5.5% 2026	£170,000	167,742	0.29
Svenska Handelsbanken 4.625% 2032	£140,000	127,750	0.22
THFC Funding No 3 5.2% 2043	£100,000	93,884	0.16
UBS 2.125% 2025	£100,000	94,829	0.16
UBS 2.125% 2029	£255,000	206,711	0.36
UBS 2.25% 2028	£235,000	199,721	0.35
UBS 2.875% 2032	€250,000	188,038	0.33
UBS 7.75% 2029	€226,000	215,467	0.37
Yorkshire Water Finance 5.25% 2030	£100,000	94,768	0.16
Yorkshire Water Finance 6.6011% 2031	£100,000	102,326	0.18
		7,273,406	12.60
BBB+ to BBB 20.64% (27.34%)			
Aegon 6.125% 2031	£200,000	201,806	0.35
Amgen 4% 2029	£100,000	92,493	0.16
Annington Funding 3.685% 2034	£100,000	77,515	0.13
AT&T 2.9% 2026	£210,000	188,765	0.33
AT&T 4.375% 2029	£100,000	91,191	0.16
AT&T 5.2% 2033	£130,000	122,124	0.21
Aviva 5.125% 2050	£100,000	89,185	0.15
Aviva 6.125% 2036	£120,000	118,358	0.21
Aviva 6.875% 2058	£50,000	49,173	0.09
AXA 6.6862% 2172	£150,000	149,371	0.26
Barclays 1.7% 2026	£200,000	179,138	0.31
Barclays 3% 2026	£455,000	415,070	0.72
Barclays 6.369% 2031	£155,000	152,508	0.26

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
BAT International Finance 2.25% 2028	£120,000	99,848	0.17
BAT International Finance 6% 2034	£140,000	126,578	0.22
Bayer 4.625% 2033	€220,000	191,326	0.33
BP Capital Markets 3.25% 2172	€100,000	80,053	0.14
BPCE 2.125% 2046	€200,000	125,750	0.22
BPCE 5.25% 2029	€200,000	183,774	0.32
British Telecommunications 5.75% 2028	£170,000	168,020	0.29
BUPA Finance 5% 2026	£200,000	189,732	0.33
Cadent Finance 2.125% 2028	£250,000	208,432	0.36
Cadent Finance 2.625% 2038	£100,000	65,765	0.11
Cadent Finance 3.125% 2040	£100,000	69,690	0.12
Centrica 4.375% 2029	£100,000	92,849	0.16
Channel Link Enterprises Finance 3.043% 2050	£100,000	83,366	0.14
Citigroup 7.375% 2039	£50,000	59,396	0.10
Cooperatieve Rabobank UA 5.25% 2027	£100,000	95,382	0.17
Digital Euro Finco 1.125% 2028	€100,000	73,079	0.13
DWR Cymru Financing UK 1.625% 2026	£100,000	88,718	0.15
DWR Cymru Financing UK 2.375% 2034	£200,000	138,520	0.24
E.ON International Finance 6.125% 2039	£100,000	101,664	0.18
E.ON International Finance 6.25% 2030	£350,000	361,116	0.63
Electricite de France 5.125% 2050	£100,000	83,138	0.14
Electricite de France 5.5% 2035	£100,000	92,101	0.16
Electricite de France 5.5% 2037	£100,000	90,486	0.16
Electricite de France 5.5% 2041	£200,000	178,547	0.31
Enel 5.75% 2037	£50,000	48,734	0.08
Engie 5% 2060	£100,000	88,341	0.15
Engie 7% 2028	£350,000	368,789	0.64
GE Capital UK Funding Unlimited 5.875% 2033	£105,000	103,739	0.18
Goldman Sachs 1% 2025	£460,000	428,859	0.74
Goldman Sachs 3.625% 2029	£260,000	230,641	0.40
Greene King Finance 3.593% 2035	£259,632	213,363	0.37
Heathrow Funding 6.45% 2031	£130,000	133,730	0.23
HSBC 8.201% 2034	£190,000	198,457	0.34
HSBC Bank 4.75% 2046	£55,000	43,878	0.08
Imperial Brands Finance 5.5% 2026	£100,000	96,941	0.17
ING Groep 6.25% 2033	£100,000	95,250	0.16
Legal & General 5.125% 2048	£100,000	92,186	0.16
Legal & General 5.375% 2045	£300,000	289,175	0.50
Lloyds Bank 7.625% 2025	£145,000	147,558	0.26
Lloyds Banking 1.875% 2026	£100,000	93,711	0.16
M&G 5.625% 2051	£190,000	171,531	0.30

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
McDonald's 5.875% 2032	£60,000	61,926	0.11
Mitchells & Butlers Finance 5.574% 2030	£45,739	43,175	0.07
National Gas Transmission 1.625% 2043	£100,000	50,354	0.09
National Grid Electricity Distribution West Midlands 3.875% 2024	£200,000	194,625	0.34
National Grid Electricity Distribution West Midlands 5.75% 2032	£200,000	198,140	0.34
National Grid Electricity Transmission 2% 2040	£200,000	119,741	0.21
NatWest 3.619% 2029	£100,000	88,250	0.15
NatWest 3.619% 2029	£145,000	127,962	0.22
NIE Finance 5.875% 2032	£100,000	100,768	0.17
NIE Finance 6.375% 2026	£100,000	100,649	0.17
Northumbrian Water Finance 6.375% 2034	£100,000	100,960	0.17
Orange 3.25% 2032	£100,000	85,650	0.15
Orange 8.125% 2028	£50,000	55,836	0.10
Orsted 2.5% 2033	£140,000	107,305	0.19
Orsted 4.875% 2032	£200,000	188,702	0.33
Prudential Funding Asia 6.125% 2031	£25,000	24,652	0.04
Quadgas Finance 3.375% 2029	£200,000	161,889	0.28
Rentokil Initial 5% 2032	£100,000	94,417	0.16
Republic of Italy Government International Bond 5.25% 2034	£50,000	46,182	0.08
Santander UK 2.92% 2026*	£265,000	246,781	0.43
Santander UK 7.098% 2027*	£140,000	140,525	0.24
Severn Trent Utilities Finance 2.625% 2033	£200,000	154,042	0.27
Southern Water Services Finance 1.625% 2027	£130,000	108,059	0.19
Southern Water Services Finance 6.64% 2026	£330,000	326,747	0.57
SP Manweb 4.875% 2027	£100,000	96,517	0.17
SSE 8.375% 2028	£70,000	77,680	0.13
Thames Water Utilities Finance 5.5% 2041	£100,000	88,055	0.15
Thames Water Utilities Finance 6.5% 2032	£100,000	97,020	0.17
Tritax Big Box REIT 1.5% 2033	£220,000	143,304	0.25
United Utilities Water Finance 0.875% 2029	£105,000	78,459	0.14
Verizon Communications 3.375% 2036	£120,000	92,510	0.16
Verizon Communications 4.75% 2034	€100,000	89,495	0.16
Volkswagen Financial Services 5.5% 2026	£100,000	97,891	0.17
Wells Fargo & 3.473% 2028	£235,000	211,246	0.37
Welltower OP 4.8% 2028	£100,000	92,160	0.16
		11,910,584	20.64
Below BBB to unrated 5.90% (7.98%)			
Barclays 3.75% 2030	£160,000	146,104	0.25
Deutsche Bank 4% 2026	£100,000	93,854	0.16
Deutsche Bank 6.125% 2030	£300,000	282,918	0.49

