

Santander Managed OEIC

Annual report for the year ended 31 March 2024

Contents

	Page No.
Report of the Authorised Corporate Director*	2
Statement of the Authorised Corporate Director's Responsibilities*	8
Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Santander Managed OEIC	9
Independent auditors' Report to the Shareholders of Santander Managed OEIC	10
Accounting & distribution policies	14
Funds:	
Santander Sterling Bond Portfolio	19
Financial Statements - Santander Sterling Bond Portfolio	40
Santander Max 50% Shares Portfolio	55
Financial Statements - Santander Max 50% Shares Portfolio	78
Santander Max 70% Shares Portfolio	97
Financial Statements - Santander Max 70% Shares Portfolio	118
Santander Max 100% Shares Portfolio	135
Financial Statements - Santander Max 100% Shares Portfolio	146
Santander Atlas Portfolio 6	160
Financial Statements - Santander Atlas Portfolio 6	172
Santander Enhanced Income Portfolio	188
Financial Statements - Santander Enhanced Income Portfolio	200
Further information*	214
Appointments*	220

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

Report of the Authorised Corporate Director

for the year ended 31 March 2024

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

The Company is a non-UCITS retail scheme and a UK alternative investment Fund for the purposes of the UK AIFM Regime. Provision exists for an unlimited number of Funds and each Fund would be a non-UCITS retail scheme if it were itself an investment company with variable capital in respect of which an authorisation order made by the FCA were in force.

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

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

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

The Company has no directors other than the ACD.

The ACD is authorised and regulated by the FCA.

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

Santander Sterling Bond Portfolio
Santander Max 50% Shares Portfolio
Santander Max 70% Shares Portfolio
Santander Max 100% Shares Portfolio
Santander Atlas Portfolio 6
Santander Enhanced 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)

for the year ended 31 March 2024

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

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

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

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

Financial details and the ACD's review of the individual Funds for the year ended 31 March 2024 are given in pages 19 to 213 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 out. Salaries are periodically reviewed taking into account employee performance, external market data, internal relativity,

Report of the Authorised Corporate Director (continued)

for the year ended 31 March 2024

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

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 fund manager of UK UCITS as at 31 December 2023. 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)

for the year ended 31 March 2024

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

2023 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 31/12/2023 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Total remuneration awarded by the SAM UK during the financial year.	£8,680,458	£4,413,653	£13,094,111	67
Remuneration awarded to the Code Staff. **	£1,667,249	£1,069,300	£2,736,549	7

* The remuneration disclosed above is in relation to the remuneration awarded by SAM UK during the financial year 1 January 2023 to 31 December 2023 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.

Assessment of Value

Under COLL 6.6.20R (1), Santander Asset Management UK limited, the ACD of the Scheme, 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.

Enhanced Income Portfolio - Removal of Income Smoothing

For the period ended 30 September 2023, whilst not part of the Fund's objective, the ACD sought to "smooth" income paid to Shareholders for the Fund.

What income smoothing intended to achieve was for equal amounts to be paid for 11 of the 12 monthly income distributions throughout the financial year, with a final balancing payment in month 12. The income distributions paid were in line with a rate set by the ACD for the Fund at the start of that financial year (after consultation with the Fund's Sub-Investment Manager). The rate was not guaranteed and the Prospectus explained that the ACD was able to adjust the rate during periods of market uncertainty.

Report of the Authorised Corporate Director (continued)

for the year ended 31 March 2024

Significant Information (continued)

Enhanced Income Portfolio - Removal of Income Smoothing (continued)

The Fund can only distribute income which is recorded as income available for distribution in its accounting book of records at the time of announcing the monthly income distribution. In periods of extreme market volatility projecting a smoothed rate and income available for distribution at the start of the financial year is extremely challenging. The ACD reviewed market practice, customer journey and in the context of Consumer Duty, determined that seeking to continue to pay out in a smoothed manner was no longer in the best interest of Shareholders.

The ACD wrote to Shareholders on 17 April 2023 to advise them that from 1 August 2023 the ACD would remove income smoothing and instead pay out 'natural income' (i.e. all income accrued by the share class they are invested in during each Payment Period of the Fund's financial year). This means that Shareholders now receive all available income earned by the Fund in the following month's distribution.

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:

- (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 April 2023 to 21 May 2023, non-dynamic swing pricing applied.

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

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

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

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

Report of the Authorised Corporate Director (continued)

for the year ended 31 March 2024

Authorised Corporate Director's Statement

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

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is required to:

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

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

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 30 July 2024.



Dr Jocelyn Dehnert

Director

For and on behalf of Santander Asset Management UK Limited

Authorised Corporate Director of Santander Managed OEIC

30 July 2024

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Santander Managed 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 Investment Funds 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 Investment Fund Manager ("the AIFM") 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 AIFM:

- (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
April 2024

Independent auditors' Report to the Shareholders of Santander Managed OEIC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Santander Managed 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 March 2024 and of the net revenue and the net capital gains 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 OEIC is an Open Ended Investment Company ('OEIC') with six 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 March 2024; the Statements of total return, and the Statements of change in net assets attributable to shareholders for the year then ended; the Distribution tables; and the Notes to the financial statements, which include a description of the significant accounting policies.

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 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.

Authorised Corporate Director's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

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

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 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 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

30 July 2024

Accounting & distribution policies

for the year ended 31 March 2024

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.

As described in the ACD's Report on page 2, 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 March 2024. Market value is defined by the SORP as fair value, which generally is the bid value of each security.

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

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

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

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.

Accounting & distribution policies (continued)

for the year ended 31 March 2024

Accounting policies (continued)

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.

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

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

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

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

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

Management fee rebates in respect of holdings in other Collective Investment Schemes are recognised on an accruals basis. Where it is the policy of the underlying scheme 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).

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 March 2024

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 Fund's 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 Funds as they are incurred, as detailed in the Prospectus. These can be paid from revenue or capital dependent on the specific investment objective of the Fund. Expenses payable from the revenue of the Fund are included in the final distribution. Expenses payable from capital property of the Fund may constrain the capital growth of the Fund.

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

Santander Sterling Bond Portfolio

Santander Max 50% Shares Portfolio

Santander Max 70% Shares Portfolio

Santander Max 100% Shares Portfolio

Santander Atlas Portfolio 6

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

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

Santander Enhanced Income Portfolio

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.

Accounting & distribution policies (continued)

for the year ended 31 March 2024

Accounting policies (continued)

g) Taxation (continued)

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

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

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

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 2nd December 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.

Accounting & distribution policies (continued)

for the year ended 31 March 2024

Distribution policies (continued)

a) Basis of distribution (continued)

The Santander Sterling Bond Portfolio fund is known as a 'bond fund' and therefore pays interest distributions.

b) Revenue

All revenue is included in the final distribution of each Fund with reference to the Accounting policies for revenue disclosed in note 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 Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary

Investment Objective

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

The Fund will aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: 90% Markit iBoxx Sterling Non Gilts Index TR and 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.25% 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 its objective by investing at least 95% in bonds.

The Fund invests:

- a minimum of 70% in bonds issued by companies, supranationals, and other non-sovereign entities; and
- a maximum of 30% in bonds issued by governments (typically these will be bonds issued by the UK Government).

The Fund may invest globally (including up to 5% in non-developed markets) but at least 95% of its investments must be denominated in or Hedged to Pounds Sterling, and at least 70% denominated in Pounds Sterling.

At least 90% of the Fund's investments will be in bonds which are, at the time of purchase, investment grade. Up to 10% of the Fund can be in those which are at the time of purchase, sub-investment grade and up to 5% can be unrated (where the Sub-Investment Manager will determine whether the bonds have quality equivalent to investment grade or sub-investment grade).

The Fund's investment in bonds can include those which are "non-standard" (up to 30% of the Fund). These may, for example, be bonds which can make payments earlier than their target maturity date, or have terms where the principal amount of the bond can be paid back over the term of the bond, instead of being paid at the bond's maturity date, or asset backed or mortgage backed securities (investments whose return is generated from and backed by a basket of debt, for example mortgages). With regard to asset backed and mortgage backed securities, exposure will be limited to 5% of the Fund.

The Fund's investment in bonds can also include (up to 20% of the Fund) those which are "index linked" (bonds which have their coupon payments adjusted for inflation by linking the payments to an inflation indicator), although this is not a key part of the Fund's investment strategy.

The Fund invests directly in bonds, and not indirectly by purchasing units in Collective Investment Schemes.

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

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Policy (continued)

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

Investment Strategy and Process

The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and has put in place investment guidelines which the Sub-Investment Manager must follow.

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. This means that, subject to the investment guidelines agreed with the ACD, it has discretion to select assets according to its investment views and opportunities identified as market and economic conditions change, and it will select investments that it believes will achieve the Fund's investment objectives. The Sub-Investment Manager will complete an assessment before any investment decisions are made.

The investment guidelines the ACD has put in place for the Sub-Investment Manager include:

- an objective to outperform the Target Benchmark on average each year measured over rolling 3 year periods. This will be consistent with the Fund's objective to outperform the Target Benchmark after the deduction of fees, although not identical because the target set for the Sub-Investment Manager will be measured before the deduction of the Fund's fees; and
- risk management measures, including a maximum Tracking Error, detailed below which reference the Target Benchmark. These will be commensurate to the outperformance objective noted above.

The primary way the Sub-Investment Manager aims to achieve the Fund's investment objectives is by selecting bonds which will outperform the Target Benchmark. It is expected that average outperformance for the Fund will typically not be greater than 0.25% 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.

When selecting bonds, the Sub-Investment Manager will consider risks including credit risk (the potential risk that issuers of bonds will be unable to honour their payment obligations), and how changing interest rates might impact the value of a bond in order to help determine which bonds to invest in. For example increasing interest rates will usually lower the value of an existing bond, and if the bond has a long time until maturity there could be more of an impact on its value. Therefore, the Sub-Investment Manager may choose to reduce the Fund's sensitivity to a change in interest rates if it expects them to rise or vice versa.

When selecting company bonds, the Sub-Investment Manager will assess a company with respect to four key factors: industry attractiveness, competitive position, management quality and financial position. This will assign the company a score which the Sub-Investment Manager will consider as part of its overall selection process when determining which bonds to invest in.

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

When selecting government bonds it will use a number of tools to assess the impact of key economic and socio-political factors in order to determine a forward-looking view on the medium and long-term risk that the government may be unable to meet its payment obligations on the bonds. In doing so, it will consider factors such as the government's cash flow.

The Sub-Investment Manager will also factor in the value of a bond, by assessing the interest payments the bond will make, and look for opportunities where they believe bonds have been mispriced.

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

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of up to 2%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 2% provided this is consistent with the investment strategy of the Fund. The Sub-Investment Manager is also subject to certain investment restrictions which reference an index in the Target Benchmark, relating to the credit rating of bond issuers, and the Duration of bonds, as part of its investment process. These are risk management measures.

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

Further Information

The Target Benchmark for the Fund has been selected as it is representative of the Fund's investment policy.

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

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

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

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

Santander Sterling Bond Portfolio
Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Further Information (continued)

The base currency of the Fund is UK Sterling.

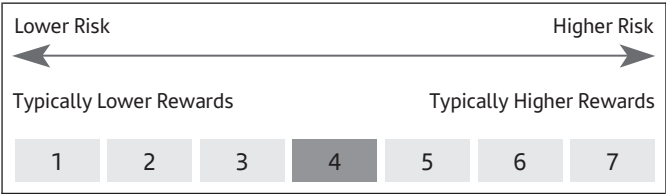
Sub-Investment Manager

BlackRock Investment Management(UK) Limited

Risk Profile

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

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund.

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

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

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 29 March 2019 to 28 March 2024 (5 years)		
	Cumulative	
Santander Sterling Bond Portfolio R Accumulation Share Class	-3.60%	
Percentage price change from 31 March 2021 to 28 March 2024 (3 years)		
	Annualised	Cumulative
Santander Sterling Bond Portfolio R Accumulation Share Class	-3.60%	-10.42%
90% Markit iBoxx Sterling Non Gilts Index TR and 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR*	-3.61%	-10.43%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)		
Santander Sterling Bond Portfolio R Accumulation Share Class	5.00%	
90% Markit iBoxx Sterling Non Gilts Index TR and 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR*	5.48%	

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

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to fees. Past performance is not a guarantee of future performance. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

*Prior to 6 December 2021 the Fund had a Comparator benchmark which it was not aiming to outperform. The Fund's updated Target Benchmark is effective from 6 December 2021.

Market Review

Global government bonds witnessed significant volatility over the 12 months, with bond yields ultimately finishing considerably higher and prices moving lower, as bond prices and yields move in opposite directions to each other.²¹

UK government bond yields also experienced significant volatility, with yields rising to levels not seen in over a decade,²² before falling significantly over the last few months of the period.

Driving market movements in the first half of the reporting period was persistent wage growth, inflation concerns and the Bank of England (BoE)'s ongoing efforts to balance the level of interest rates and economic growth.²³

In June, UK inflation finally eased, dropping below 8% year on year.²⁴ Consequently, bond prices increased and market participants revised down their expectations for long-term interest rates.²⁵

²¹ S&P Global Developed Sovereign Bond Index, 28 March 2024

²² Franklin Templeton, 28 September 2023

²³ Bank of England, 3 August 2023

²⁴ Trading Economics, 28 March 2024

²⁵ Sub-Investment Manager, 28 March 2024

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review (continued)

In August 2023, the BoE raised interest rates to 5.25%²⁶ but surprised investors by leaving the rate unchanged at its September 2023 meeting,²⁷ ending an almost two-year rate-hike cycle. The policymakers' decision was influenced by cooling inflation and weaker economic data.

During the second half of the period, government bonds rallied as inflation rates dropped.²⁸ However, in January 2024, market participants realised that the rally may have been going on too long, resulting in the 10-year gilt yield experiencing its most significant monthly increase since May 2023.²⁹

UK bond market investors' expectations of future interest rates evolved throughout the period, illustrating the volatility seen in markets over the 12 months. As of the end of the reporting period, markets were pricing-in interest rate cuts to 4.5% by the end of 2024.³⁰

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. It aims to outperform (after fees) the Target Benchmark over a rolling three-year period. Average outperformance will typically not exceed 0.25% per annum, which isn't guaranteed.

The Fund is actively managed and invests at least 95% in bonds. At least 70% will be in bonds that aren't issued by governments, and up to 30% will be in (typically UK) government bonds. The Fund invests globally (up to 5% in non-developed markets) but at least 70% of bond investments must be in pounds.

Over five years, the Fund's Retail Accumulation share class has made a cumulative return of -3.60%.

Over three years, the Fund produced a cumulative net return of -10.42% (-3.60% annualised). The Fund has therefore marginally met its objective to outperform the Target Benchmark, which returned -10.43% (-3.61% annualised) over the same period.

In December 2021, the Fund was transitioned to a new investment strategy. Performance before the month was achieved under different circumstances that no longer apply. Since implementing the new investment strategy, the Fund outperformed the benchmark every calendar year. In 2022, even though the Fund's absolute return suffered as investors' expectations around the pace and permanence of inflation rates had been revised sharply upwards, prompting a sell-off in bonds, the Fund benefitted from the sector and security selection positioning, and the allocation to euro-denominated bonds, which outperformed over the period, positively affecting the fund's performance against the benchmark.

In 2023, the Fund continued to hold a higher duration position (higher sensitivity to changes in interest rates) compared to the benchmark with the expectation that the increasing and sustained interest rates would dampen economic growth and slow

²⁶ Bank of England, 3 August 2023

²⁷ The Guardian, 21 September 2023

²⁸ FT, 7 November 2023

²⁹ Bloomberg, 19 January 2024

³⁰ Sub-Investment Manager, 28 March 2024

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

inflation, encouraging central bank interest rate cuts. From the end of December onwards, the Fund reduced its long duration position, which contributes to the positive relative return. In 2024 Q1, the performance of the Fund was below the benchmark as the Fund held more government bonds during the period when they underperformed corporate bonds in January and February.