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Below BBB to unrated (continued)			
DS Smith 4.5% 2030	€245,000	209,123	0.36
Electricite de France 5.875% 2172	£100,000	83,625	0.15
Electricite de France 6% 2172	£100,000	92,375	0.16
Ford Motor Credit 4.535% 2025	£168,000	160,500	0.28
Iberdrola International 2.25% 2172	€100,000	71,780	0.12
Intesa Sanpaolo 6.5% 2029	£150,000	144,309	0.25
Metrocentre Finance 8.75% 2028	£239,918	109,435	0.19
Mitchells & Butlers Finance 6.013% 2030	£62,772	57,096	0.10
NatWest 2.105% 2031	£100,000	84,509	0.15
NatWest 7.416% 2033	£100,000	99,657	0.17
NGG Finance 5.625% 2073	£330,000	314,865	0.55
Telefonica Emisiones 5.375% 2026	£171,000	168,238	0.29
Tesco Corporate Treasury Services 2.75% 2030	£100,000	82,329	0.14
Tesco Property Finance 1 7.6227% 2039	£117,630	126,002	0.22
Tesco Property Finance 3 5.744% 2040	£90,565	84,911	0.15
Tesco Property Finance 4 5.8006% 2040	£183,914	172,325	0.30
Teva Pharmaceutical Finance Netherlands II 4.375% 2030	€100,000	73,306	0.13
Teva Pharmaceutical Finance Netherlands II 7.875% 2031	€100,000	89,040	0.15
Thames Water Utilities Finance 2.875% 2027	£380,000	295,925	0.51
Time Warner Cable 5.75% 2031	£390,000	362,060	0.63
		3,404,286	5.90
Total Fixed interest securities		41,587,510	72.06
Money Market Securities 1.24% (0.38%)			
Anheuser-Busch InBev 9.75% 2024	£190,000	197,115	0.34
United Kingdom Gilt 1% 2024	£38,000	36,868	0.07
Citigroup 2.75% 2024	£100,000	98,501	0.17
Kreditanstalt fuer Wiederaufbau 0.875% 2024	£400,000	382,732	0.66
		715,216	1.24
Equities 18.89% (17.31%)			
Aerospace & Defence nil (0.22%)			
Banks 1.43% (1.24%)			
DNB Bank	19,037	305,231	0.53
HSBC	75,476	487,726	0.85
Secure Trust Bank	5,276	29,863	0.05
		822,820	1.43

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Biotechnology 0.19% (nil)			
Bioventix	2,970	111,375	0.19
		111,375	0.19
Commercial Services 1.92% (nil)			
4imprint	3,237	143,561	0.25
Ashtead	4,903	282,216	0.49
QinetiQ	47,395	152,707	0.26
RELX	15,856	415,427	0.72
SThree	32,912	116,015	0.20
		1,109,926	1.92
Computers 0.76% (nil)			
FDM	10,038	54,808	0.10
Kainos	3,491	45,732	0.08
Softcat	22,313	334,695	0.58
		435,235	0.76
Construction & Materials nil (0.31%)			
Cosmetics & Personal Care 0.93% (nil)			
Unilever	12,772	535,211	0.93
		535,211	0.93
Distribution & Wholesale 0.27% (nil)			
Bunzl	5,324	153,597	0.27
		153,597	0.27
Diversified Financial Services 1.11% (nil)			
Close Brothers	19,311	177,468	0.31
Hargreaves Lansdown	18,082	153,950	0.26
OSB	70,773	259,879	0.45
Polar Capital	10,638	51,594	0.09
		642,891	1.11
Electricity 1.66% (nil)			
Drax	47,199	285,459	0.49
National Grid	22,643	233,562	0.41
SSE	13,679	230,560	0.40

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Electricity (continued)			
Telecom Plus	6,492	108,027	0.19
XP Power	4,954	100,814	0.17
		958,422	1.66
Electronic & Electrical Equipment nil (0.45%)			
Electronics 0.14% (nil)			
RS	10,340	81,024	0.14
		81,024	0.14
Engineering & Construction 0.12% (nil)			
Severfield	101,289	71,510	0.12
		71,510	0.12
Food & Beverages 0.42% (0.91%)			
Cranswick	5,113	170,569	0.30
Hilton Food	10,638	68,509	0.12
		239,078	0.42
General Financial nil (1.53%)			
Home Builders 0.68% (nil)			
Berkeley	5,736	249,287	0.43
Redrow	28,049	145,013	0.25
		394,300	0.68
Home Furnishings 0.21% (nil)			
Howden Joinery	16,658	122,769	0.21
		122,769	0.21
Household Goods nil (0.98%)			
Insurance 0.82% (0.91%)			
Admiral	4,441	94,549	0.17
Legal & General	161,302	376,479	0.65
		471,028	0.82
Internet 0.21% (nil)			
Rightmove	21,668	123,551	0.21
		123,551	0.21

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Leisure Time 0.26% (nil)			
Hollywood Bowl	67,343	150,848	0.26
		150,848	0.26
Machinery Construction & Mining 0.19% (nil)			
Somero Enterprises	34,483	110,346	0.19
		110,346	0.19
Machinery Diversified 0.13% (nil)			
IMI	4,692	76,433	0.13
		76,433	0.13
Media 0.19% (0.80%)			
Bloomsbury Publishing	26,016	111,348	0.19
		111,348	0.19
Mining 1.23% (1.25%)			
Anglo American	7,915	189,446	0.33
BHP	4,784	116,084	0.20
Rio Tinto	7,895	406,592	0.70
		712,122	1.23
Oil & Gas 1.16% (1.46%)			
Aker BP	9,848	214,339	0.37
Diversified Energy	122,671	116,231	0.20
Shell	14,323	338,811	0.59
		669,381	1.16
Pharmaceuticals & Biotechnology 1.06% (0.54%)			
GSK	27,493	380,558	0.66
Roche	953	231,222	0.40
		611,780	1.06
Private Equity 0.46% (nil)			
3i	13,291	262,763	0.46
		262,763	0.46
Real Estate 0.24% (0.87%)			
Sirius Real Estate	169,682	139,988	0.24
		139,988	0.24

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %
Real Estate Investment Trusts 0.32% (nil)			
LondonMetric Property	39,727	73,376	0.13
Tritax Big Box REIT	80,814	111,604	0.19
		<hr/> 184,980	<hr/> 0.32
Retailers 1.54% (0.97%)			
Associated British Foods	4,539	93,004	0.16
Domino's Pizza	41,289	143,438	0.25
Dunelm	22,688	260,912	0.45
Next	3,729	262,746	0.46
Vertu Motors	180,863	126,423	0.22
		<hr/> 886,523	<hr/> 1.54
Support Services nil (1.48%)			
Tech - Software & Services nil (0.60%)			
Telecommunications 0.20% (0.10%)			
Gamma Communications	10,150	112,259	0.20
		<hr/> 112,259	<hr/> 0.20
Toys, Games & Hobbies 0.85% (nil)			
Games Workshop	4,203	489,229	0.85
		<hr/> 489,229	<hr/> 0.85
Travel & Leisure nil (1.25%)			
Utilities nil (1.44%)			
Water 0.19% (nil)			
United Utilities	10,933	109,221	0.19
		<hr/> 109,221	<hr/> 0.19
Total Equities		<hr/> 10,899,958	<hr/> 18.89
Collective Investment Schemes 5.48% (5.35%)			
Amundi Funds European Equity Target Income EUR	1,965	1,997,285	3.46
Greencoat UK Wind PLC/Funds	54,970	80,366	0.14
MFS Meridian Funds - Emerging Markets Debt Fund	53,905	589,473	1.02

Portfolio statement (continued)

as at 31 July 2023

Investment	Holding or nominal value of positions at 31 July	Market value £	Percentage of total net assets %		
Collective Investment Schemes (continued)					
PIMCO GIS Global High Yield Bond Fund	52,432	265,306	0.46		
Robeco Capital Growth Funds - High Yield Bonds	2,910	233,440	0.40		
		3,165,870	5.48		
Futures -0.02% (-0.26%)					
Euro-Bobl Sep 23	(5)	(1,928)	0.00		
Euro-Bund Sep 23	(14)	11,954	0.02		
Euro-Buxl Sep 23	(2)	1,851	0.00		
Long Gilt Sep 23	44	56,508	0.10		
STOXX Europe 600 Sep 23	(98)	(37,570)	(0.07)		
US 10 Year Ultra Sep 23	(19)	32,314	0.06		
US 2 Year Note Sep 23	48	(77,745)	(0.13)		
US Ultra Bond Sep 23	(1)	1,405	0.00		
		(13,211)	(0.02)		
Options -0.02% (nil)					
3i Group Call GBP 21 Aug'23	(3)	(68)	0.00		
Anglo Call GBP 2620 Sep'23	(2)	(516)	0.00		
Anglo Call GBP 29 Aug'23	(2)	-	-		
Ashtead Call GBP 6000 Sep'23	(1)	(935)	0.00		
Ashtead Call GBP 58 Aug'23	(1)	(945)	0.00		
Associa Call GBP 2200 Sep'23	(1)	(100)	0.00		
BHP Call GBP 2550 Sep'23	(2)	(752)	0.00		
Bunzl Call GBP 34 Aug'23	(2)	-	-		
HSBC Call GBP 660 Sep'23	(19)	(2,042)	(0.01)		
HSBC Call GBP 7 Aug'23	(18)	(1,170)	(0.01)		
Next Call GBP 7600 Sep'23	(1)	(395)	0.00		
RELX Call GBP 2700 Sep'23	(4)	(1,080)	0.00		
Rio Tinto Call GBP 57 Aug'23	(2)	(31)	0.00		
SSE Call GBP 20 Aug'23	(3)	-	-		
		(8,034)	(0.02)		
		Unrealised			
	Settlement	Buy Amount	Sell Amount	Gains/(losses)	
Forward currency trades -0.01% (0.04%)					
Buy GBP : Sell EUR	17/10/2023	£8,589	€(10,000)	(11)	0.00
Buy GBP : Sell EUR	17/10/2023	£17,198	€(20,000)	(2)	0.00
Buy GBP : Sell EUR	17/10/2023	£2,532,678	€(2,950,000)	(4,265)	(0.01)
Buy GBP : Sell EUR	17/10/2023	£8,644	€(10,000)	44	0.00
Buy GBP : Sell EUR	17/10/2023	£17,404	€(20,000)	204	0.00
Buy GBP : Sell EUR	17/10/2023	£215,669	€(250,000)	674	0.00

Portfolio statement (continued)

as at 31 July 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades (continued)					
Buy GBP : Sell USD	17/10/2023	£15,272	US\$(20,000)	(268)	0.00
Buy GBP : Sell USD	17/10/2023	£99,314	US\$(130,000)	(1,702)	0.00
Buy GBP : Sell USD	17/10/2023	£7,744	US\$(10,000)	(26)	0.00
				(5,352)	(0.01)
Portfolio of investments				56,341,957	97.62
Net other assets				1,371,828	2.38
Total net assets				57,713,785	100.00

Figures in brackets represent sector distribution at 31 July 2022.

Fixed interest securities are not listed and are valued using publicly available market data unless otherwise stated.

All equity shares are listed ordinary shares unless otherwise stated.