Over the 12 months through 28 March 2024, the Retail Accumulation share class returned 5.00%, compared with the Target Benchmarks return of 5.48% over the same period.

Over the 12-month accounting period, the Sub-Investment Manager continued to build a relatively large position (compared to the benchmark) in bonds that take longer to reach maturity which have a higher sensitivity to changes in interest rates.

This relatively large position peaked by the end of October when US 10-year government bond yields reached 5.00%,³¹ while 30-year UK government bonds reached 5.15% – the highest yield since 1998.³²

The Sub-Investment Manager maintained this position with its expectation that higher interest rates would dampen economic growth and slow inflation, encouraging central banks to then cut interest rates, which its positioning would have benefited from.

However, the economy proved more resilient than expected, causing yields to increase. The position had a negative impact on the Fund over the beginning of the period. Once economic growth began to come in below expectations and inflation rates fell, the position performed well.

This was particularly the case at the end of 2023 as weaker jobs and inflation data led to an anticipation for earlier interest-rate cuts. The Fund therefore reduced its position in bonds with a longer maturity from the end of December onwards, given the market rally, which helped performance.

The Fund remained defensively positioned in bonds issued by companies (corporate bonds) over the reporting period due to recessionary risks. Nevertheless, the Sub-Investment Manager's choices in particular sectors and companies proved favourable over the 12 months.

For example, the Sub-Investment Manager focused on higher-quality 'senior' bonds within banks and 'junior' bonds in the insurance sector. In the event of a company entering liquidation or bankruptcy, senior bonds are repaid before other lower priority bonds, such as junior bonds. As a result, investors take on less risk holding senior bonds and more risk holding junior bonds. However, junior bonds generally offer greater potential for a return on investment.

Additionally, the Fund benefited from the Sub-Investment Manager's decision to purchase new bonds (denominated in euros) in those sectors expected to benefit from a market rebound, such as utilities and industrials.

³¹ Reuters, 23 October 2023

³² Reuters, 20 October 2023

Santander Sterling Bond Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

Lastly, the Fund's holdings in the collateralised sector – bonds backed by underlying assets (asset backed or mortgage backed securities) – led to positive returns.

Market Outlook

During the reporting period, the Sub-Investment Manager maintained the Fund's focus on sector and quality rotation. The main theme was a reduction in bonds held by cyclical companies (companies that are more negatively affected by an economic downturn), in favour of bonds issued by higher quality issuers that are generally more resilient.

The Sub-Investment Manager believes this positions the Fund well to weather any corporate bond weakness that may develop if macroeconomic conditions begin to deteriorate, and remains confident with maintaining positions in longer-maturity bonds. Recessionary risks and the re-emergence of demand for fixed income could provide strong support for bond markets in 2024.

The Sub-Investment Manager believes the current environment presents a compelling opportunity within the UK bond market given the anticipation for interest rate cuts by the BoE.

Robert McElvanney

Head of UK Front Office

For and on behalf of Santander Asset Management UK Limited

May 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
United Kingdom Gilt 1.25% 2027	17,685,337		United Kingdom Gilt 1.25% 2027	12,108,357	
United Kingdom Gilt 4.5% 2034	13,060,170		United Kingdom Gilt 4.125% 2027	9,785,426	
United Kingdom Gilt 0.125% 2028	12,618,137		United Kingdom Gilt 0.125% 2028	9,078,374	
United Kingdom Gilt 4.125% 2027	10,030,835		United Kingdom Gilt 4.75% 2030	8,992,379	
United Kingdom Gilt 0.375% 2026	8,575,761		United Kingdom Gilt 4.5% 2034	8,360,763	
United Kingdom Gilt 4.25% 2032	6,638,029		United Kingdom Gilt 3.5% 2025	6,991,381	
United Kingdom Gilt 3.5% 2025	6,027,807		United Kingdom Gilt 4.25% 2032	6,482,719	
Kreditanstalt fuer Wiederaufbau 0.875% 2026	4,821,571		United Kingdom Gilt 1.75% 2037	5,393,168	
United Kingdom Gilt 6% 2028	4,754,442		United Kingdom Gilt 0.5% 2029	5,171,500	
United Kingdom Gilt 1.25% 2041	4,736,008		Bayer 4.625% 2033	4,448,987	
Bayer 4.625% 2033	4,418,544		Kreditanstalt fuer Wiederaufbau 1.375% 2024	3,968,180	
European Investment Bank 4% 2029	4,368,814		United States Treasury Inflation Indexed Bonds 0.75% 2028	3,937,015	
United Kingdom Gilt 1.125% 2039	4,361,158		Cadent Finance 5.625% 2036	3,837,803	
United Kingdom Gilt 4.25% 2040	4,085,000		Motability Operations 3.5% 2031	3,439,679	
Kreditanstalt fuer Wiederaufbau 4.125% 2026	3,966,800		European Investment Bank 0.75% 2024	3,343,406	
United States Treasury Inflation Indexed Bonds 0.75% 2028	3,965,322		United Kingdom Gilt 4.375% 2054	3,176,659	
Cadent Finance 5.625% 2036	3,851,533		AXA 5.453% 2172	3,129,693	
United Kingdom Gilt 0.875% 2046	3,798,452		Verizon Communications 2.5% 2031	2,702,660	
Electricite de France 5.625% 2053	3,636,539		United Kingdom Gilt 3.75% 2053	2,601,545	
United Kingdom Gilt 3.25% 2044	3,571,955		BNP Paribas 5.75% 2032	2,416,583	
Total cost of purchases for the year	<u>437,218,806</u>	14	Total proceeds from sales for the year	<u>285,774,768</u>	14

Included within the above, in-specie purchases totaling £172,322,257 was made during the year. Please refer to Note 14 for additional breakdown.

Portfolio statement

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Fixed interest securities 96.83% (94.61%)			
AAA to AA 17.23% (27.76%)			
Aspire Defence Finance 4.674% 2040	£364,780	355,551	0.09
BNG Bank 0.5% 2026	£1,800,000	1,619,424	0.41
BNG Bank 1.625% 2025	£3,600,000	3,436,026	0.86
Caisse des Depots et Consignations 0.25% 2026	£2,500,000	2,301,672	0.58
CPPIB Capital 4.375% 2026	£1,100,000	1,092,883	0.27
CPPIB Capital 4.5% 2027	£2,750,000	2,761,385	0.69
Dexia 0.25% 2026	£3,500,000	3,119,725	0.78
Dexia 4.375% 2026	£600,000	594,128	0.15
Dexia 4.375% 2026	£1,600,000	1,587,408	0.40
DWR Cymru Financing UK 6.015% 2028	£160,000	166,307	0.04
European Bank for Reconstruction & Development 3.875% 2029	£1,700,000	1,683,782	0.42
European Investment Bank 0.125% 2026	£1,280,000	1,145,664	0.29
European Investment Bank 0.875% 2026	£4,675,000	4,341,112	1.09
European Investment Bank 1% 2026	£2,000,000	1,844,493	0.46
European Investment Bank 1.125% 2025	£3,500,000	3,349,010	0.84
European Investment Bank 3.875% 2028	£750,000	743,312	0.19
European Investment Bank 3.875% 2037	£70,000	67,366	0.02
European Investment Bank 4% 2029	£2,000,000	1,994,540	0.50
European Investment Bank 4% 2029	£2,400,000	2,393,448	0.60
European Investment Bank 4.5% 2044	£154,000	153,803	0.04
Inter-American Development Bank 1.25% 2025	£1,195,000	1,127,777	0.28
Inter-American Development Bank 2.5% 2027	£800,000	758,170	0.19
Inter-American Development Bank 3.875% 2029	£3,290,000	3,256,903	0.82
International Development Association 0.375% 2027	£1,000,000	876,920	0.22
Kommunalbanken 4% 2026	£2,754,000	2,719,079	0.68
Kreditanstalt fuer Wiederaufbau 0.875% 2026	£3,200,000	2,941,504	0.74
Kreditanstalt fuer Wiederaufbau 1.125% 2025	£3,500,000	3,346,035	0.84
Kreditanstalt fuer Wiederaufbau 1.25% 2026	£1,500,000	1,396,035	0.35
Kreditanstalt fuer Wiederaufbau 1.375% 2025	£3,276,000	3,102,031	0.78
Kreditanstalt fuer Wiederaufbau 4.125% 2026	£4,000,000	3,971,743	1.00
Land Capital Markets 2.375% 2029	£275,000	254,985	0.06
Land Capital Markets 2.399% 2031	£180,000	161,818	0.04
Land Capital Markets 2.625% 2039	£270,000	207,734	0.05
Nederlandse Waterschapsbank 0.25% 2025	£3,909,000	3,622,979	0.91
Nederlandse Waterschapsbank 4.5% 2025	£294,000	292,263	0.07
New York Life Global Funding 1.5% 2027	£1,690,000	1,536,734	0.38
New York Life Global Funding 4.95% 2029	£1,435,000	1,470,272	0.37
NRW Bank 5.375% 2026	£1,000,000	1,016,570	0.25
SNCF Reseau 4.83% 2060	£308,000	298,631	0.07
Telereal Securitisation 5.3887% 2033	£884,264	886,271	0.22

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
AAA to AA (continued)			
Wellcome Trust 1.5% 2071	£265,000	109,169	0.03
Wellcome Trust 2.517% 2118	£679,000	370,374	0.09
Wellcome Trust 4% 2059	£300,000	270,709	0.07
		68,745,745	17.23
AA- to A+ 25.78% (5.41%)			
Allianz 4.851% 2054	€2,000,000	1,780,447	0.45
Allianz 5.824% 2053	€500,000	474,653	0.12
Banco Santander 4.75% 2028*	£2,500,000	2,465,375	0.62
Banque Federative du Credit Mutuel 0.875% 2027	£1,500,000	1,312,159	0.33
Banque Federative du Credit Mutuel 1.875% 2028	£1,200,000	1,058,124	0.26
Banque Federative du Credit Mutuel 5% 2029	£2,200,000	2,215,158	0.56
BNP Paribas 6% 2029	£2,800,000	2,918,132	0.73
BNP Paribas 6% 2029	£200,000	208,453	0.05
Credit Agricole 4.875% 2029	£400,000	402,704	0.10
Credit Suisse AG/London 1.125% 2025	£370,000	345,869	0.09
DNB Bank 2.625% 2026	£1,990,000	1,930,300	0.48
Lloyds Bank 6.5% 2040	£240,000	273,879	0.07
Metropolitan Life Global Funding I 5% 2030	£1,745,000	1,779,708	0.45
Nationwide Building Society 3% 2026	£100,000	96,015	0.02
Nationwide Building Society 3.25% 2028	£450,000	426,816	0.11
Nationwide Building Society 6.125% 2028	£1,340,000	1,398,357	0.35
Nestle 2.5% 2032	£700,000	610,435	0.15
Prs Finance 1.75% 2026	£1,930,592	1,796,744	0.45
Prs Finance 2% 2029	£400,000	359,644	0.09
Unite Usaf 3.921% 2030	£2,976,000	2,909,357	0.73
United Kingdom Gilt 0.125% 2026	£24,000	22,300	0.01
United Kingdom Gilt 0.125% 2028	£4,208,116	3,651,109	0.91
United Kingdom Gilt 0.25% 2031	£96,000	74,401	0.02
United Kingdom Gilt 0.375% 2026	£8,677,000	7,904,964	1.98
United Kingdom Gilt 0.375% 2030	£1,800,000	1,449,261	0.36
United Kingdom Gilt 0.5% 2061	£547,000	169,502	0.04
United Kingdom Gilt 0.625% 2035	£2,295,000	1,594,509	0.40
United Kingdom Gilt 0.625% 2050	£5,711,199	2,379,143	0.60
United Kingdom Gilt 0.875% 2029	£320,000	273,944	0.07
United Kingdom Gilt 0.875% 2033	£545,000	417,206	0.10
United Kingdom Gilt 0.875% 2046	£10,110,000	5,167,979	1.30
United Kingdom Gilt 1% 2032	£462,000	374,296	0.09
United Kingdom Gilt 1.125% 2039	£6,992,000	4,617,342	1.16
United Kingdom Gilt 1.125% 2073	£2,771,000	1,054,573	0.26
United Kingdom Gilt 1.25% 2027	£6,635,000	6,087,977	1.53

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 1.25% 2041	£8,268,170	5,181,455	1.30
United Kingdom Gilt 1.25% 2051	£2,385,000	1,203,888	0.30
United Kingdom Gilt 1.5% 2026	£70,000	66,060	0.02
United Kingdom Gilt 1.5% 2047	£3,786,064	2,198,473	0.55
United Kingdom Gilt 1.5% 2053	£1,271,428	670,519	0.17
United Kingdom Gilt 1.625% 2054	£7,200	3,894	-
United Kingdom Gilt 1.625% 2071	£822,827	393,455	0.10
United Kingdom Gilt 1.75% 2037	£1,105,000	835,905	0.21
United Kingdom Gilt 1.75% 2049	£517,000	312,255	0.08
United Kingdom Gilt 1.75% 2057	£1,223,000	671,029	0.17
United Kingdom Gilt 2.5% 2065	£1,625,320	1,066,332	0.27
United Kingdom Gilt 3.25% 2033	£103,000	98,199	0.02
United Kingdom Gilt 3.25% 2044	£3,979,000	3,382,846	0.85
United Kingdom Gilt 3.5% 2025	£2,057,000	2,025,600	0.51
United Kingdom Gilt 3.5% 2045	£236,000	207,249	0.05
United Kingdom Gilt 3.5% 2068	£349,000	295,350	0.07
United Kingdom Gilt 3.75% 2038	£449,000	429,098	0.11
United Kingdom Gilt 3.75% 2052	£767,000	687,136	0.17
United Kingdom Gilt 3.75% 2053	£50,000	44,584	0.01
United Kingdom Gilt 4% 2060	£446,000	417,579	0.10
United Kingdom Gilt 4% 2063	£347,000	323,951	0.08
United Kingdom Gilt 4.25% 2027	£107,000	108,200	0.03
United Kingdom Gilt 4.25% 2032	£125,000	128,921	0.03
United Kingdom Gilt 4.25% 2036	£146,000	149,004	0.04
United Kingdom Gilt 4.25% 2039	£1,567,000	1,568,528	0.39
United Kingdom Gilt 4.25% 2040	£4,152,000	4,131,967	1.04
United Kingdom Gilt 4.25% 2046	£620,000	606,406	0.15
United Kingdom Gilt 4.25% 2049	£2,914,000	2,843,408	0.71
United Kingdom Gilt 4.25% 2055	£376,000	366,440	0.09
United Kingdom Gilt 4.5% 2034	£4,713,000	4,928,266	1.24
United Kingdom Gilt 4.5% 2042	£350,000	357,061	0.09
United Kingdom Gilt 4.75% 2030	£602,000	636,811	0.16
United Kingdom Gilt 4.75% 2038	£97,000	102,866	0.03
United Kingdom Gilt 4.75% 2043	£921,000	965,461	0.24
United Kingdom Gilt 6% 2028	£3,068,000	3,353,585	0.84
Zurich Finance Ireland Designated Activity 5.125% 2052	£2,139,000	2,081,226	0.52
		102,843,842	25.78
A to A- 16.94% (14.53%)			
ABN AMRO Bank 5.25% 2026	£1,000,000	1,004,033	0.25
Anglian Water Services Financing 2.625% 2027	£1,132,000	1,047,032	0.26