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

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

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

* Related party to the Fund.

Comparative tables

Change in net asset value per share	R Income Shares			S Income Shares		
	2023 p	2022 p	2021 p	2023 p	2022 p	2021 p
Opening net asset value per share	142.17	162.21	158.41	137.04	156.29	152.54
Return before operating charges	(9.20)	(14.92)	8.99	(8.87)	(14.37)	8.67
Operating charges	(0.82)	(1.01)	(1.10)	(0.79)	(0.92)	(0.98)
Return after operating charges	(10.02)	(15.93)	7.89	(9.66)	(15.29)	7.69
Distributions	(4.79)	(4.11)	(4.09)	(4.62)	(3.96)	(3.94)
Closing net asset value per share	127.36	142.17	162.21	122.76	137.04	156.29
*after direct transaction costs of	0.04	0.03	0.08	0.04	0.03	0.08
Performance	2023	2022	2021	2023	2022	2021
Return after operating charges**	(7.05)%	(9.82)%	4.98%	(7.05)%	(9.78)%	5.04%
Closing net asset value (£'s)	2,341,755	2,612,989	3,033,118	55,372,030	63,164,403	61,597,501
Closing number of shares	1,838,702	1,837,923	1,869,825	45,107,648	46,092,978	39,412,695
Operating charges	0.63%	0.67%	0.69%	0.63%	0.63%	0.64%
Direct transaction costs*	0.03%	0.02%	0.05%	0.03%	0.02%	0.05%
	p	p	p	p	p	p
Highest share price	144.0	163.8	164.0	138.8	157.9	157.9
Lowest share price	117.8	136.9	155.8	113.5	131.9	150.0

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

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

Financial Statements - Santander Max 30% Shares Income Portfolio

Statement of total return

for the year ended 31 July 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital losses	1		(6,533,220)		(8,594,991)
Revenue	2	2,227,213		1,835,614	
Expenses	3	(325,035)		(367,635)	
Interest payable and similar charges	4	(7,841)		(15,016)	
Net revenue before taxation		1,894,337		1,452,963	
Taxation	5	(20,683)		(15,112)	
Net revenue after taxation			1,873,654		1,437,851
Total return before distributions			(4,659,566)		(7,157,140)
Distributions	6		(2,198,676)		(1,805,469)
Change in net assets attributable to shareholders from investment activities			(6,858,242)		(8,962,609)

Statement of change in net assets attributable to shareholders

for the year ended 31 July 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		65,777,392		64,630,619
Amounts receivable on issue of shares	6,212,369		16,703,229	
Amounts payable on cancellation of shares	(7,417,767)		(6,616,784)	
		(1,205,398)		10,086,445
Dilution adjustment		33		22,937
Change in net assets attributable to shareholders from investment activities		(6,858,242)		(8,962,609)
Closing net assets attributable to shareholders		57,713,785		65,777,392

Balance sheet

as at 31 July 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		56,473,508	63,752,292
Current assets:			
Debtors	7	1,203,203	891,847
Cash and bank balances	8	1,122,057	2,077,176
Total assets		<u>58,798,768</u>	<u>66,721,315</u>
Liabilities:			
Investment liabilities		(131,551)	(318,596)
Creditors			
Bank overdrafts	8	(206,326)	(197,826)
Distributions payable	6	(643,952)	(318,896)
Other creditors	9	(103,154)	(108,605)
Total liabilities		<u>(1,084,983)</u>	<u>(943,923)</u>
Net assets attributable to shareholders		<u><u>57,713,785</u></u>	<u><u>65,777,392</u></u>

Notes to the financial statements

for the year ended 31 July 2023

1. Net capital losses

	2023	2022
	£	£
Realised losses on non-derivative securities	(4,552,798)	(1,548,573)
Unrealised losses on non-derivative securities	(1,747,082)	(7,565,283)
Realised (losses)/gains on derivative securities	(370,468)	689,951
Unrealised gains/(losses) on derivative securities	158,127	(167,831)
Currency losses	(57,535)	(28,297)
Realised gains on forward currency contracts	122,294	48,330
Unrealised (losses)/gains on forward currency contracts	(34,286)	30,329
Transaction charges	(51,472)	(53,617)
Net capital losses	<u>(6,533,220)</u>	<u>(8,594,991)</u>

2. Revenue

	2023	2022
	£	£
UK dividends	420,856	459,397
Overseas UK tax exempt revenue	238,990	269,960
Overseas UK taxable revenue	32,607	35,649
Unfranked revenue	11,548	14,249
Interest on debt securities	1,457,661	1,025,960
Option premium revenue	30,485	8,449
Bank interest	8,235	288
Margin interest	9,168	-
Rebates from holdings in Collective Investment Schemes	3,802	2,560
Scrip dividends	13,861	19,102
Total revenue	<u>2,227,213</u>	<u>1,835,614</u>

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>299,625</u>	<u>336,625</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>7,188</u>	<u>8,050</u>
Other expenses:		
Audit fees	13,760	18,226
Safe custody fees	3,010	3,421
FCA fee	81	32
Tax service fees	1,371	1,281
	<u>18,222</u>	<u>22,960</u>
Total expenses	<u>325,035</u>	<u>367,635</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

4. Interest payable and similar charges	2023	2022
	£	£
Overdraft interest	184	11,456
Margin interest	7,657	3,560
Total interest payable and similar charges	<u>7,841</u>	<u>15,016</u>

5. Taxation	2023	2022
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	2,310	2,068
Overseas withholding tax	<u>18,374</u>	<u>12,234</u>
Current tax charge	20,684	14,302
Prior year adjustment	(1)	810
Total tax charge(note 5b)	<u>20,683</u>	<u>15,112</u>

b) Factors affecting the tax charge for the year

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

	2023	2022
	£	£
Net revenue before taxation	<u>1,894,337</u>	<u>1,452,963</u>
Corporation tax @ 20%	378,867	290,593
Effects of:		
Excess expenses for which no tax relief taken	1	-
Indexation allowance	(305)	-
Overseas tax	18,374	12,234
Prior year adjustment	(1)	810
Revenue exempt from UK corporation tax	(134,742)	(149,692)
Tax deductible interest distributions	<u>(241,511)</u>	<u>(138,833)</u>
Total tax charge (note 5a)	<u>20,683</u>	<u>15,112</u>

6. Distributions

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

	2023	2022
	£	£
Interim income distribution paid	1,546,172	1,499,871
Final income distribution payable	<u>643,952</u>	<u>318,896</u>
	2,190,124	1,818,767
Equalisation:		
Amounts deducted on cancellation of shares	32,680	14,949
Amounts added on issue of shares	<u>(24,128)</u>	<u>(28,247)</u>
Distributions	<u>2,198,676</u>	<u>1,805,469</u>

Notes to the financial statements (continued)

for the year ended 31 July 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	1,873,654	1,437,851
Add:		
Undistributed revenue brought forward	(13)	38
Expenses paid from capital	325,035	367,580
Distributions	<u>2,198,676</u>	<u>1,805,469</u>

Details of the distribution per share are disclosed in the distribution table on pages 153 and 154.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	-	328,067
Sales awaiting settlement	645,305	35,862
Accrued revenue	549,468	519,855
Overseas withholding tax	5,074	8,063
Rebates from holdings in Collective Investment Schemes	3,356	-
Total debtors	<u>1,203,203</u>	<u>891,847</u>

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	545,318	405,899
Cash and bank balances	576,739	1,671,277
Total cash and bank balances	<u>1,122,057</u>	<u>2,077,176</u>
Bank overdraft*	<u>206,326</u>	<u>197,826</u>

As at 31 July 2023, the weighted average of the floating interest rate on bank balances was 1.43% (2022 - 0.00%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	40,284	-
Purchases awaiting settlement	-	23,451
Accrued expenses	60,560	83,085
Corporation tax	2,310	2,069
Total other creditors	<u>103,154</u>	<u>108,605</u>

10. Risk disclosures

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

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies and governments and shares issued by listed companies. The Fund's exposure to global shares will never exceed 30%. The main risk arising from each fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

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

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,634,196 (2022 - £6,343,370*). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

* The prior year comparative disclosure has been recalculated from 5% to 10% to reflect the calculation of these figures on a consistent basis with the current year.

b) Interest rate risk

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

Interest rate risk in fixed income investments is monitored by the Manager and appropriate Sub-Investment Manager by analysing the investment characteristics of the underlying securities and issuers. The Manager and appropriate Sub-Investment Manager manages such risk by taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying holdings. If interest rates rise, the revenue potential of the Scheme will also rise, but the capital value of fixed interest investments will decline. A decline in interest rates will generally have the opposite effect. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates. Interest rate risk in holdings of Collective Investment funds is monitored by the ACD and appropriate Sub-Investment Manager by understanding the investment objectives of the underlying funds as well as a regular risk and performance review with external managers.

As at 31 July 2023, 74.88% of the Fund's assets were interest bearing (2022 - 76.85%).

As at the balance sheet date, a decrease in interest rates by 300 basis points (2022 - 25 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £57,974,881 (2022 - £936,338). An increase in interest rates would have an equal but opposite effect. It is expected that a change in interest rates of similar magnitude would not have a material impact on the portfolio's income stream generated from fixed income assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Numerical disclosure of the interest rate risk profile is made in note 15.

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

c) Currency risk

The Fund is permitted to invest in fixed income securities denominated in foreign currencies. As a result, movements in exchange rates may affect the market price of the underlying investments. The value of the fixed income securities can therefore be affected by currency movements.

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

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

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

d) Credit risk

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

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

Please see credit rate ratings analysis below:

Credit Ratings

2023	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	38,183,224	66.16
Below investment grade (Below BBB to unrated)	3,404,286	5.90
Total fixed interest securities	41,587,510	72.06

2022	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	43,171,319	65.64
Below investment grade (Below BBB to unrated)	5,250,982	7.98
Total fixed interest securities	48,422,301	73.62

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Written call options

The Fund writes short dated covered call options over some of the equities which it holds in its investment portfolio. This is part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. This strategy has the effect of limiting the capital return potential of the underlying equity portfolio since any gains above the strike price will effectively be paid to the purchaser of the relevant option.

h) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

h) Bond Risk (continued)

capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed ("ABS") and Mortgage-backed ("MBS") Securities

MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

i) Capital Erosion Risk

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the ACD's fees and expenses and / or other fees and expenses, may be charged against capital instead of against income and may constrain the capital growth of the Fund. This may result in capital erosion or constrain the capital growth of the Fund. See Section 21.8 of the main body of the Prospectus for further details.

j) Country Risk

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

k) Derivatives Risk

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

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

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

Notes to the financial statements (continued)

for the year ended 31 July 2023

10. Risk disclosures (continued)

k) Derivatives Risk (continued)

to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

l) Income Risk

Certain Funds may have a target income yield although this rate of income is not guaranteed. These Funds will make income distributions to Shareholders on the Distribution Dates listed for each Fund in Appendix 1. During periods of market uncertainty there is an increased risk that a Fund's target yield will not be achieved due to factors such as dividends issued by companies in which the Fund invests being reduced or investment by the Fund in fixed income assets yielding less income than expected.

Whilst Shareholders in each of these Funds will always receive the income earned by the relevant Fund, tax implications for a Shareholder may vary based on whether they subscribed or redeemed units in the Fund during a financial year, and on their individual tax situation.

m) Non-Developed Market Risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £64,793 (2022 - £53,924) was due to the ACD at the year end date.

Notes to the financial statements (continued)

for the year ended 31 July 2023

11. Related party transactions (continued)

Material shareholders

As at 31 July 2023, 100% (2022 - 100%) of the shares in issue in the Santander Max 30% Shares Income Portfolio Fund were held by AllFunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

As at 31 July 2023, the Fund held assets which are related to the ultimate holding company, Banco Santander S.A. The holdings and the associated transactions in this period and the comparative period are as follows:

Banco Santander 2.25% 2032

- a) The value of purchase transactions was nil (2022 - £298,614) and sales transactions was £146,840 (2022 - £94,400).
- b) Revenue receivable for the year was £4,500 (2022 - £95,201) and the outstanding amount was nil (2022 - £3,699).
- c) The aggregate value of investments held at the year end was nil (2022 - £173,000).