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
A to A- (continued)			
Anglian Water Services Financing 4.5% 2026	£640,000	631,366	0.16
Anglian Water Services Financing 6% 2039	£170,000	180,746	0.04
Anheuser-Busch InBev 3.95% 2044	€1,940,000	1,690,561	0.42
Aspire Defence Finance 4.674% 2040	£489,476	475,537	0.12
Bank of America 1.667% 2029	£1,164,000	1,021,410	0.26
Bank of America 3.584% 2031	£370,000	345,406	0.09
Blend Funding 2.922% 2056	£843,000	553,451	0.14
Blend Funding 3.459% 2049	£150,000	114,207	0.03
BNP Paribas 3.375% 2026	£340,000	329,295	0.08
BNP Paribas 4.75% 2032	€1,900,000	1,721,314	0.43
BUPA Finance 5% 2030	€2,840,000	2,567,837	0.64
Circle Anglia Social Housing 5.2% 2044	£100,000	95,706	0.02
Clarion Funding 1.875% 2035	£1,797,000	1,321,867	0.33
Clarion Funding 3.125% 2048	£719,000	509,254	0.13
Cooperatieve Rabobank UA 1.875% 2028	£1,400,000	1,270,500	0.32
Credit Agricole 5.375% 2029	£2,600,000	2,620,722	0.66
Development Bank of Japan 5.25% 2026	£1,030,000	1,036,994	0.26
DNB Bank 4% 2027	£720,000	702,000	0.18
DWR Cymru Financing UK 2.5% 2036	£114,000	88,347	0.02
Eastern Power Networks 5.375% 2042	£730,000	736,767	0.18
Eastern Power Networks 6.25% 2036	£230,000	255,950	0.06
Experian Finance 0.739% 2025	£2,122,000	1,984,579	0.50
Experian Finance 3.25% 2032	£120,000	109,714	0.03
GlaxoSmithKline Capital 1.625% 2035	£1,221,000	901,952	0.23
GlaxoSmithKline Capital 5.25% 2033	£878,000	927,963	0.23
GlaxoSmithKline Capital 6.375% 2039	£230,000	263,029	0.07
Guinness Partnership 4% 2044	£1,111,000	943,477	0.24
HSBC 1.75% 2027	£1,408,000	1,298,918	0.33
HSBC 3% 2028	£1,750,000	1,630,874	0.41
HSBC 6.8% 2031	£1,725,000	1,855,962	0.46
ING 5% 2026	£1,500,000	1,492,022	0.37
ING Groep 3% 2026	£400,000	384,906	0.10
JPMorgan Chase 0.991% 2026	£2,822,000	2,698,077	0.68
Kering 5.125% 2026	£2,000,000	2,009,780	0.50
Legal & General Finance 5.875% 2031	£119,000	128,235	0.03
Legal & General Finance 5.875% 2033	£100,000	107,132	0.03
London & Quadrant Housing Trust 2.25% 2029	£240,000	209,013	0.05
London & Quadrant Housing Trust 3.125% 2053	£311,000	212,291	0.05
London & Quadrant Housing Trust 4.625% 2033	£1,044,000	1,007,611	0.25
London & Quadrant Housing Trust 5.5% 2040	£633,000	647,745	0.16
London Power Networks 2.625% 2029	£140,000	127,598	0.03

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
A to A- (continued)			
London Power Networks 5.875% 2040	£575,000	613,433	0.15
Meadowhall Finance 4.986% 2037	£297,283	274,901	0.07
Morgan Stanley 2.95% 2032	€2,110,000	1,731,746	0.43
Morgan Stanley 5.789% 2033	£180,000	188,602	0.05
Motability Operations 1.75% 2029	£2,971,000	2,574,550	0.65
Motability Operations 2.375% 2032	£475,000	404,357	0.10
Motability Operations 5.625% 2035	£200,000	213,570	0.05
Motability Operations 5.625% 2054	£1,990,000	2,113,786	0.53
NatWest Markets 6.375% 2027	£905,000	944,186	0.24
Northern Powergrid Northeast 1.875% 2062	£1,208,000	591,141	0.15
Northern Powergrid Northeast 3.25% 2052	£100,000	71,121	0.02
Northern Powergrid Yorkshire 2.25% 2059	£298,000	160,356	0.04
Orbit Capital 2% 2038	£501,000	340,319	0.09
Pfizer Investment Enterprises Pte 5.3% 2053	\$1,700,000	1,341,408	0.34
Pfizer Investment Enterprises Pte 5.34% 2063	\$700,000	544,500	0.14
Realty Income 1.125% 2027	£400,000	352,836	0.09
Realty Income 1.875% 2027	£617,000	563,969	0.14
Sanctuary Capital 2.375% 2050	£1,109,000	674,330	0.17
Society of Lloyd's 4.875% 2047	£1,110,000	1,078,597	0.27
South Eastern Power Networks 5.625% 2030	£236,000	247,372	0.06
Sovereign Housing Capital 2.375% 2048	£252,000	153,229	0.04
THFC Funding No 1 5.125% 2037	£420,000	423,596	0.11
THFC Funding No 2 6.35% 2041	£100,000	111,907	0.03
THFC Funding No 3 5.2% 2045	£833,000	828,820	0.21
UBS 0.625% 2033	€940,000	611,097	0.15
UBS 2.125% 2025	£130,000	128,014	0.03
UBS 2.25% 2028	£2,952,000	2,694,169	0.68
UBS 2.875% 2032	€2,700,000	2,164,640	0.54
UBS 4.125% 2033	€2,385,000	2,068,087	0.52
UBS 7.75% 2029	€1,234,000	1,202,782	0.30
UBS AG/Jersey 8.75% 2025	£105,000	109,234	0.03
Wales & West Utilities Finance 3% 2038	£625,000	477,153	0.12
Yorkshire Water Finance 3.625% 2029	£710,000	655,731	0.16
Yorkshire Water Finance 5.25% 2030	£600,000	591,048	0.15
Yorkshire Water Finance 6.6011% 2031	£1,000,000	1,054,314	0.26
		67,560,081	16.94
BBB+ to BBB 30.35% (33.62%)			
Aegon 6.125% 2031	£1,250,000	1,329,876	0.33
Aegon 6.625% 2039	£161,000	185,883	0.05
Amgen 4% 2029	£751,000	725,070	0.18

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Annington Funding 2.308% 2032	£270,000	211,448	0.05
Annington Funding 3.184% 2029	£830,000	743,623	0.19
Annington Funding 3.685% 2034	£1,335,000	1,132,156	0.28
AT&T 2.9% 2026	£1,430,000	1,355,383	0.34
AT&T 4.375% 2029	£180,000	175,457	0.04
AT&T 5.2% 2033	£100,000	100,802	0.03
AT&T 7% 2040	£950,000	1,086,886	0.27
Aviva 5.125% 2050	£537,000	515,970	0.13
Aviva 6.125% 2036	£1,510,000	1,534,098	0.38
Aviva 6.875% 2058	£796,000	837,115	0.21
Barclays 1.7% 2026	£400,000	376,372	0.09
Barclays 3% 2026	£2,145,000	2,047,453	0.51
Barclays 6.369% 2031	£1,291,000	1,343,389	0.34
Barclays 7.09% 2029	£2,475,000	2,630,306	0.66
BAT International Finance 2.25% 2028	£1,175,000	1,040,610	0.26
BAT International Finance 6% 2034	£645,000	642,840	0.16
BPCE 5.25% 2029	£4,000,000	3,913,189	0.98
British Telecommunications 3.125% 2031	£1,429,000	1,261,224	0.32
British Telecommunications 5.75% 2028	£4,000	4,185	-
BUPA Finance 5% 2026	£3,874,000	3,825,536	0.96
Cadent Finance 2.25% 2035	£2,300,000	1,686,275	0.42
Cadent Finance 2.625% 2038	£2,175,000	1,546,643	0.39
Cadent Finance 2.75% 2046	£100,000	63,173	0.02
Cadent Finance 5.75% 2034	£120,000	124,020	0.03
Centrica 4.375% 2029	£900,000	879,040	0.22
Centrica 7% 2033	£390,000	438,859	0.11
Channel Link Enterprises Finance 3.043% 2050	£664,000	582,906	0.15
Citigroup 6.8% 2038	£107,000	124,614	0.03
Citigroup 7.375% 2039	£739,000	905,577	0.23
Cooperatieve Rabobank UA 4.625% 2029	£2,390,000	2,292,496	0.57
Credit Agricole 5.875% 2033	€400,000	383,322	0.10
Deutsche Bank 4% 2026	£400,000	390,791	0.10
Deutsche Bank 6.125% 2030	£1,100,000	1,112,430	0.28
E.ON 4.125% 2044	€1,135,000	991,957	0.25
E.ON International Finance 4.75% 2034	£500,000	482,774	0.12
E.ON International Finance 6.125% 2039	£500,000	532,386	0.13
E.ON International Finance 6.25% 2030	£4,576,000	4,909,319	1.23
E.ON International Finance 6.375% 2032	£20,000	21,725	0.01
E.ON International Finance 6.75% 2039	£100,000	112,617	0.03
Electricite de France 5.5% 2035	£100,000	98,144	0.02
Electricite de France 5.5% 2041	£300,000	280,818	0.07

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Electricite de France 5.625% 2053	£3,000,000	2,754,030	0.69
Electricite de France 6.125% 2034	£250,000	258,011	0.06
Engie 3.875% 2033	€400,000	350,443	0.09
Engie 4% 2035	€300,000	263,589	0.07
Engie 4.25% 2043	€500,000	439,473	0.11
Engie 4.25% 2044	€1,200,000	1,054,572	0.26
Engie 4.5% 2042	€800,000	725,236	0.18
Engie 5% 2060	£250,000	231,702	0.06
Engie 5.625% 2053	£300,000	302,175	0.08
Engie 7% 2028	£2,050,000	2,240,125	0.56
Eurogrid 3.915% 2034	€1,100,000	958,114	0.24
Goldman Sachs 3.125% 2029	£330,000	304,437	0.08
Goldman Sachs 3.625% 2029	£2,550,000	2,406,257	0.60
Goldman Sachs 7.25% 2028	£670,000	723,721	0.18
Greene King Finance 3.593% 2035	£965,340	860,115	0.22
Greene King Finance 4.0643% 2035	£219,578	199,016	0.05
Greene King Finance 5.106% 2034	£173,034	166,740	0.04
Heathrow Funding 2.75% 2031	£1,039,000	931,413	0.23
Heathrow Funding 5.875% 2043	£620,000	642,565	0.16
Heathrow Funding 6.45% 2031	£382,000	413,562	0.10
HSBC 5.75% 2027	£250,000	254,643	0.06
HSBC 6% 2040	£50,000	49,766	0.01
HSBC 7% 2038	£50,000	54,983	0.01
HSBC 8.201% 2034	£890,000	979,036	0.25
HSBC Bank 4.75% 2046	£150,000	132,994	0.03
HSBC Bank 6.25% 2041	£110,000	112,697	0.03
ING 6.25% 2033	£1,100,000	1,109,625	0.28
Legal & General 3.75% 2049	£2,200,000	1,986,414	0.50
Legal & General 4.5% 2050	£352,000	326,982	0.08
Legal & General 5.375% 2045	£1,141,000	1,133,905	0.28
Lloyds Bank 1.875% 2026	£1,330,000	1,291,403	0.32
Lloyds Bank 7.625% 2025	£1,379,000	1,402,765	0.35
Lloyds Banking 5.25% 2030	£2,200,000	2,198,218	0.55
M&G 3.875% 2049	£710,000	704,625	0.18
M&G 5.625% 2051	£3,140,000	3,027,512	0.76
Mexico Government International Bond 5.625% 2114	£481,000	368,109	0.09
Mitchells & Butlers Finance 5.574% 2030	£809,314	805,587	0.20
National Gas Transmission 1.375% 2031	£1,210,000	945,408	0.24
National Gas Transmission 5.75% 2035	£100,000	102,592	0.03
National Grid Electricity Distribution East Midlands 6.25% 2040	£160,000	173,990	0.04
National Grid Electricity Distribution West Midlands 5.75% 2032	£1,718,000	1,782,925	0.45

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
National Grid Electricity Transmission 2% 2040	£1,186,000	756,769	0.19
NatWest 2.057% 2028	£366,000	328,485	0.08
NatWest 3.125% 2027	£300,000	287,122	0.07
NatWest 3.619% 2029	£120,000	112,609	0.03
NIE Finance 5.875% 2032	£330,000	350,638	0.09
NIE Finance 6.375% 2026	£507,000	518,851	0.13
Northumbrian Water Finance 6.375% 2034	£422,000	449,413	0.11
Orange 3.25% 2032	£200,000	181,726	0.05
Orange 5.25% 2025	£1,200,000	1,206,115	0.30
Orange 8.125% 2028	£220,000	251,284	0.06
Orsted 2.5% 2033	£320,000	260,283	0.07
Orsted 4.875% 2032	£1,000,000	986,696	0.25
Orsted 5.375% 2042	£490,000	482,430	0.12
Pension Insurance 8% 2026	£711,000	739,668	0.19
Porterbrook Rail Finance 7.125% 2026	£647,000	680,012	0.17
Prudential Funding Asia 6.125% 2031	£455,000	471,463	0.12
Quadgas Finance 3.375% 2029	£920,000	815,211	0.20
RI Finance Bonds No 3 6.125% 2028	£100,000	101,983	0.03
Santander UK 2.92% 2026*	£709,000	686,199	0.17
Santander UK 7.098% 2027*	£2,550,000	2,632,849	0.66
Santander UK 7.482% 2029*	£1,470,000	1,568,185	0.39
Scottish Hydro Electric Transmission 2.125% 2036	£1,220,000	905,515	0.23
Scottish Hydro Electric Transmission 5.5% 2044	£685,000	692,240	0.17
Severn Trent Utilities Finance 2% 2040	£190,000	122,072	0.03
Severn Trent Utilities Finance 3.625% 2026	£210,000	204,880	0.05
Severn Trent Utilities Finance 4.625% 2034	£100,000	95,407	0.02
Severn Trent Utilities Finance 6.25% 2029	£1,530,000	1,609,912	0.40
Societe Generale 5.75% 2032	£2,000,000	2,018,480	0.51
Southern Gas Networks 1.25% 2031	£240,000	183,566	0.05
Southern Water Services Finance 1.625% 2027	£1,653,000	1,459,430	0.37
SP Manweb 4.875% 2027	£509,000	509,638	0.13
SP Transmission 2% 2031	£380,000	316,590	0.08
SSE 8.375% 2028	£300,000	344,704	0.09
SW Finance I 7% 2040	£2,015,000	2,016,390	0.51
SW Finance I 7.375% 2041	£535,000	560,701	0.14
Swedbank 7.272% 2032	£830,000	862,680	0.22
Thames Water Utilities Finance 5.5% 2041	£145,000	122,703	0.03
Thames Water Utilities Finance 6.5% 2032	£2,300,000	2,196,684	0.55
Thames Water Utilities Finance 7.75% 2044	£1,900,000	1,898,233	0.48
Trafford Centre Finance 7.03% 2029	£275,069	258,199	0.06
Traton Finance Luxembourg 5.625% 2029	£2,500,000	2,518,462	0.63