Banco Santander 2.75% 2023

- a) The value of purchase transactions was nil (2022 - nil) and sales transactions was nil (2022 - £200,518).
- b) Revenue receivable for the year was nil (2022 - £203,547) and the outstanding amount was nil (2022 - nil).
- c) The aggregate value of investments held at the year end was nil (2022 - nil).

Banco Santander 3.125% 2026

- a) The value of purchase transactions was nil (2022 - £299,151) and sales transactions was £281,730 (2022 - nil).
- b) Revenue receivable for the year was £4,700 (2022 - nil) and the outstanding amount was nil (2022 - £2,979).
- c) The aggregate value of investments held at the year end was nil (2022 - £291,375).

Banco Santander 4.75% 2028

- a) The value of purchase transactions was £297,852 (2022 - nil) and sales transactions was £96,693 (2022 - nil).
- b) Revenue receivable for the year was nil (2022 - nil) and the outstanding amount was £8,719 (2022 - nil).
- c) The aggregate value of investments held at the year end was £189,750 (2022 - nil).

Santander UK Group Holdings 2.421% 2029

- a) The value of purchase transactions was nil (2022 - £325,241) and sales transactions was £278,798 (2022 - nil).
- b) Revenue receivable for the year was £7,868 (2022 - nil) and the outstanding amount was nil (2022 - £4,204).
- c) The aggregate value of investments held at the year end was nil (2022 - £298,188).

Santander UK Group Holdings 2.92% 2026

- a) The value of purchase transactions was nil (2022 - nil) and sales transactions was nil (2022 - nil).
- b) Revenue receivable for the year was £7,738 (2022 - £7,738) and the outstanding amount was £1,776 (2022 - £1,781).
- c) The aggregate value of investments held at the year end was £246,781 (2022 - £256,719).

Santander UK Group Holdings 7.098% 2027

- a) The value of purchase transactions was £314,900 (2022 - nil) and sales transactions was £168,327 (2022 - nil).

Notes to the financial statements (continued)

for the year ended 31 July 2023

11. Related party transactions (continued)

b) Revenue receivable for the year was nil (2022 - nil) and the outstanding amount was £6,997 (2022 - nil).

c) The aggregate value of investments held at the year end was £140,525 (2022 - nil).

12. Shareholders' funds

The Fund currently has two share classes; R Income Shares and S Income Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
	No of shares	No of shares
R Income Shares		
Opening shares in issue	1,837,923	1,869,825
Shares issued in the year	117,858	370,913
Shares cancelled in the year	(117,079)	(402,815)
Closing shares in issue	<u>1,838,702</u>	<u>1,837,923</u>
	2023	2022
	No of shares	No of shares
S Income Shares		
Opening shares in issue	46,092,978	39,412,695
Shares issued in the year	4,846,125	10,891,296
Shares cancelled in the year	(5,831,455)	(4,211,013)
Closing shares in issue	<u>45,107,648</u>	<u>46,092,978</u>

13. Fair value disclosure

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	23,550,901	125,277
Observable inputs using market data*	<u>32,922,607</u>	<u>6,274</u>
	<u>56,473,508</u>	<u>131,551</u>
	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	24,732,794	314,727
Observable inputs using market data*	<u>39,019,498</u>	<u>3,869</u>
	<u>63,752,292</u>	<u>318,596</u>

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Debt securities included in the highest fair value hierarchy level relating to government bonds, where their valuation is determined to be sufficiently close to a binding quoted price, amount to £14,036,643 for assets as at 31 July 2023 (2022 - £13,203,852).

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	£	£	£	£	%	%
Bonds	56,905,137	-	-	56,905,137	-	-
Collective Investment schemes	914,698	51	428	915,177	0.01	0.05
Equities	3,426,303	1,584	14,857	3,442,744	0.05	0.43
Total purchases	61,246,138	1,635	15,285	61,263,058		
2022	£	£	£	£	%	%
Bonds	58,155,950	-	-	58,155,950	-	-
Collective Investment schemes	498,115	-	-	498,115	-	-
Equities	4,589,814	1,739	18,139	4,609,692	0.02	0.24
Total purchases	63,243,879	1,739	18,139	63,263,757		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	£	£	£	£	%	%
Bonds	57,045,055	-	-	57,045,055	-	-
Collective Investment schemes	1,004,079	-	-	1,004,079	-	-
Equities	3,469,639	(1,300)	(52)	3,468,287	0.04	0.00
Total sales	61,518,773	(1,300)	(52)	61,517,421		
2022	£	£	£	£	%	%
Bonds	47,341,185	-	-	47,341,185	-	-
Collective Investment schemes	2,158,031	-	-	2,158,031	-	-
Equities	3,643,673	(1,251)	(66)	3,642,356	0.02	-
Total sales	53,142,889	(1,251)	(66)	53,141,572		

	Broker Commission	Transfer Taxes
2023	£	£
Total costs from purchases & sales	2,935	15,337
Total costs as % of Average NAV	0.00%	0.03%
2022	£	£
Total costs from purchases & sales	2,990	18,205
Total costs as % of Average NAV	-	0.02%

There were direct transaction costs associated with derivatives in the year of £nil (2022 - 179) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Notes to the financial statements (continued)

for the year ended 31 July 2023

14. Purchases, sales and transaction costs (continued)

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.36% (2022 - 0.40%) of the transaction value.

15. Interest rate risk profile of financial assets and liabilities

The analysis and tables provided below refer to the narrative disclosure on Interest rate risk disclosure in Note 10.

The interest rate risk profile of the Fund's financial assets and liabilities at 31 July 2023 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2023				
Australian Dollar	895	-	-	895
Euro	147,773	2,774,895	2,694,394	5,617,062
Norwegian Krone	39	-	522,309	522,348
Swedish Krona	37	-	2,151	2,188
Swiss Franc	-	-	231,222	231,222
UK Sterling	706,777	39,412,242	14,218,628	54,337,647
US Dollar	60,210	115,589	626,872	802,671
2022				
Euro	635,748	2,211,155	3,772,194	6,619,097
UK Sterling	1,192,163	46,460,583	14,306,500	61,959,246
Other foreign currencies	51,438	-	1,079,600	1,131,038

Currency	Financial liabilities not carrying interest £	Total £
2023		
Euro	(2,843,035)	(2,843,035)
UK Sterling	(755,139)	(755,139)
US Dollar	(202,074)	(202,074)
2022		
Euro	759,103	759,103
UK Sterling	3,062,478	3,062,478
Other foreign currencies	110,408	110,408