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Tritax Big Box REIT 1.5% 2033	£176,000	126,931	0.03
United Utilities Water Finance 0.875% 2029	£674,000	546,961	0.14
United Utilities Water Finance 2.625% 2031	£300,000	261,214	0.07
United Utilities Water Finance 5.125% 2038	£140,000	138,884	0.03
United Utilities Water Finance 5.75% 2036	£447,000	473,077	0.12
Verizon Communications 1.125% 2028	£340,000	292,710	0.07
Verizon Communications 1.875% 2030	£600,000	502,662	0.13
Verizon Communications 2.5% 2031	£550,000	473,185	0.12
Verizon Communications 3.375% 2036	£264,000	220,160	0.06
Volkswagen Financial Services 6.5% 2027	£2,300,000	2,387,630	0.60
Volkswagen International Finance 3.375% 2026	£900,000	860,132	0.22
Wells Fargo & 3.473% 2028	£1,480,000	1,406,622	0.35
Welltower OP 4.8% 2028	£457,000	451,402	0.11
		121,054,279	30.35
Below BBB to unrated 6.53% (13.29%)			
Barclays 3.75% 2030	£376,000	360,580	0.09
Barclays 8.407% 2032	£935,000	993,363	0.25
Centrica 5.25% 2075	£114,000	112,563	0.03
DS Smith 4.5% 2030	€980,000	874,480	0.22
Electricite de France 5.875% 2172	£1,500,000	1,409,025	0.35
Electricite de France 5.875% 2172	£800,000	751,480	0.19
Electricite de France 6% 2172	£400,000	389,400	0.10
Greene King Finance 7.14859% 2034	£250,000	205,085	0.05
Heathrow Funding 2.625% 2028	£2,060,000	1,848,794	0.46
Lloyds Banking 1.985% 2031	£210,000	190,205	0.05
Lloyds Banking 6.625% 2033	£240,000	243,756	0.06
Mitchells & Butlers Finance 6.013% 2030	£900,194	863,052	0.22
NatWest 2.105% 2031	£1,368,000	1,244,085	0.31
NatWest 7.416% 2033	£740,000	773,004	0.19
NGG Finance 5.625% 2073	£2,888,000	2,857,041	0.72
Republic of Italy Government International Bond 5.25% 2034	£486,000	465,672	0.12
Telefonica Emisiones 5.375% 2026	£452,000	454,058	0.11
Telefonica Emisiones 5.445% 2029	£650,000	664,692	0.17
Tesco Property Finance 1 7.6227% 2039	£1,758,671	2,020,244	0.51
Tesco Property Finance 3 5.744% 2040	£1,242,518	1,267,778	0.32
Tesco Property Finance 4 5.8006% 2040	£848,365	869,286	0.22
Tesco Property Finance 5 5.6611% 2041	£140,250	141,963	0.03
Tesco Property Finance 6 5.4111% 2044	£326,610	324,010	0.08
Teva Pharmaceutical Finance Netherlands II 4.375% 2030	€1,410,000	1,158,234	0.29
Thames Water Utilities Finance 3.5% 2028	£700,000	615,258	0.15

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %		
Below BBB to unrated (continued)					
Thames Water Utilities Finance 4.375% 2034	£140,000	114,518	0.03		
Time Warner Cable 5.75% 2031	£4,108,000	3,977,739	1.00		
Virgin Money UK 4% 2028	€980,000	840,497	0.2		
		26,029,862	6.53		
Total Fixed interest securities		386,233,809	96.83		
Money Market Securities 1.21% (0.64%)					
Caisse des Depots et Consignations 1.125% 2024	£200,000	194,424	0.05		
Development Bank of Japan 1.25% 2025	£200,000	193,554	0.05		
Dexia 0.25% 2024	£300,000	290,004	0.07		
European Investment Bank 0.75% 2024	£612,000	595,880	0.15		
Ford Motor Credit 4.535% 2025	£1,204,000	1,190,876	0.30		
International Development Association 0.75% 2024	£337,000	326,907	0.08		
National Grid Electricity Distribution West Midlands 3.875% 2024	£300,000	297,222	0.08		
United Utilities Water Finance 2% 2025	£1,700,000	1,651,703	0.41		
Volkswagen Financial Services 2.25% 2025	£98,000	95,028	0.02		
		4,835,598	1.21		
Futures 0.06% (-0.04%)					
Euro-Bobl Jun '24	112	3,291	-		
Euro-Bund Jun '24	(164)	(156,619)	(0.04)		
30 Yr Euro Buxl Jun '24	(4)	(3,625)	-		
Long Gilt Jun '24	158	377,381	0.10		
5 Yr US Note Jun '24	522	78,300	0.02		
US Ultra Bond (CBT) Jun '24	(74)	(68,965)	(0.02)		
		229,763	0.06		
		Unrealised			
	Settlement	Buy Amount	Sell Amount	Gains/(losses)	
Forward currency trades 0.03% (0.12%)					
Buy EUR : Sell GBP	17/04/2024	€5,890,000	£(5,041,586)	(3,506)	-
Buy EUR : Sell GBP	17/04/2024	€10,630,000	£(9,104,361)	(11,866)	-
Buy EUR : Sell GBP	17/04/2024	€1,030,000	£(882,668)	(1,646)	-
Buy EUR : Sell GBP	17/04/2024	€490,000	£(419,737)	(610)	-
Buy GBP : Sell EUR	17/04/2024	£1,326,750	€(1,550,000)	939	-
Buy GBP : Sell EUR	17/04/2024	£36,281,347	€(42,230,000)	159,419	0.04
Buy GBP : Sell EUR	17/04/2024	£155,167	€(180,000)	1,201	-
Buy GBP : Sell EUR	17/04/2024	£76,989	€(90,000)	7	-
Buy GBP : Sell EUR	17/04/2024	£1,685,106	€(1,970,000)	44	-

Portfolio statement (continued)

as at 31 March 2024

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades (continued)					
Buy GBP : Sell EUR	17/04/2024	£34,424	€(40,000)	209	-
Buy GBP : Sell EUR	17/04/2024	£77,263	€(90,000)	281	-
Buy GBP : Sell JPY	17/04/2024	£36,464	¥(6,640,000)	1,662	-
Buy GBP : Sell JPY	17/04/2024	£11,815	¥(2,160,000)	494	-
Buy GBP : Sell USD	17/04/2024	£377,724	US\$(480,000)	(2,219)	-
Buy GBP : Sell USD	17/04/2024	£2,793,674	US\$(3,530,000)	(489)	-
Buy GBP : Sell USD	17/04/2024	£5,416,473	US\$(6,890,000)	(37,290)	(0.01)
Buy GBP : Sell USD	17/04/2024	£117,846	US\$(150,000)	(886)	-
Buy USD : Sell GBP	17/04/2024	US\$260,000	£(204,195)	1,608	-
Buy USD : Sell GBP	17/04/2024	US\$700,000	£(554,645)	(561)	-
Buy USD : Sell GBP	17/04/2024	US\$500,000	£(395,005)	769	-
Buy USD : Sell GBP	17/04/2024	US\$7,260,000	£(5,711,666)	34,971	-
				142,531	0.03
Portfolio of investments				391,441,701	98.13
Net other assets				7,453,717	1.87
Total net assets				398,895,418	100.00

Figures in brackets represent sector distribution at 31 March 2023.

Fixed interest 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.

* Related party to the Fund.

Comparative tables

Change in net asset value per share	R Accumulation Shares		
	2024 p	2023 p	2022 p
Opening net asset value per share	240.62	267.87	281.53
Return before operating charges	13.15	(25.96)	(12.21)
Operating charges	(1.27)	(1.29)	(1.45)
Return after operating charges	11.88	(27.25)	(13.66)
Distributions	(7.99)	(5.60)	(3.72)
Retained distributions on accumulation shares	7.99	5.60	3.72
Closing net asset value per share	252.50	240.62	267.87
*after direct transaction costs of	0.00	0.00	0.00
Performance	2024	2023	2022
Return after operating charges**	4.94%	(10.17)%	(4.85)%
Closing net asset value (£'s)	398,895,418	248,597,439	335,456,837
Closing number of shares	157,979,897	103,315,015	125,230,767
Operating charges	0.53%	0.53%	0.52%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	254.5	271.1	291.6
Lowest share price	227.5	211.3	265.7

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

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

Financial Statements - Santander Sterling Bond Portfolio

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		2,541,254		(40,018,387)
Revenue	2	9,969,285		7,758,063	
Expenses	3	(1,343,863)		(1,447,548)	
Interest payable and similar charges	4	(16,079)		(31,090)	
Net revenue before taxation		8,609,343		6,279,425	
Taxation	5	309		9	
Net revenue after taxation			8,609,652		6,279,434
Total return before distributions			11,150,906		(33,738,953)
Distributions	6		(8,609,652)		(6,279,377)
Change in net assets attributable to shareholders from investment activities			2,541,254		(40,018,330)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		248,597,439		335,456,837
Amounts receivable on issue of shares	179,819,061		71,255	
Amounts payable on cancellation of shares	(41,146,142)		(53,152,320)	
		138,672,919		(53,081,065)
Dilution adjustment		98,988		131,953
Change in net assets attributable to shareholders from investment activities		2,541,254		(40,018,330)
Retained distribution on accumulation shares		8,984,818		6,108,044
Closing net assets attributable to shareholders		398,895,418		248,597,439

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		391,729,983	237,249,009
Current assets:			
Debtors	7	8,270,120	3,954,306
Cash and bank balances	8	2,718,197	24,479,128
Total assets		<u>402,718,300</u>	<u>265,682,443</u>
Liabilities:			
Investment liabilities		(288,282)	(249,837)
Creditors			
Bank overdrafts	8	(85,218)	(15,936,879)
Other creditors	9	(3,449,382)	(898,288)
Total liabilities		<u>(3,822,882)</u>	<u>(17,085,004)</u>
Net assets attributable to shareholders		<u><u>398,895,418</u></u>	<u><u>248,597,439</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised losses on non-derivative securities	(22,402,432)	(28,593,252)
Unrealised gains/(losses) on non-derivative securities	25,001,529	(11,492,830)
Realised (losses)/gains on derivative securities	(1,059,440)	874,368
Unrealised gains/(losses) on derivative securities	324,214	(745,238)
Currency gains/(losses)	60,777	(60,641)
Realised gains/(losses) on forward currency contracts	796,570	(699,449)
Unrealised (losses)/gains on forward currency contracts	(153,988)	725,708
Transaction charges	(25,976)	(27,053)
Net capital gains/(losses)	<u>2,541,254</u>	<u>(40,018,387)</u>
2. Revenue	2024	2023
	£	£
Overseas UK tax exempt revenue	(391)	-
Interest on debt securities	9,853,618	7,701,804
Bank interest	45,757	43,927
Margin interest	70,301	-
Rebates from holdings in Collective Investment Schemes	-	12,332
Total revenue	<u>9,969,285</u>	<u>7,758,063</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>1,281,469</u>	<u>1,383,781</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>30,052</u>	<u>32,383</u>
Other expenses:		
Audit fees	15,866	13,759
Safe custody fees	14,600	16,162
FCA fee	59	115
Tax service fees	<u>1,817</u>	<u>1,348</u>
	<u>32,342</u>	<u>31,384</u>
Total expenses	<u>1,343,863</u>	<u>1,447,548</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	121	6,468
Margin interest	<u>15,958</u>	<u>24,622</u>
Total interest payable and similar charges	<u>16,079</u>	<u>31,090</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation	2024	2023
	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	(309)	(9)
Total tax (credit)(note 5b)	<u>(309)</u>	<u>(9)</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	<u>8,609,343</u>	<u>6,279,425</u>
Corporation tax @ 20% (2023 - 20%)	1,721,869	1,255,885
Effects of:		
Indexation allowance	(2,407)	-
Overseas withholding tax	(309)	(9)
Revenue exempt from UK corporation tax	55	6
Tax deductible interest distributions	<u>(1,719,517)</u>	<u>(1,255,891)</u>
Total tax credit (note 5a)	<u>(309)</u>	<u>(9)</u>

6. Distributions

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

	2024	2023
	£	£
Interim accumulation distributions paid	5,461,319	4,408,590
Final accumulation distributions payable	<u>3,523,499</u>	<u>1,699,454</u>
	8,984,818	6,108,044
Equalisation:		
Amounts deducted on cancellation of shares	174,410	171,446
Amounts added on issue of shares	<u>(549,576)</u>	<u>(113)</u>
Distributions	<u>8,609,652</u>	<u>6,279,377</u>
Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	8,609,652	6,279,434
Add:		
Undistributed revenue brought forward	(114)	57
Deduct:		
Undistributed revenue carried forward	114	114
Distributions	<u>8,609,652</u>	<u>6,279,377</u>

Details of the distribution per share are disclosed in the distribution table on page 54.

Notes to the financial statements (continued)

for the year ended 31 March 2024

7. Debtors	2024	2023
	£	£
Amounts receivable on issue of shares	41,448	-
Sales awaiting settlement	2,413,187	-
Accrued revenue	5,796,406	3,935,227
Rebates from holdings in Collective Investment Schemes	19,079	19,079
Total debtors	<u>8,270,120</u>	<u>3,954,306</u>

8. Cash and bank balances	2024	2023
	£	£
Amount held at futures clearing houses and brokers	1,077,950	1,704,904
Cash and bank balances	<u>1,640,247</u>	<u>22,274,224</u>
Total cash and bank balances	<u>2,718,197</u>	<u>24,479,128</u>
Bank overdraft*	<u>85,218</u>	<u>15,936,879</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 1.62% (2023 - 0.18%).

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

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	497,885	769,860
Purchases awaiting settlement	2,752,218	-
Accrued expenses	<u>199,279</u>	<u>128,428</u>
Total other creditors	<u>3,449,382</u>	<u>898,288</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 at least 95% in a wide range of bonds issued by companies, supranationals, other non-sovereign entities and governments and is made up of directly held securities. At least 95% of investments will be denominated in or hedged to UK Pounds Sterling, and at least 90% will be investment grade at the time of purchase. The main risk arising from the Fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives to manage the duration of the Fund or the currency risk of the Fund.

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 £39,144,170 (2023 - £23,699,917). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

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.

As at 31 March 2024, 98.04% of the Fund's assets were interest bearing (2023 - 98.69%).

As at the balance sheet date, a decrease in interest rates by 100 basis points (2023 - 300 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £21,986,406 (2023 - £59,308,182). An increase in interest rates would have an equal but opposite effect. It is expected that a change in interest rates of similar magnitude would not have a material impact on the portfolio's income stream generated from fixed income assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

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

c) Currency risk

The Fund is permitted to 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 on-going basis to make sure the actual exposure is consistent with his understanding of future currency movements. Where applicable, currency hedging strategies may be employed to reduce currency risks.

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

d) Credit risk

Credit risk is the risk that a counterparty to or an issuer of a financial instrument will fail to meet its obligations or commitment that it has entered into with the Company. The 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

2024	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	360,203,947	90.30
Below investment grade (Below BBB to unrated)	26,029,862	6.53
Total fixed interest securities	386,233,809	96.83

2023	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	202,152,303	81.32
Below investment grade (Below BBB to unrated)	33,045,688	13.29
Total fixed interest securities	235,197,991	94.61

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 securities that tend to have relatively modest traded volumes, and the market in such securities 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 fixed income issues.

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 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

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.

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 derivative strategies for the purposes of efficient portfolio management (including for 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 a Fund. Derivatives may also be used to hedge and manage risk in relation to the Fund. The Fund may also use derivative strategies for investment purposes where derivatives are used as part of a Fund's investment strategy to help achieve its investment objectives.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

i) Derivatives risk (continued)

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 investing in 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.

j) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

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. £625,391 (2023 - £875,851) was due to the ACD at the year end date.

As at 31 March 2024, 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 (2023 - nil) and sales transactions was nil (2023 - £734,200).
- b) Revenue receivable for the year was nil (2023 - £22,500) and the outstanding amount was nil (2023 - nil).

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Related party transactions (continued)

c) The aggregate value of investments held at the year end was nil (2023 - nil).

Santander UK 2.92% 2026

a) The value of purchase transactions was £461,918 (2023 - nil) and sales transactions was nil (2023 - £430,335).

b) Revenue receivable for the year was £6,687 (2023 - £20,119) and the outstanding amount was £18,553 (2023 - £5,991).

c) The aggregate value of investments held at the year end was £686,199 (2023 - £212,970).

Santander UK 3.625% 2026

a) The value of purchase transactions was nil (2023 - nil) and sales transactions was nil (2023 - £1,034,544).

b) Revenue receivable for the year was nil (2023 - £20,300) and the outstanding amount was nil (2023 - nil).

c) The aggregate value of investments held at the year end was nil (2023 - nil).

Santander UK Group Holdings 2.421% 2029

a) The value of purchase transactions was nil (2023 - nil) and sales transactions was nil (2023 - £1,896,116).

b) Revenue receivable for the year was nil (2023 - £56,262) and the outstanding amount was nil (2023 - nil).

c) The aggregate value of investments held at the year end was nil (2023 - nil).

Banco Santander 3.125% 2026

a) The value of purchase transactions was nil (2023 - nil) and sales transactions was nil (2023 - £1,757,340).

b) Revenue receivable for the year was nil (2023 - £29,769) and the outstanding amount was nil (2023 - nil).

c) The aggregate value of investments held at the year end was nil (2023 - nil).

Banco Santander 4.75% 2028

a) The value of purchase transactions was £1,271,670 (2023 - £2,184,248) and sales transactions was £966,930 (2023 - nil).

b) Revenue receivable for the year was £57,000 (2023 - nil) and the outstanding amount was £69,433 (2023 - £60,982).

c) The aggregate value of investments held at the year end was £2,465,375 (2023 - £2,134,000).

Banco Santander 4.875% 2031

a) The value of purchase transactions was £1,114,307 (2023 - nil) and sales transactions was £1,148,885 (2023 - nil).

b) Revenue receivable for the year was nil (2023 - nil) and the outstanding amount was nil (2023 - nil).

c) The aggregate value of investments held at the year end was nil (2023 - nil).

Santander UK 7.482% 2029

a) The value of purchase transactions was £1,566,719 (2023 - nil) and sales transactions was nil (2023 - nil).

b) Revenue receivable for the year was nil (2023 - nil) and the outstanding amount was £64,609 (2023 - nil).

c) The aggregate value of investments held at the year end was £1,568,185 (2023 - nil).

Santander UK 7.098% 2027

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Related party transactions (continued)

- a) The value of purchase transactions was £1,200,600 (2023 - £1,845,990) and sales transactions was £464,571 (2023 - nil).
- b) Revenue receivable for the year was £130,603 (2023 - nil) and the outstanding amount was £67,256 (2023 - £48,305).
- c) The aggregate value of investments held at the year end was £2,632,849 (2023 - £1,886,000).

Material shareholders

As at 31 March 2024, 99.99% (2023 - 99.31%) of the shares in issue in the Santander Sterling Bond 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.

12. Shareholders' funds

The Fund currently has one share class; R 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:

	2024	2023
R Accumulation Shares	No of shares	No of shares
Opening shares in issue	103,315,015	125,230,767
Shares issued in the year	71,935,619	32,084
Shares cancelled in the year	(17,270,737)	(21,947,836)
Closing shares in issue	<u>157,979,897</u>	<u>103,315,015</u>

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	76,459,259	229,209
Observable inputs using market data*	<u>315,270,724</u>	<u>59,073</u>
	<u>391,729,983</u>	<u>288,282</u>
	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	42,975,720	193,029
Observable inputs using market data*	<u>194,273,289</u>	<u>56,808</u>
	<u>237,249,009</u>	<u>249,837</u>

* Details of the securities included within the fair value hierarchy are detailed on page 14 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 £76,000,287 for assets as at 31 March 2024 (2023 - £42,877,142).

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Bonds	264,896,549	-	-	264,896,549	-	-
In-specie transfers	172,322,257	-	-	172,322,257	-	-
Total purchases	437,218,806	-	-	437,218,806		
2023	£	£	£	£	%	%
Bonds	221,406,686	-	-	221,406,686	-	-
Total purchases	221,406,686	-	-	221,406,686		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Bonds	285,774,768	-	-	285,774,768	-	-
Total sales	285,774,768	-	-	285,774,768		
2023	£	£	£	£	%	%
Bonds	269,458,259	-	-	269,458,259	-	-
Total sales	269,458,259	-	-	269,458,259		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2023	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2023 - nil) which is 0.00% of the Average NAV of the Fund (2023 - 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 0.32% (2023 - 0.53%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 March 2024 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2024				
Australian Dollar	2,388	-	-	2,388
Euro	160,178	24,053,081	15,758,647	39,972,406
Japanese Yen	66,106	-	-	66,106
UK Sterling	2,519,435	364,925,332	56,676,912	424,121,679
US Dollar	89,456	1,885,909	7,017,598	8,992,963
2023				
Euro	7,047	12,898,478	5,818,887	18,724,412
Japanese Yen	48,358	-	-	48,358
UK Sterling	2,956,045	222,584,733	30,544,925	256,085,703
US Dollar	5,530,799	1,313,893	1,543,326	8,388,018

Currency	Financial liabilities not carrying interest £	Total £
2024		
Euro	39,635,189	39,635,189
Japanese Yen	46,123	46,123
UK Sterling	25,763,245	25,763,245
US Dollar	8,815,567	8,815,567
2023		
Euro	18,512,218	18,512,218
Japanese Yen	49,603	49,603
UK Sterling	7,954,399	7,954,399
US Dollar	8,132,832	8,132,832

16. Derivatives and Counterparty Exposure

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

16. Derivatives and Counterparty Exposure (continued)

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2024			
Barclays Bank	4,167	4,167	4,167
BNY Mellon	281	281	281
Citigroup Global Markets	3,702	3,702	3,702
HSBC Investment	769	769	769
Merrill Lynch	209	209	209
Morgan Stanley International	169,505	169,505	169,505
Standard Chartered Bank	39,676	39,676	39,676
Westpac Banking Corporation	1,201	1,201	1,201
2023			
Barclays Bank	236,838	236,838	236,838
Goldman Sachs	67,894	67,894	67,894
HSBC Bank	27,037	27,037	27,037
Morgan Stanley International	1,214	1,214	1,214
Standard Chartered Bank	20,198	20,198	20,198
Westpack Banking Corporation	146	146	146

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 Accumulation Shares class has increased from 252.50p to 254.07p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Gross interest distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	1.7904	-	1.7904	1.1440
	30.11.23	interim	1.9286	-	1.9286	1.3173
	28.02.24	quarter 3	2.0394	-	2.0394	1.4978
	31.05.24	final	2.2303	-	2.2303	1.6449
Group 2	31.08.23	quarter 1	1.1586	0.6318	1.7904	1.1440
	30.11.23	interim	1.2027	0.7259	1.9286	1.3173
	28.02.24	quarter 3	1.0730	0.9664	2.0394	1.4978
	31.05.24	final	0.8926	1.3377	2.2303	1.6449

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 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

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: 42.25% Markit iBoxx Sterling Non-Gilts Index TR, 18% MSCI UK Index TR, 15.75% ICE BofA UK Gilts All Stocks Index TR, 7.5% MSCI Europe Ex UK Index TR, 5.5% MSCI USA Index TR, 5% Sterling Overnight Index Average (SONIA), 4% MSCI Japan Index TR and 2% MSCI AC Asia Pacific Ex Japan Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.45% 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 40% and 80% in bonds. The Fund can obtain exposure to investment grade bonds denominated in Pounds Sterling issued by companies, supranationals and other non-sovereign entities as well as bonds issued by the UK Government;
- between 20% and 50% 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).

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.

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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 0.45% 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 draw down (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 type of asset (represented by Indices in the Target Benchmark) contributes an equal amount of volatility. This strategy will be applied to 55% 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

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

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 45% 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 7.5% of the Fund could be exposed to the MSCI World Europe Ex UK Index TR even though this makes up 7.5% 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 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 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.

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

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. As at the date of this Prospectus, 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 Medium in accordance with Santander UK plc's Risk Categorisation Process. The General Information and Glossary of Terms at the start of this Appendix 1 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.

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.

The base currency of the Fund is UK Sterling.

Santander Max 50% Shares Portfolio
Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

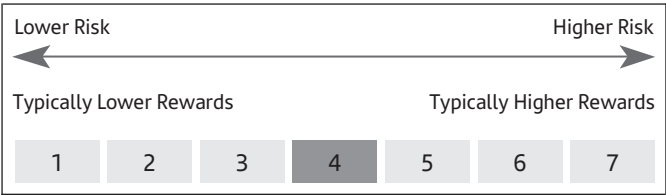
Sub-Investment Manager

Santander Asset Management, S.A, SGIC

Risk Profile

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

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund.

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

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

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 29 March 2019 to 28 March 2024 (5 years)		
	Cumulative	
Santander Max 50% Shares Portfolio R Accumulation Shares	10.90%	
Santander Max 50% Shares Portfolio R Income Shares	10.94%	
Santander Max 50% Shares Portfolio S Accumulation Shares	11.03%	
Percentage price change from 31 March 2021 to 28 March 2024 (3 years)		
	Annualised	Cumulative
Santander Max 50% Shares Portfolio R Accumulation Shares	0.41%	1.23%
Santander Max 50% Shares Portfolio R Income Shares	0.43%	1.28%
Santander Max 50% Shares Portfolio S Accumulation Shares	0.43%	1.30%
42.25% Markit iBoxx Sterling Non-Gilts Index TR, 18% MSCI UK Index TR, 15.75% ICE BofA UK Gilts All Stocks Index TR, 7.5% MSCI Europe Ex UK Index TR, 5.5% MSCI USA Index TR, 5% Sterling Overnight Index Average (SONIA), 4% MSCI Japan Index TR and 2% MSCI AC Asia Pacific Ex Japan Index TR*	1.23%	3.74%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)		
Santander Max 50% Shares Portfolio R Accumulation Shares	7.17%	
Santander Max 50% Shares Portfolio R Income Shares	7.21%	
Santander Max 50% Shares Portfolio S Accumulation Shares	7.19%	
42.25% Markit iBoxx Sterling Non-Gilts Index TR, 18% MSCI UK Index TR, 15.75% ICE BofA UK Gilts All Stocks Index TR, 7.5% MSCI Europe Ex UK Index TR, 5.5% MSCI USA Index TR, 5% Sterling Overnight Index Average (SONIA), 4% MSCI Japan Index TR and 2% MSCI AC Asia Pacific Ex Japan Index TR*	7.77%	

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

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

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.

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review

The period under review began with financial regulators acting to reduce stress on the global banking system by quickly dealing with the collapse of US regional bank Silicon Valley Bank³³ and the collapse of Credit Suisse in Europe.³⁴ However, the market later experienced some short-lived volatility with the Israel-Gaza conflict³⁵ and continued unrest in Yemen, which threatened to disrupt global trade routes in the Red Sea.³⁶

Over the period, shares³⁷ outperformed bonds³⁸ and overcame concerns about the lack of global economic growth. Shares were particularly strong leading into the summer but became less popular as persistently high inflation, fears that interest rates would remain higher for longer than expected and growing tensions in the Middle East reduced their appeal.³⁹

However, increasing hopes that the US would avoid recession, falling inflation and the continued excitement surrounding artificial intelligence (AI) companies gave them a large boost through the remainder of the reporting period.⁴⁰

Major central banks initially raised interest rates to multi-decade highs⁴¹ earlier in the period before holding them steady for the remainder. As global inflation continued to moderate,⁴² particularly in the latter half of the 12 months, central bank policymakers have suggested that they will begin reducing interest rates this year.⁴³

As financial regulators acted to contain the potential banking crisis at the start of the review period, bond prices rose and their yields fell,⁴⁴ as bond prices and yields move in opposite directions. However, yields later soared (and prices fell) into the autumn months⁴⁵ as central banks acted to stem inflation by continuing with interest-rate rises.⁴⁶

With inflation declining and investors increasingly expecting central banks to begin lowering interest rates, yields continued to fall. However, near the end of the reporting period, growing fears that higher-than-expected inflation numbers in the US would slow down the pace of interest-rate cuts sent them back upwards.⁴⁷

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. Average outperformance over the Target Benchmark will typically not exceed 0.45% per year (after fees) measured over a rolling 3 year period (not guaranteed).

³³ CNBC, 12 March 2023

³⁴ Reuters, 15 March 2023

³⁵ Reuters, 13 October 2023

³⁶ Financial Times, 12 January 2024

³⁷ MSCI, 28 March 2024

³⁸ S&P Global Developed Sovereign Bond Index, 28 March 2024

³⁹ The Telegraph, 15 October 2023

⁴⁰ Financial Times, 28 March 2024

⁴¹ CNBC, 18 September 2023

⁴² World Economic Forum, 6 February 2024

⁴³ World Economic Forum, 6 February 2024

⁴⁴ Reuters, 5 April 2023

⁴⁵ The Guardian, 4 October 2023

⁴⁶ Reuters, 21 December 2023

⁴⁷ CNBC, 18 March 2024

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

The Fund is actively managed by a sub-investment manager, which uses a data-driven, systematic and rules-based approach. The process relies on advanced computer modelling techniques to construct investment portfolios. In this case, the model applies two strategies: risk parity and momentum.

The risk parity strategy involves the model seeking to balance the level of volatility of each asset class in a portfolio and the correlation between them. The momentum strategy involves the model choosing assets with the most substantial growth potential over the medium to long term while opportunistically seeking favourable entry and exit points for investments in the short term. The risk parity strategy is applied to 55% of the fund whereas the momentum strategy is applied to 45% of the fund.

Over the last five years, the Retail Accumulation share class had a cumulative return of 10.90%, the S Accumulation share class cumulatively returned 11.03% and the Retail Income shares cumulatively returned 10.94%.

Over the past three years, the Retail Accumulation share class cumulatively returned 1.23% (0.41% annualised), the S Accumulation share class cumulatively returned 1.30% (0.43% annualised) and the Retail Income shares cumulatively returned 1.28% (0.43% annualised). The Fund has, therefore, not met its objective of outperforming the Target Benchmark, which cumulatively returned 3.74% (1.23% annualised).

On 14 January 2022, the Fund started transitioning to a new investment strategy and became fully managed by the new strategy on 7 February 2022. Performance before these dates was under different circumstances that no longer apply.

Since implementing the new investment strategy, the Fund's performance has generally aligned with its benchmark. This was achieved by the Sub-Investment Manager's preference for high-quality bonds and shares, which protected the Fund from the negative effects of uncertainty in financial markets.

Over the three year reporting period, the values of shares and bonds often moved in the same direction. This period also saw rising interest-rate volatility, which negatively impacted bonds. In contrast, shares experienced growing stability. As a result, the Fund preferred shares over bonds to increase investor returns.

Within shares, the Fund preferred US, Japanese and European (excluding UK) shares due to their stronger performance.

Over the 12 months through 28 March 2024, the Retail Accumulation share class returned 7.17%, the S Accumulation share class delivered a return of 7.19% and the Retail Income share class returned 7.21%. The Target Benchmark returned 7.77% over the same period.

Over the 12 months through 28 March 2024, the Fund delivered a lower return than its benchmark.

Within shares, US shares produced the highest returns, followed by Japanese shares. However, with the notable exception of shares from the Asia Pacific (excluding Japan) region, almost all shares produced positive returns.

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

During the period, corporate bonds performed well, but government bonds produced negative returns. As a result, the Fund's model proved to be effective by signalling that a drop in government bond holdings and a larger allocation to US and Japanese equities would increase shareholder returns. However, the small allocation of corporate bonds with respect to the Fund's benchmark meant it could not capture the short bursts of high performance in corporate bonds.

Towards the end of the first six months, market volatility began to fall which resulted in the Fund increasing its allocation to shares. This proved to be a significant factor in increasing shareholder returns.