Notes to the financial statements (continued)

for the year ended 31 July 2023

16. Derivatives and Counterparty Exposure

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

The types of derivatives held at the balance sheet date were forward currency contracts. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Morgan Stanley International	674	674	674
Standard Chartered Bank	44	44	44
Toronto Dominion Bank	204	204	204
2022			
Barclays Bank	727	727	727
HSBC Bank	30,787	30,787	30,787
Royal Bank of Scotland	4	4	4
Standard Chartered Bank	1,100	1,100	1,100
Toronto-Dominion Bank	186	186	186

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the R Income share class has increased from 127.36p to 128.69p and the S Income class has increased from 122.76p to 124.04p as at 20 November 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 July 2023

Gross interest distributions on R Income Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	30.09.22	monthly	0.3100	-	0.3100	0.3100
	31.10.22	monthly	0.3064	-	0.3064	0.3100
	30.11.22	monthly	0.3064	-	0.3064	0.3100
	31.12.22	monthly	0.3064	-	0.3064	0.3100
	31.01.23	monthly	0.3064	-	0.3064	0.3100
	28.02.23	interim	0.3064	-	0.3064	0.3100
	31.03.23	monthly	0.3064	-	0.3064	0.3100
	30.04.23	monthly	0.3064	-	0.3064	0.3100
	31.05.23	monthly	0.3064	-	0.3064	0.3100
	30.06.23	monthly	0.3064	-	0.3064	0.3100
	31.07.23	monthly	0.3064	-	0.3064	0.3100
	31.08.23	final	1.4204	-	1.4204	0.7025
Group 2	30.09.22	monthly	0.2092	0.1008	0.3100	0.3100
	31.10.22	monthly	0.1503	0.1561	0.3064	0.3100
	30.11.22	monthly	0.1337	0.1727	0.3064	0.3100
	31.12.22	monthly	0.1354	0.1710	0.3064	0.3100
	31.01.23	monthly	0.1097	0.1967	0.3064	0.3100
	28.02.23	interim	0.0495	0.2569	0.3064	0.3100
	31.03.23	monthly	0.0000	0.3064	0.3064	0.3100
	30.04.23	monthly	0.0000	0.3064	0.3064	0.3100
	31.05.23	monthly	0.0000	0.3064	0.3064	0.3100
	30.06.23	monthly	0.0000	0.3064	0.3064	0.3100
	31.07.23	monthly	0.0000	0.3064	0.3064	0.3100
	31.08.23	final	0.4355	0.9849	1.4204	0.7025

Distribution tables (continued)

for the year ended 31 July 2023

Gross interest distributions on S Income Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2022/2023	Distribution paid 2021/2022
Group 1	30.09.22	monthly	0.3000	-	0.3000	0.3000
	31.10.22	monthly	0.2951	-	0.2951	0.3000
	30.11.22	monthly	0.2951	-	0.2951	0.3000
	31.12.22	monthly	0.2951	-	0.2951	0.3000
	31.01.23	monthly	0.2951	-	0.2951	0.3000
	28.02.23	interim	0.2951	-	0.2951	0.3000
	31.03.23	monthly	0.2951	-	0.2951	0.3000
	30.04.23	monthly	0.2951	-	0.2951	0.3000
	31.05.23	monthly	0.2951	-	0.2951	0.3000
	30.06.23	monthly	0.2951	-	0.2951	0.3000
	31.07.23	monthly	0.2951	-	0.2951	0.3000
	31.08.23	final	1.3697	-	1.3697	0.6638
Group 2	30.09.22	monthly	0.0583	0.2417	0.3000	0.3000
	31.10.22	monthly	0.0000	0.2951	0.2951	0.3000
	30.11.22	monthly	0.0761	0.2190	0.2951	0.3000
	31.12.22	monthly	0.0000	0.2951	0.2951	0.3000
	31.01.23	monthly	0.1233	0.1718	0.2951	0.3000
	28.02.23	interim	0.0000	0.2951	0.2951	0.3000
	31.03.23	monthly	0.0000	0.2951	0.2951	0.3000
	30.04.23	monthly	0.0000	0.2951	0.2951	0.3000
	31.05.23	monthly	0.0000	0.2951	0.2951	0.3000
	30.06.23	monthly	0.0000	0.2951	0.2951	0.3000
	31.07.23	monthly	0.0000	0.2951	0.2951	0.3000
	31.08.23	final	0.3050	1.0647	1.3697	0.6638

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 (unaudited)

Report and Accounts

Copies of annual and half-yearly long reports may be requested from the ACD or inspected at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom.

The annual accounting period for the Company ends each year on 31 July, and the interim reporting period ends on 31 January.

The annual reports of the Company will be published on or before 30 November and half yearly reports by 31 March each year.

Funds and share classes

Fund	Share classes	ACD's annual management charge
Santander Max 60% Shares Income Portfolio	R Accumulation Shares	0.70%
	R Income Shares	0.70%
	S Income Shares	0.70%
Santander Atlas Income Portfolio	I Accumulation Shares	0.40%
	I Income Shares	0.40%
Santander Max 30% Shares Portfolio	R Accumulation Shares	0.50%
	S Accumulation Shares	0.50%
Santander Max 30% Shares Income Portfolio	R Income Shares	0.50%
	S Income Shares	0.50%

Income attributable to accumulation shares is automatically added to the capital assets of the relevant Fund at the end of each monthly, quarterly, interim and annual accounting period (depending on the distribution frequency of the relevant Fund) and is reflected in the relevant share price. Income attributable to income shares will be paid on the distribution dates. Please refer to the Prospectus for further information.

Each class may attract different charges and expenses and so monies may be deducted from the scheme property attributable to such classes in unequal proportions. In these circumstances, the proportionate interests of the classes within a Fund will be adjusted accordingly.

Further classes may be established from time to time by the ACD with the agreement of the Depositary, and where relevant the approval of the FCA, and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or class, a revised prospectus will be prepared as soon as reasonably practical, setting out the details of such new Fund or class.

Minimum Investment

The initial minimum investment that can be made to the R share classes is £500, for the S share classes it's £10,000,000 and for the I share classes it's £1,000,000. The minimum subsequent investment that can be made to each share class is £1.50.