By the end of the period, the Fund had allocated 44% of its holdings to shares, which is near the maximum allowed under the investment policy. It had also allocated 43% to bonds. The rest of the Fund was made up of short-term investments and cash, in particular, the US dollar.

As of 28 March 2024, major central banks had indicated that they would only slowly begin to lower interest rates once they were satisfied inflation was low enough. As a result, the Fund was positioned to maximise shareholder returns in a market where shares were producing higher returns than bonds. However, its allocation to the US dollar will ensure it is protected in case of a change in investor sentiment.

Market Outlook

The systematic model removes bias from investment decision-making, eliminating political, economic and cultural considerations and focusing solely on measuring data. The model considers the changing relationships across all asset classes, both at an overall level and, importantly, at a regional level relative to each other.

Whilst the market environment impacted the performance of the systematic model, the Sub-Investment Manager continues to identify enhancements to the model and expects to implement changes over 2024.

To provide an outlook, the Santander Asset Management Multi Asset Solutions (MAS) team provide their thoughts below.

The MAS team expects sluggish economic growth and a gradual easing of inflation.

They believe that interest rates have already peaked as inflation is falling. The outlook for shares is optimistic, especially in developed markets. Most notable is the US, where the economy remains resilient as consumers keep spending and company profits remain robust, especially in the technology sector.

The MAS team is less positive towards UK shares, where further internal economic growth is necessary to improve returns in the UK stock market.

With inflation declining, the MAS team expects central banks to begin cutting interest rates. However, the team feels the market is more optimistic for the timing and size of rate cuts compared to the more cautious signalling from central banks.

Consequently, rate cuts may be slower than anticipated, particularly as central banks are not yet confident of sustained lower inflation.

Santander Max 50% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Outlook (continued)

These views are those of Santander Asset Management. The Scheme's modelling does not take into account outside influences when making investment decisions.

Robert McElvanney

Head of UK Front Office

For and on behalf of Santander Asset Management UK Limited

May 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
iShares Core GBP Bond UCITS ETF	76,976,625		iShares Core GBP Bond UCITS ETF	102,079,692	
UK Treasury 2.25% 2023	49,824,500		UK Treasury 0.75% 2023	85,227,431	
United Kingdom Gilt 0.25% 2025	43,268,380		United Kingdom Gilt 0.125% 2024	58,527,724	
United Kingdom Gilt 0.125% 2024	42,946,918		UK Treasury 2.25% 2023	50,000,000	
United Kingdom Gilt 2.75% 2024	36,668,182		BHP Billiton Finance 3.25% 2024	5,783,459	
United Kingdom Gilt 1% 2024	12,903,352		Inter-American Development Bank 1.375% 2024	5,030,978	
Kreditanstalt fuer Wiederaufbau 3.75% 2027	8,089,041		Kreditanstalt fuer Wiederaufbau 1.375% 2024	4,526,883	
BHP Billiton Finance 3.25% 2024	5,754,983		Kreditanstalt fuer Wiederaufbau 3.75% 2027	4,293,399	
Credit Agricole 4.875% 2029	5,704,560		Cooperatieve Rabobank UA 1.875% 2028	4,206,258	
Glencore Finance Europe 3.125% 2026	5,677,349		Toyota Motor Credit 0.75% 2025	3,749,110	
Kreditanstalt fuer Wiederaufbau 5.75% 2032	4,658,442		RELX	3,731,371	
Banque Federative du Credit Mutuel 1% 2026	3,555,630		Glencore Finance Europe 3.125% 2026	3,511,523	
Severn Trent Utilities Finance 6.25% 2029	3,458,773		State of North Rhine-Westphalia Germany 0.625% 2024	3,126,750	
Telefonica Emisiones 5.445% 2029	3,317,762		Banque Federative du Credit Mutuel 1.75% 2024	3,056,480	
Annington Funding 3.184% 2029	3,088,327		CRH	2,975,563	
Citigroup 7.375% 2039	2,980,767		Barratt Developments	2,954,798	
CRH	2,906,724		UBS 2.125% 2025	2,836,380	
ABN AMRO Bank 5.25% 2026	2,692,197		Barclays 3% 2026	2,834,531	
European Investment Bank 3.875% 2037	2,530,403		Electricite de France 5.5% 2041	2,743,934	
Orsted 4.875% 2032	2,401,717		International Development Association 0.75% 2028	2,715,507	
Total cost of purchases for the year	<u>453,970,853</u>	14	Total proceeds from sales for the year	<u>504,608,857</u>	14

Portfolio statement

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Fixed interest securities 43.20% (39.08%)			
AAA to AA 6.88% (23.04%)			
Allianz Finance II 4.5% 2043	£1,300,000	1,259,182	0.15
CPPIB Capital 1.625% 2071	£2,781,000	1,162,875	0.14
European Investment Bank 1% 2026	£4,073,000	3,756,311	0.46
European Investment Bank 3.875% 2037	£2,704,000	2,602,249	0.32
European Investment Bank 6% 2028	£3,257,000	3,521,876	0.43
Inter-American Development Bank 1.25% 2025	£3,260,000	3,076,614	0.38
International Bank for Reconstruction & Development 0.25% 2026	£3,345,000	3,044,987	0.37
International Bank for Reconstruction & Development 0.75% 2026	£3,200,000	2,911,633	0.36
Kreditanstalt fuer Wiederaufbau 3.75% 2027	£4,077,000	4,015,682	0.49
Kreditanstalt fuer Wiederaufbau 5.75% 2032	£4,190,000	4,689,917	0.57
Kreditanstalt fuer Wiederaufbau 6% 2028	£2,300,000	2,485,715	0.30
LCR Finance 5.1% 2051	£2,091,000	2,249,280	0.28
Lloyds Bank 4.875% 2027	£2,924,000	2,944,751	0.36
Lloyds Bank 6% 2029	£1,830,000	1,954,809	0.24
Network Rail Infrastructure Finance 4.75% 2035	£2,437,000	2,521,446	0.31
Santander UK 5.75% 2026*	£6,915,000	7,013,994	0.86
SNCF Reseau 5% 2052	£1,100,000	1,098,129	0.13
Southern Water Services Finance 6.192% 2029	£1,440,000	1,490,431	0.18
University of Oxford 2.544% 2117	£1,776,000	978,157	0.12
Walmart 5.625% 2034	£1,828,000	1,992,379	0.24
Wellcome Trust 2.517% 2118	£2,773,000	1,512,587	0.19
		56,283,004	6.88
AA- to A+ 18.57% (1.53%)			
Banque Federative du Credit Mutuel 1% 2026	£3,900,000	3,571,581	0.44
Credit Agricole 4.875% 2029	£5,700,000	5,738,532	0.70
Equinor 6.875% 2031	£1,872,000	2,129,827	0.26
Nestle 2.5% 2032	£3,202,000	2,792,304	0.34
OP Corporate Bank 3.375% 2026	£2,390,000	2,323,606	0.28
TotalEnergies Capital International 1.75% 2025	£1,233,000	1,186,467	0.14
United Kingdom Gilt 0.125% 2028	£7,793,000	6,761,480	0.83
United Kingdom Gilt 0.375% 2030	£12,314,000	9,914,555	1.21
United Kingdom Gilt 0.625% 2025	£9,844,000	9,406,779	1.15
United Kingdom Gilt 0.625% 2035	£11,707,000	8,133,731	0.99
United Kingdom Gilt 0.625% 2050	£9,809,000	4,086,184	0.50
United Kingdom Gilt 0.875% 2029	£13,449,000	11,513,353	1.41
United Kingdom Gilt 1.25% 2027	£7,266,000	6,666,955	0.81
United Kingdom Gilt 1.25% 2041	£7,153,000	4,482,606	0.55
United Kingdom Gilt 1.5% 2026	£8,864,000	8,365,090	1.02
United Kingdom Gilt 1.5% 2047	£9,791,000	5,685,389	0.69

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 1.625% 2054	£4,922,000	2,661,695	0.33
United Kingdom Gilt 1.75% 2037	£8,300,000	6,278,742	0.77
United Kingdom Gilt 2% 2025	£9,917,000	9,578,483	1.17
United Kingdom Gilt 3.5% 2045	£9,930,000	8,720,278	1.06
United Kingdom Gilt 3.5% 2068	£6,114,000	5,174,125	0.63
United Kingdom Gilt 3.75% 2052	£4,625,000	4,143,422	0.51
United Kingdom Gilt 4% 2060	£7,124,000	6,670,023	0.81
United Kingdom Gilt 4.25% 2032	£7,522,000	7,757,927	0.95
United Kingdom Gilt 4.25% 2039	£6,047,000	6,052,896	0.74
Westfield Stratford City Finance NO 2 1.642% 2031	£2,522,000	2,285,517	0.28
		152,081,547	18.57
A to A- 4.05% (3.73%)			
ABN AMRO Bank 5.25% 2026	£2,700,000	2,710,017	0.33
Aspire Defence Finance 4.674% 2040	£467,652	454,334	0.05
AXA 5.453% 2173	£1,491,000	1,494,777	0.18
Bank of America 1.667% 2029	£4,100,000	3,597,750	0.44
Bank of America 7% 2028	£3,300,000	3,574,268	0.44
Clarion Funding 3.125% 2048	£3,530,000	2,500,234	0.30
GlaxoSmithKline Capital 1.625% 2035	£1,578,000	1,165,668	0.14
GlaxoSmithKline Capital 1.625% 2035	£622,000	459,471	0.06
GlaxoSmithKline Capital 4.25% 2045	£1,613,000	1,453,162	0.18
GlaxoSmithKline Capital 5.25% 2033	£900,000	951,215	0.12
HSBC 1.75% 2027	£2,530,000	2,333,993	0.28
JPMorgan Chase 0.991% 2026	£3,313,000	3,167,516	0.39
JPMorgan Chase 1.895% 2033	£1,300,000	1,056,103	0.13
London & Quadrant Housing Trust 5.5% 2040	£3,097,000	3,169,142	0.39
Rio Tinto Finance 4% 2029	£2,173,000	2,109,756	0.26
THFC Funding No 3 5.2% 2045	£2,982,000	2,967,038	0.36
		33,164,444	4.05
BBB+ to BBB 12.39% (9.89%)			
Annington Funding 3.184% 2029	£3,775,000	3,382,140	0.41
Annington Funding 3.935% 2047	£2,366,000	1,806,345	0.22
AT&T 4.875% 2044	£1,836,000	1,649,589	0.20
Banco Santander 2.25% 2032*	£4,500,000	3,950,039	0.48
Barclays 1.7% 2026	£3,728,000	3,507,787	0.43
Barclays 3.25% 2033	£3,378,000	2,872,003	0.35
BAT International Finance 4% 2026	£3,767,000	3,663,464	0.45
BNP Paribas 2% 2031	£2,500,000	2,297,450	0.28
BP Capital Markets 4.25% 2172	£1,093,000	1,032,634	0.13

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Cadent Finance 2.125% 2028	£4,050,000	3,612,519	0.44
Citigroup 7.375% 2039	£2,471,000	3,027,985	0.37
Cooperatieve Rabobank UA 4.625% 2029	£3,014,000	2,891,039	0.35
E.ON International Finance 6.125% 2039	£800,000	851,817	0.10
E.ON International Finance 6.25% 2030	£2,500,000	2,682,102	0.33
E.ON International Finance 6.75% 2039	£800,000	900,936	0.11
Electricite de France 5.125% 2050	£1,800,000	1,559,535	0.19
Electricite de France 6.125% 2034	£2,600,000	2,683,319	0.33
Enel 5.75% 2037	£1,167,000	1,206,323	0.15
Enel Finance International 1% 2027	£1,099,000	967,628	0.12
Enel Finance International 5.75% 2040	£1,534,000	1,576,562	0.19
Engie 5% 2060	£1,700,000	1,575,571	0.19
GE Capital UK Funding Unlimited 5.875% 2033	£1,837,000	1,931,878	0.24
General Motors Financial 2.35% 2025	£2,303,000	2,203,510	0.27
Glencore Finance Europe 3.125% 2026	£2,367,000	2,268,086	0.28
Goldman Sachs 1.5% 2027	£973,000	865,973	0.11
Goldman Sachs 1.5% 2027	£2,290,000	2,038,106	0.25
Goldman Sachs 3.125% 2029	£2,906,000	2,680,890	0.33
Heathrow Funding 4.625% 2046	£1,996,000	1,748,116	0.21
Heathrow Funding 5.875% 2043	£1,700,000	1,761,871	0.22
HSBC 6% 2040	£1,762,000	1,753,754	0.21
HSBC 7% 2038	£1,300,000	1,429,548	0.17
Imperial Brands Finance 5.5% 2026	£3,024,000	3,025,765	0.37
Intesa Sanpaolo 2.625% 2036	£1,800,000	1,320,337	0.16
M&G 5.625% 2051	£2,297,000	2,214,712	0.27
National Grid Electricity Distribution West Midlands 5.75% 2032	£2,251,000	2,336,068	0.29
Orange 3.25% 2032	£1,900,000	1,726,394	0.21
Orsted 4.875% 2032	£2,457,000	2,424,313	0.30
Orsted 5.75% 2040	£2,256,000	2,328,260	0.28
Phoenix 5.625% 2031	£1,600,000	1,540,193	0.19
Sage 2.875% 2034	£2,100,000	1,755,411	0.21
Severn Trent Utilities Finance 6.25% 2029	£3,345,000	3,519,709	0.43
Verizon Communications 1.125% 2028	£1,122,000	965,944	0.12
Verizon Communications 3.375% 2036	£3,950,000	3,294,062	0.40
Volkswagen Financial Services 2.125% 2028	£1,900,000	1,702,932	0.21
Volkswagen Financial Services 4.25% 2025	£1,100,000	1,083,242	0.13
Wells Fargo 2% 2025	£4,364,000	4,186,848	0.51
Wells Fargo 2.5% 2029	£916,000	814,919	0.10
Wells Fargo 2.5% 2029	£884,000	786,451	0.10
		101,404,079	12.39

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Below BBB to unrated 1.31% (0.89%)			
Lloyds Banking 2.707% 2035	£2,486,000	2,018,314	0.25
NatWest 3.622% 2030	£1,200,000	1,164,021	0.14
Telefonica Emisiones 5.445% 2029	£3,350,000	3,425,719	0.42
Tesco Corporate Treasury Services 2.75% 2030	£2,900,000	2,579,153	0.31
Tesco Property Finance 1 7.6227% 2039	£271,514	311,897	0.04
Tesco Property Finance 4 5.8006% 2040	£1,222,083	1,252,220	0.15
		10,751,324	1.31
Total Fixed interest securities		353,684,398	43.20
Money Market Securities 15.19% (14.62%)			
European Investment Bank 1.375% 2025	£5,188,000	5,021,621	0.61
Lloyds Bank 5.125% 2025	£2,153,000	2,151,379	0.26
United Kingdom Gilt 0.25% 2025	£45,223,000	43,584,345	5.32
United Kingdom Gilt 1% 2024	£36,611,000	36,510,137	4.46
United Kingdom Gilt 2.75% 2024	£37,488,000	37,136,175	4.54
		124,403,657	15.19
Equities 30.83% (32.53%)			
Belgium 0.16% (0.36%)			
Groupe Bruxelles Lambert	21,245	1,272,175	0.16
Chile 0.08% (nil)			
Antofagasta	34,026	693,450	0.08
Denmark 0.52% (0.54%)			
Novo Nordisk	35,837	3,630,280	0.44
Vestas Wind Systems	29,700	654,145	0.08
		4,284,425	0.52
Finland 0.11% (nil)			
Stora Enso	84,250	925,947	0.11
France 2.20% (2.59%)			
Air Liquide	11,293	1,861,682	0.23
Airbus	9,723	1,419,152	0.17
BNP Paribas	20,369	1,146,752	0.14
Covivio SA	22,664	921,945	0.11
EssilorLuxottica	5,978	1,071,507	0.13
Hermes International	592	1,197,261	0.14

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
France (continued)			
Kering	1,755	549,614	0.07
L'Oreal	4,023	1,508,733	0.18
LVMH Moet Hennessy Louis Vuitton	3,209	2,287,303	0.28
Safran	7,437	1,335,246	0.16
Sanofi	14,162	1,101,334	0.14
Schneider Electric	8,897	1,594,713	0.20
TotalEnergies	37,905	2,056,881	0.25
		18,052,123	2.20
Germany 1.33% (2.19%)			
Allianz	10,568	2,509,973	0.31
BASF	22,437	1,014,955	0.12
Deutsche Post	23,950	817,410	0.10
Deutsche Telekom	71,822	1,383,448	0.17
Infineon Technologies	22,949	618,239	0.08
Mercedes-Benz	16,782	1,059,448	0.13
SAP	13,217	2,041,451	0.25
Siemens	9,493	1,436,226	0.17
		10,881,150	1.33
Hong Kong 0.19% (0.39%)			
Prudential	205,052	1,523,536	0.19
Italy 0.24% (0.31%)			
Enel	222,028	1,161,535	0.14
UniCredit	28,222	848,482	0.10
		2,010,017	0.24
Netherlands 0.88% (1.09%)			
Adyen	252	337,652	0.04
ASML	4,341	3,311,281	0.40
Heineken	12,835	819,162	0.10
ING Groep	90,197	1,175,380	0.14
Prosus	30,281	752,721	0.09
Stellantis	40,136	903,845	0.11
		7,300,041	0.88
Norway 0.14% (0.21%)			
DNB Bank	71,482	1,121,429	0.14

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Republic of Ireland 0.89% (0.66%)			
CRH	49,130	3,354,596	0.41
Experian	62,868	2,171,461	0.27
Flutter Entertainment	11,033	1,742,111	0.21
		<hr/> 7,268,168	0.89
Spain 0.54% (0.57%)			
Banco Bilbao Vizcaya Argentaria	114,369	1,079,497	0.13
Banco Santander EUR 0.5*	456,044	1,762,923	0.21
Iberdrola	163,672	1,608,524	0.20
		<hr/> 4,450,944	0.54
Sweden 0.60% (0.69%)			
Atlas Copco	97,462	1,141,119	0.14
Industrivarden	39,760	1,081,759	0.13
Sandvik	84,160	1,483,514	0.18
Volvo	58,003	1,249,168	0.15
		<hr/> 4,955,560	0.60
Switzerland 1.90% (2.54%)			
ABB	35,627	1,311,667	0.16
Alcon	12,983	852,829	0.10
Cie Financiere Richemont	7,283	880,131	0.11
Glencore	657,866	2,863,362	0.35
Lonza	976	463,210	0.06
Nestle	37,816	3,182,021	0.39
Novartis	24,750	1,900,299	0.23
Roche	9,174	1,851,652	0.23
Swiss Prime Site	13,467	1,006,060	0.12
UBS	51,254	1,249,592	0.15
		<hr/> 15,560,823	1.90
United Kingdom 12.86% (12.56%)			
Anglo American	81,289	1,586,598	0.19
Ashtead	30,358	1,711,584	0.21
AstraZeneca	101,582	10,846,926	1.33
BAE Systems	187,106	2,524,996	0.31
Barclays	1,056,277	1,935,099	0.24
Berkeley	22,023	1,047,854	0.13
BP	1,036,106	5,135,977	0.63
British American Tobacco	129,729	3,120,631	0.38

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United Kingdom (continued)			
BT	531,158	582,415	0.07
Centrica	421,023	537,436	0.07
Compass	115,637	2,686,247	0.33
Croda International	12,777	626,328	0.08
Diageo	141,067	4,126,915	0.50
Entain	48,776	388,940	0.05
GSK	251,078	4,289,919	0.52
Haleon	372,468	1,240,691	0.15
Halma	39,867	941,260	0.12
HSBC	1,214,637	7,517,388	0.92
Imperial Brands	60,418	1,069,398	0.13
Informa	172,331	1,432,415	0.17
InterContinental Hotels	12,525	1,032,310	0.13
Legal & General	523,786	1,331,988	0.16
Lloyds Banking	4,587,501	2,374,491	0.29
London Stock Exchange	28,289	2,684,626	0.33
Melrose Industries	107,911	726,241	0.09
National Grid	272,739	2,906,034	0.36
NatWest	405,447	1,076,056	0.13
Next	10,604	978,961	0.12
Ocado	45,796	208,418	0.03
Reckitt Benckiser	47,212	2,129,733	0.26
RELX	119,727	4,099,452	0.50
Rentokil Initial	179,899	848,584	0.10
Rio Tinto	69,346	3,479,089	0.43
Rolls-Royce	530,155	2,262,171	0.28
Sage	82,086	1,038,798	0.13
Segro	132,633	1,198,737	0.15
Shell	396,675	10,412,719	1.27
SSE	89,531	1,477,262	0.18
Standard Chartered	165,541	1,111,442	0.14
Tesco	511,764	1,517,892	0.18
Unilever	158,059	6,282,845	0.77
Vodafone	1,748,878	1,232,084	0.15
Wise	47,662	442,494	0.05
WPP	112,618	848,689	0.10
		105,050,133	12.86
United States 8.19% (7.83%)			
Abbott Laboratories	10,422	937,547	0.12
AbbVie	4,610	663,555	0.08

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United States (continued)			
Adobe	1,309	522,543	0.06
Advanced Micro Devices	4,280	611,278	0.07
Alphabet	22,973	2,742,212	0.34
Amazon.com	20,008	2,854,733	0.35
American Financial	9,013	972,898	0.12
Apple	31,237	4,240,022	0.52
Applied Materials	4,285	699,100	0.08
Bank of America	32,800	984,325	0.12
Berkshire Hathaway	4,478	1,490,032	0.18
Boeing	1,992	304,023	0.04
Broadcom	990	1,037,876	0.13
Caterpillar	1,917	555,805	0.07
Charles Schwab	6,319	361,707	0.04
Cisco Systems	14,684	579,804	0.07
Coca-Cola	19,851	960,925	0.12
Comcast	17,014	583,722	0.07
Costco Wholesale	1,535	889,638	0.11
Danaher	3,270	645,846	0.08
Deere	1,700	552,330	0.07
Duke Energy	15,421	1,179,967	0.14
Eli Lilly	1,740	1,069,482	0.13
Exxon Mobil	10,845	997,834	0.12
General Electric	5,453	757,355	0.09
Hess	5,523	667,176	0.08
Home Depot	4,189	1,271,274	0.15
Ingersoll Rand	11,680	877,445	0.11
Intel	11,370	397,376	0.05
Johnson & Johnson	7,701	964,294	0.12
JPMorgan Chase	8,455	1,340,485	0.16
Kimco Realty	51,595	800,524	0.10
Linde	2,555	938,610	0.11
Marriott International	3,330	664,867	0.08
Mastercard	3,362	1,279,969	0.16
Merck	7,158	747,446	0.09
Meta Platforms	4,510	1,733,025	0.21
Microsoft	14,081	4,681,480	0.57
Morgan Stanley	8,305	618,774	0.08
Netflix	1,057	507,946	0.06
NVIDIA	4,812	3,438,052	0.42
Oneok	16,578	1,051,701	0.13
Otis Worldwide	17,800	1,398,637	0.17

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United States (continued)			
Palo Alto Networks	1,383	310,790	0.04
Pfizer	25,689	563,907	0.07
Philip Morris International	9,039	655,359	0.08
Procter & Gamble	6,391	820,395	0.10
Qualcomm	4,665	625,016	0.08
Realty Income	23,171	991,955	0.12
Regency Centers	21,512	1,030,601	0.12
Salesforce	3,183	757,974	0.09
ServiceNow	1,077	649,329	0.08
SS&C Technologies	15,824	806,075	0.10
T Rowe Price	11,119	1,072,512	0.13
Teledyne Technologies	1,411	479,142	0.06
Tesla	5,752	800,294	0.10
Thermo Fisher Scientific	2,032	933,940	0.11
Uber Technologies	6,627	403,784	0.05
United Parcel Service	4,769	561,106	0.07
UnitedHealth	2,527	989,035	0.12
Verizon Communications	14,789	491,113	0.06
Visa	5,520	1,217,961	0.15
Walt Disney	5,554	537,880	0.07
Wells Fargo	17,607	807,560	0.10
Westinghouse Air Brake Technologies	8,948	1,031,331	0.12
		67,110,699	8.19
Total Equities		252,460,620	30.83
Collective Investment Schemes 5.55% (8.64%)			
iShares Core GBP Bond UCITS ETF**	367,784	45,410,290	5.55
		45,410,290	5.55
Futures 0.15% (-0.05%)			
E-Mini S&P 500 Jun'24	8	36,656	-
EURO/GBP Jun'24	45	(17,156)	-
GBP/USD Jun'24	(511)	337,228	0.04
GBP/Yen Jun'24	(371)	(535,688)	(0.07)
Long Gilt Jun '24	(181)	(211,770)	(0.03)
MSCI Asia Jun'24	967	56,340	0.01
MSCI Europe Jun'24	272	38,490	0.01
Topix Index Jun'24	364	1,534,347	0.19
		1,238,447	0.15

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Options nil (-0.07%)			
BP Put Option May'24 127.5	(800)	(657,035)	(0.08)
BP Call Option May'24 130	800	23,748	-
BP Put Option May'24 126	400	162,280	0.02
BP Call Option May'24 129	400	25,727	-
BP Put Option May'24 125	400	93,014	0.01
ESTX 50 Put Option Jun'24 4,675	(2,370)	(618,005)	(0.07)
ESTX 50 Put Option Jun'24 4,775	2,370	859,129	0.11
FTSE100 Call Option Apr'24 7,900	(313)	(325,520)	(0.04)
FTSE100 Put Option Apr'24 7,750	313	51,645	0.01
S&P 500 Put Option May'24 4,950	(420)	(801,267)	(0.10)
S&P 500 Put Option May'24 5,050	420	1,170,315	0.14
		(15,969)	0.00
Portfolio of investments		777,181,443	94.92
Net other assets		41,620,771	5.08
Total net assets		818,802,214	100.00

Figures in brackets represent sector distribution at 31 March 2023.

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.

* 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 Income Shares			R Accumulation Shares		
	2024 p	2023 p	2022 p	2024 p	2023 p	2022 p
Opening net asset value per share	238.39	256.51	258.97	300.82	317.91	317.19
Return before operating charges	17.67	(12.52)	2.36	22.67	(15.38)	2.83
Operating charges	(1.35)	(1.37)	(1.72)	(1.72)	(1.71)	(2.11)
Return after operating charges	16.32	(13.89)	0.64	20.95	(17.09)	0.72
Distributions	(5.21)	(4.23)	(3.10)	(6.63)	(5.28)	(3.81)
Retained distributions on accumulation shares	-	-	-	6.63	5.28	3.81
Closing net asset value per share	249.50	238.39	256.51	321.77	300.82	317.91
*after direct transaction costs of	0.07	0.04	0.18	0.09	0.04	0.22
Performance	2024	2023	2022	2024	2023	2022
Return after operating charges**	6.85%	(5.41)%	0.25%	6.96%	(5.38)%	0.23%
Closing net asset value (£'s)	8,122,061	8,612,312	10,044,188	405,388,457	431,664,306	505,689,538
Closing number of shares	3,255,291	3,612,704	3,915,646	125,988,519	143,493,819	159,067,248
Operating charges	0.57%	0.57%	0.65%	0.57%	0.57%	0.65%
Direct transaction costs*	0.03%	0.01%	0.09%	0.03%	0.01%	0.09%
	p	p	p	p	p	p
Highest share price	251.1	258.2	271.3	322.0	320.0	333.7
Lowest share price	226.9	217.4	249.1	288.1	272.0	307.5

*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.

Comparative tables (continued)

Change in net asset value per share	S Accumulation Shares		
	2024 p	2023 p	2022 p
Opening net asset value per share	182.77	193.14	192.63
Return before operating charges	13.77	(9.33)	1.69
Operating charges	(1.05)	(1.04)	(1.18)
Return after operating charges	12.72	(10.37)	0.51
Distributions	(4.03)	(3.21)	(2.40)
Retained distributions on accumulation shares	4.03	3.21	2.40
Closing net asset value per share	195.49	182.77	193.14
*after direct transaction costs of	0.06	0.02	0.13
Performance	2024	2023	2022
Return after operating charges**	6.96%	(5.37)%	0.26%
Closing net asset value (£'s)	405,291,696	393,391,377	424,336,355
Closing number of shares	207,319,857	215,240,640	219,700,982
Operating charges	0.57%	0.57%	0.60%
Direct transaction costs*	0.03%	0.01%	0.09%
	p	p	p
Highest share price	195.6	194.4	202.7
Lowest share price	175.0	165.3	186.8

*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 50% Shares Portfolio

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		35,413,676		(66,375,479)
Revenue	2	25,573,527		22,576,000	
Expenses	3	(4,545,388)		(4,834,849)	
Interest payable and similar charges	4	(333,232)		(591,046)	
Net revenue before taxation		20,694,907		17,150,105	
Taxation	5	(3,088,628)		(2,090,275)	
Net revenue after taxation			17,606,279		15,059,830
Total return before distributions			53,019,955		(51,315,649)
Distributions	6		(17,606,279)		(15,059,830)
Change in net assets attributable to shareholders from investment activities			35,413,676		(66,375,479)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		833,667,995		940,070,081
Amounts receivable on issue of shares	14,972,409		13,501,193	
Amounts payable on cancellation of shares	(82,599,305)		(68,361,714)	
		(67,626,896)		(54,860,521)
Dilution adjustment		67,693		48,298
Change in net assets attributable to shareholders from investment activities		35,413,676		(66,375,479)
Retained distribution on accumulation shares		17,279,746		14,785,616
Closing net assets attributable to shareholders		818,802,214		833,667,995

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		780,347,884	792,720,078
Current assets:			
Debtors	7	7,196,396	5,913,431
Cash and bank balances	8	102,274,962	84,013,605
Total assets		<u>889,819,242</u>	<u>882,647,114</u>
Liabilities:			
Investment liabilities		(3,166,441)	(2,845,152)
Creditors			
Bank overdrafts	8	(66,231,145)	(44,110,631)
Distributions payable	6	(45,557)	(38,433)
Other creditors	9	(1,573,885)	(1,984,903)
Total liabilities		<u>(71,017,028)</u>	<u>(48,979,119)</u>
Net assets attributable to shareholders		<u><u>818,802,214</u></u>	<u><u>833,667,995</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised gains/(losses) on non-derivative securities	1,014,901	(47,270,385)
Unrealised gains/(losses) on non-derivative securities	32,349,818	(30,684,113)
Realised gains on derivative securities	3,163,222	20,857,652
Unrealised gains/(losses) on derivative securities	934,329	(8,521,657)
Currency losses	(2,030,840)	(736,175)
Transaction charges	(17,754)	(27,486)
CSDR Fee	-	6,685
Net capital gains/(losses)	<u>35,413,676</u>	<u>(66,375,479)</u>
2. Revenue	2024	2023
	£	£
UK dividends	4,317,452	4,110,604
Overseas UK tax exempt revenue	3,566,098	5,441,526
Overseas UK taxable revenue	1,968,309	2,769,269
Interest on debt securities	15,141,103	10,002,687
Bank interest	449,218	264,583
Rebates from holdings in Collective Investment Schemes	-	(12,669)
Scrip dividends	131,347	-
Total revenue	<u>25,573,527</u>	<u>22,576,000</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>4,411,025</u>	<u>4,716,208</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>70,633</u>	<u>73,762</u>
Other expenses:		
Audit fees	17,000	14,741
Safe custody fees	44,854	27,913
FCA fee	59	115
Tax service fees	1,817	2,110
	<u>63,730</u>	<u>44,879</u>
Total expenses	<u>4,545,388</u>	<u>4,834,849</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	69,053	123,462
Margin interest	264,179	467,584
Total interest payable and similar charges	<u>333,232</u>	<u>591,046</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation

	2024	2023
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	2,538,700	1,519,991
Current tax charge	2,538,700	1,519,991
Deferred tax movement	(674)	(99)
Double taxation relief	(24,632)	(16,744)
Withholding tax on overseas dividends	575,234	587,028
Total tax charge(note 5b)	3,088,628	2,090,176

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	20,694,907	17,150,105
Corporation tax @ 20% (2023 - 20%)	4,138,981	3,430,021
Effects of:		
Double taxation relief	(22,594)	(16,447)
Overseas withholding tax	575,234	587,028
Revenue exempt from UK corporation tax	(1,602,993)	(1,910,426)
Total tax charge (note 5a)	3,088,628	2,090,176

	2024	2023
	£	£
c) Provision for deferred taxation		
Opening provision	1,480	1,579
Deferred tax credit (note 5a)	(674)	(99)
Closing provision	806	1,480

A deferred tax liability has been recognised for the taxable revenue which will be suffered on the receipt of taxable revenue accrued at the year end.