The minimum withdrawal that can be made is £1.50, provided a minimum of £500 remains invested within the Fund for the R and I share classes and a minimum of £10,000,000 remains invested within the Fund for the S share classes.

Voting Rights

Every shareholder who (being an individual) is present in person, or (being a corporation) by its properly authorised representative, shall have one vote on a show of hands. A shareholder may vote in person or by proxy on a poll vote, and any shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Further information (continued)

Voting Rights (continued)

For some resolutions, for example to approve certain amendments to the Instrument of Incorporation, an extraordinary resolution is required. For an extraordinary resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of it.

For other resolutions, an ordinary resolution is required. For an ordinary resolution to be passed, more than 50% of the votes cast at the meeting must be in favour of it.

The rights attached to a class may only be varied in accordance with the FCA Regulations.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of shares which the ACD or an associate holds on behalf of or jointly with a person who, if itself the registered shareholder, would be entitled to vote and from whom the ACD or its associate has received voting instructions.

Shareholders for the purposes of attending and voting at a meeting means those on the date seven days before the notice of the relevant meeting was sent out, but excludes holders those who are known to the ACD not to be shareholders at the time of the meeting.

Any joint shareholders may vote provided that if more than one joint holder of a share votes, the most senior joint shareholder in the Register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder.

Winding Up of the Company or Terminating a Fund

The Company may not be wound up except:

- by the court, as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Regulations.

To wind up the Company under the FCA Regulations, the ACD 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;
- (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);

Further information (continued)

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

- (e) in the case of the Company, on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;
- (f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold scheme property; or
- (g) on the date when all Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- FCA Regulations relating to dealing, valuation, pricing, investment and borrowing will cease to apply to the Company or the Fund;
- the Company will cease to issue and cancel shares in the Company or the Fund;
- the ACD will cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company or the Fund;
- no transfer of shares will be registered and no change to the Register will be made without the sanction of the ACD.
- where the Company is to be wound up, it will cease to carry on its business except as is required for its beneficial winding up; and
- the corporate status and corporate powers of the Company and (subject to the provisions above) the powers of the ACD continue until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate) realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to shareholders proportionately to their rights to participate in the property of the Company or the Fund.

If the ACD has not previously notified shareholders of the proposals to wind up the Company or to terminate the Fund, it will, as soon as practicable after the commencement of the winding up of the Company or termination of the Fund, give written notice of this commencement to shareholders. When the ACD has caused all of the relevant property and all of the liabilities of the Company or the particular Fund to be realised, it will arrange for the Depositary to make a final distribution to shareholders on or prior to the date on which the final account is sent to shareholders of any balance remaining in proportion to their holdings in the Company or a particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary will notify the FCA that the winding up or termination has been completed.

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The Auditors will make a report in respect of the final account stating their opinions as to whether it has been properly prepared. This final account and the Auditors' report on it must be sent to the FCA and to each affected shareholder (or the first named of joint shareholders) within four months of the completion of the winding up or termination.

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,

Further information (continued)

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

the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Regulations, may be re-allocated by the ACD provided that such re-allocation shall be done in a manner which is fair to shareholders generally.

Dealing

The ACD's delegate, FNZ TA Services Limited, is available to deal with requests from institutional investors to buy, redeem (sell) or switch Shares between 9am and 5pm on each Business Day. Such applications and instructions may be made by post or electronic means where available. The Shares are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Fund after the receipt by FNZ TA Services Limited of the investor's instructions.

Please contact FNZ TA Services Limited at investorqueries@fnztaservices.com for any enquiries related to applications and instructions to buy, redeem (sell) or switch Shares.

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 valid 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.

For the purpose of calculating the price at which shares in a Fund are to be issued or sold, the values of investments are calculated by using mid-market prices. The actual cost of buying or selling a Fund's investments maybe higher or lower than 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.

Further information (continued)

Pricing and dilution adjustment (continued)

A dilution adjustment may be applied where a Fund is experiencing large levels or trends of issues and sales relative to its size, or in any other circumstances where the ACD is of the opinion that the interests of shareholders require the imposition of a dilution adjustment.

The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of shares in a Fund, it is not possible to predict accurately whether dilution will occur at a future point in time or how frequently however, based on historical data, the ACD expects to make a dilution adjustment on most occasions when shares are issued or redeemed. A typical adjustment, based on historical data, is expected to be between 0% and 2% for the issue and redemption of shares.

Please refer to the Prospectus for further information.

OCF Cap

A Fund may operate with an "OCF cap" in respect of one or more of its Share Classes. This means that the ongoing charges figure ("OCF") the Share Class is subject to is set at a fixed maximum amount. Where a share class has an OCF cap, if the costs which are included in the OCF calculation exceed the amount of the cap then the ACD will pay any excess out of its own resources. Where the OCF calculation is equal to or below the OCF cap, the Share Class will pay this amount.

Taxation

The Funds pay corporation tax at 20% on their taxable income less expenses and are generally exempt from capital gains tax.

Where a Fund pays dividend distributions, these are paid without any deduction of tax. The first £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 Funds which are currently bond funds are the Santander Max 30% Shares Portfolio and Santander Max 30% Shares Income Portfolio. Individuals are entitled to a personal savings allowance each tax year, if an individual utilises their annual allowance they could be liable to pay additional tax on the gross distribution.

A distribution received by a shareholder liable to corporation tax is received as franked revenue to the extent that the revenue of the Fund consists of franked revenue. The balance of the distribution is received as an annual payment from which tax has been deducted at the basis rate.

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. Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

Appointments

Authorised Corporate Director (ACD), Registrar and Investment Manager

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

Directors

Robert Noach (resigned 8 May 2023)
Richard Royds (appointed 8 May 2023)
Miguel Angel Sanchez Lozano (appointed 6 February 2023)
Dr Jocelyn Dehnert
Lazaro de Lazaro Torres
Jacqueline Hughes
Pak Chan

Sub-Investment Managers

Santander Asset Management S.A., SGIIC
Calle Serrano 69 - 28006
Madrid
Spain
Registered with the Commercial Registry of Madrid and with the Administrative Registry of the Spanish Commission of the Stock Market of Collective Investment Institutions Management Companies

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

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Depository

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

Appointments (continued)

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One, 144 Morrison Street,

Edinburgh, EH3 8EX, United Kingdom

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