Notes to the financial statements (continued)

for the year ended 31 March 2024

6. Distributions

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

	2024	2023
	£	£
Interim income distribution paid	130,366	119,036
Interim accumulation distributions paid	12,757,506	11,119,790
Final income distribution payable	45,557	38,433
Final accumulation distributions payable	4,522,239	3,665,826
	<u>17,455,668</u>	<u>14,943,085</u>
Equalisation:		
Amounts deducted on cancellation of shares	180,658	143,574
Amounts added on issue of shares	(30,047)	(26,829)
Distributions	<u>17,606,279</u>	<u>15,059,830</u>
Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	17,606,279	15,059,830
Add:		
Undistributed revenue brought forward	235	235
Undistributed revenue carried forward	(235)	(235)
Distributions	<u>17,606,279</u>	<u>15,059,830</u>

Details of the distribution per share are disclosed in the distribution table on pages 95 and 96.

7. Debtors

	2024	2023
	£	£
Amounts receivable on issue of shares	989,465	938,722
Sales awaiting settlement	8,148	-
Accrued revenue	5,860,819	4,819,024
Double taxation relief	24,533	-
Overseas withholding tax	253,948	148,705
Currency sales awaiting settlement	59,483	6,980
Total debtors	<u>7,196,396</u>	<u>5,913,431</u>

8. Cash and bank balances

	2024	2023
	£	£
Amount held at futures clearing houses and brokers	9,414,118	13,891,418
Cash and bank balances	92,860,844	70,122,187
Total cash and bank balances	<u>102,274,962</u>	<u>84,013,605</u>
Bank overdraft*	<u>66,231,145</u>	<u>44,110,631</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 0.48% (2023 - 0.31%).

*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 March 2024

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	1,007,862	749,284
Accrued expenses	416,229	418,437
Corporation tax	89,425	808,614
Currency purchases awaiting settlement	59,563	6,989
Deferred taxation	806	1,579
Total other creditors	<u>1,573,885</u>	<u>1,984,903</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 50%. 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 is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives for efficient portfolio management, 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. Derivatives may also be used to hedge and manage risk.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £77,718,144 (2023 - £78,987,492). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Interest rate risk in fixed income investments is monitored by the Manager and appropriate Sub-Investment Manager by analysing the investment characteristics of the underlying securities and issuers. The Manager and appropriate Sub-Investment Manager manages such risk by taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying holdings. If interest rates rise, the revenue

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

b) Interest rate risk (continued)

potential of the Fund will also rise, but the capital value of fixed interest investments will decline. A decline in interest rates will generally have the opposite effect. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 31 March 2024, 62.79% of the Fund's assets were interest bearing (2023 - 53.70%) .

As at the balance sheet date, a decrease in interest rates by 100 basis points (2023 - 300 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £25,026,275 (2023 - £120,859,929). An increase in interest rates would have an equal but opposite effect. It is expected that a change in interest rates of similar magnitude would not have a material impact on the portfolio's income stream generated from fixed income assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

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

c) Currency risk

The Fund 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 value of the collectives can therefore be significantly affected by currency movements. 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 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 £7,396,726 (2023 - £8,946,721). A 5% weakening in GBP would increase the value by £8,175,329 (2023 - £9,888,481).

For numerical disclosure see note 16.

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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

d) Credit risk (continued)

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

2024	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	342,933,074	41.89
Below investment grade (Below BBB to unrated)	10,751,324	1.31
Total fixed interest securities	353,684,398	43.20

2023	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	342,506,454	41.09
Below investment grade (Below BBB to unrated)	5,921,995	0.71
Total fixed interest securities	348,428,449	41.80

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 Manager seeks to limit liquidity risk of the Funds by selecting collectives with daily liquidity. In addition, the Manager will invest in a diversified portfolio of collectives with different liquidity profiles.

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 are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

The Fund writes short dated covered put options over some of the equities which it holds in its investment portfolio. This is a Fundamental part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. Each call option provides the purchaser with any gain achieved on the underlying securities above an agreed price (strike price) at an agreed future date. 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

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.

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) Stock market risk

Where a Fund invests in the shares of companies (equities) these tend to be more volatile than bonds, but also offer greater potential for growth. The value of the shares in companies may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

j) Derivatives risk

The Fund may use derivative strategies for the purposes of efficient portfolio management (including for 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 a Fund. Derivatives may also be used to hedge and manage risk in relation to the Fund. The Fund may also use derivative strategies for investment purposes where derivatives are used as part of a Fund's investment strategy to help achieve its investment objectives.

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 investing in 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.

k) 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.

l) 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

l) Number-based model risk (continued)

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.

m) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

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. £396,441 (2023 - £189,438) was due to the ACD at the year end date.

As at 31 March 2024 the Fund held Santander AM Euro Equity IKP, a sub Fund of Santander SICAV managed by Santander Asset Management Luxembourg. The holdings and the associated transactions in this period and the comparative period are as follows:

- The value of purchases transactions was nil (2023 - nil) and sales transactions was nil (2023 - nil).
- Revenue receivable for the year was nil (2023 - £740,548) and the outstanding amount was nil (2023 - nil).

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Related party transactions (continued)

c) The aggregate value of investments held at the year end was nil (2023 - nil).

As at 31 March 2024, 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 £1,061,359 (2023 - nil) and sales transactions was nil (2023 - nil).

b) Revenue receivable for the year was £101,250 (2023 - £72,000) and the outstanding amount was £49,518 (2023 - £35,112).

c) The aggregate value of investments held at the year end was £3,950,039 (2023 - £2,583,188).

Santander UK 5.75% 2026

a) The value of purchase transactions was £616,230 (2023 - nil) and sales transactions was nil (2023 - nil).

b) Revenue receivable for the year was £397,613 (2023 - £362,250) and the outstanding amount was £31,591 (2023 - £28,703).

c) The aggregate value of investments held at the year end was £7,013,994 (2023 - £6,508,875).

Banco Santander EUR 0.5

a) The value of purchase transactions was nil (2023 - £1,940,072) and sales transactions was £1,243,455 (2023 - nil).

b) Revenue receivable for the year was £77,325 (2023 - £43,317) and the outstanding amount was nil (2023 - nil).

c) The aggregate value of investments held at the year end was £1,762,923 (2023 - £2,598,426).

Material shareholders

As at 31 March 2024, 99.64% (2023 - 99.67%) of the shares in issue in the Santander Max 50% Shares 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.

12. Shareholders' funds

The Fund currently has three share classes; R Accumulation Shares, R Income 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:

	2024	2023
R Income Shares	No of shares	No of shares
Opening shares in issue	3,612,704	3,915,646
Shares issued in the year	83,509	160,593
Shares cancelled in the year	(440,922)	(463,535)
Closing shares in issue	<u>3,255,291</u>	<u>3,612,704</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

12. Shareholders' funds (continued)

	2024	2023
R Accumulation Shares	No of shares	No of shares
Opening shares in issue	143,493,819	159,067,248
Shares issued in the year	67,173	72,052
Shares cancelled in the year	(17,572,473)	(15,645,481)
Closing shares in issue	<u>125,988,519</u>	<u>143,493,819</u>

	2024	2023
S Accumulation Shares	No of shares	No of shares
Opening shares in issue	215,240,640	219,700,982
Shares issued in the year	7,903,123	7,105,098
Shares cancelled in the year	(15,823,906)	(11,565,440)
Closing shares in issue	<u>207,319,857</u>	<u>215,240,640</u>

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	551,544,199	3,166,441
Observable inputs using market data*	<u>228,803,685</u>	<u>-</u>
	<u>780,347,884</u>	<u>3,166,441</u>

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	603,324,099	2,845,152
Observable inputs using market data*	<u>189,395,979</u>	<u>-</u>
	<u>792,720,078</u>	<u>2,845,152</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Bonds	293,906,426	-	-	293,906,426	-	-
Collective Investment schemes	76,976,625	-	-	76,976,625	-	-
Equities	82,884,052	25,437	178,313	83,087,802	0.03	0.22
Total purchases	453,767,103	25,437	178,313	453,970,853		
2023	£	£	£	£	%	%
Bonds	333,694,210	-	-	333,694,210	-	-
Collective Investment schemes	243,849,205	-	-	243,849,205	-	-
Equities	76,019,013	23,014	63,290	76,105,317	0.03	0.08
Total purchases	653,562,428	23,014	63,290	653,648,732		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Bonds	268,305,360	-	-	268,305,360	-	-
Collective Investment schemes	102,079,692	-	-	102,079,692	-	-
Equities	134,265,573	(41,357)	(411)	134,223,805	0.03	-
Total sales	504,650,625	(41,357)	(411)	504,608,857		
2023	£	£	£	£	%	%
Bonds	346,333,123	-	-	346,333,123	-	-
Collective Investment schemes	245,534,099	-	-	245,534,099	-	-
Equities	77,005,230	(23,127)	(675)	76,981,428	0.03	-
Total sales	668,872,452	(23,127)	(675)	668,848,650		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	66,794	178,724
Total costs as % of Average NAV	0.01%	0.02%
2023	£	£
Total costs from purchases & sales	46,141	63,965
Total costs as % of Average NAV	0.01%	0.01%

There were direct transaction costs associated with derivatives in the year of £nil (2023 - nil) which is 0.00% of the Average NAV of the Fund (2023 - 0.00%).

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 0.16% (2023 - 0.20%) 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 March 2024 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2024				
Danish Krone	2,030,246	-	4,301,212	6,331,458
Euro	3,377,142	-	46,031,699	49,408,841
Japanese Yen	3,920,094	-	1,534,347	5,454,441
Norwegian Krone	1,102,894	-	1,121,429	2,224,323
Swedish Krona	923,969	-	5,028,990	5,952,959
Swiss Franc	3,745,210	-	12,697,461	16,442,671
UK Sterling	18,204,218	478,095,970	169,285,109	665,585,297
US Dollar	2,740,045	-	69,448,062	72,188,107
2023				
Danish Krone	2,034,827	-	4,471,423	6,506,250
Euro	4,778,324	-	62,014,068	66,792,392
Japanese Yen	8,490,101	-	-	8,490,101
Norwegian Krone	369,753	-	1,768,016	2,137,769
Swedish Krona	502,035	-	5,725,295	6,227,330
Swiss Franc	1,725,173	-	18,096,422	19,821,595
UK Sterling	8,544,234	447,658,247	191,712,400	647,914,881
US Dollar	13,458,526	-	67,204,384	80,662,910

Currency	Financial liabilities not carrying interest £	Total £
2024		
Danish Krone	19,190	19,190
Euro	618,005	618,005
Japanese Yen	535,688	535,688

Notes to the financial statements (continued)

for the year ended 31 March 2024

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

Currency	Financial liabilities not carrying interest £	Total £
Swiss Franc	17,707	17,707
UK Sterling	2,114,325	2,114,325
US Dollar	1,480,968	1,480,968
2023		
Euro	1,280,263	1,280,263
Japanese Yen	615,577	615,577
UK Sterling	2,128,022	2,128,022
US Dollar	861,371	861,371

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 £	
2024			
Danish Krone	2,027,842	4,284,425	6,312,267
Euro	3,618,829	45,172,007	48,790,836
Japanese Yen	3,920,094	998,659	4,918,753
Norwegian Krone	1,102,895	1,121,429	2,224,324
Swedish Krona	997,399	4,955,560	5,952,959
Swiss Franc	3,727,503	12,697,461	16,424,964
UK Sterling	23,076,775	640,394,197	663,470,972
US Dollar	3,149,434	67,557,705	70,707,139
2023			
Danish Krone	2,046,804	4,459,446	6,506,250
Euro	3,659,428	61,852,701	65,512,129
Japanese Yen	7,874,524	–	7,874,524
Norwegian Krone	369,754	1,768,015	2,137,769
Swedish Krona	502,035	5,725,295	6,227,330
Swiss Franc	1,725,173	18,096,422	19,821,595
UK Sterling	12,149,000	633,637,859	645,786,859
US Dollar	14,481,813	65,319,726	79,801,539

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 249.50p to 250.68p, the R Accumulation share class has increased from 321.77p to 325.54p, and the S Accumulation share class has increased from 195.49p to 197.79p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Distributions on R Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	1.4417	-	1.4417	1.1871
	30.11.23	interim	1.2633	-	1.2633	1.0763
	28.02.24	quarter 3	1.1068	-	1.1068	0.9061
	31.05.24	final	1.3995	-	1.3995	1.0638
Group 2	31.08.23	quarter 1	0.7664	0.6753	1.4417	1.1871
	30.11.23	interim	0.6220	0.6413	1.2633	1.0763
	28.02.24	quarter 3	0.7645	0.3423	1.1068	0.9061
	31.05.24	final	0.7728	0.6267	1.3995	1.0638

Distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	1.8192	-	1.8192	1.4713
	30.11.23	interim	1.6043	-	1.6043	1.3393
	28.02.24	quarter 3	1.4132	-	1.4132	1.1339
	31.05.24	final	1.7949	-	1.7949	1.3366
Group 2	31.08.23	quarter 1	1.1834	0.6358	1.8192	1.4713
	30.11.23	interim	1.3043	0.3000	1.6043	1.3393
	28.02.24	quarter 3	0.8208	0.5924	1.4132	1.1339
	31.05.24	final	0.9044	0.8905	1.7949	1.3366

Distributions on S Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	1.1053	-	1.1053	0.8993
	30.11.23	interim	0.9747	-	0.9747	0.8137
	28.02.24	quarter 3	0.8586	-	0.8586	0.6889
	31.05.24	final	1.0905	-	1.0905	0.8121
Group 2	31.08.23	quarter 1	0.6882	0.4171	1.1053	0.8993
	30.11.23	interim	0.5416	0.4331	0.9747	0.8137
	28.02.24	quarter 3	0.5335	0.3251	0.8586	0.6889
	31.05.24	final	0.5767	0.5138	1.0905	0.8121

Distribution tables (continued)**for the year ended 31 March 2024****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 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary

Market Review

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: 30% Markit iBoxx Sterling Non-Gilts Index TR, 25% MSCI UK Index TR, 12% MSCI Europe Ex UK Index TR, 10% ICE BofA UK Gilts All Stocks Index TR, 10% MSCI USA Index TR, 6% MSCI Japan Index TR, 4% Sterling Overnight Index Average (SONIA) and 3% MSCI AC Asia Pacific Ex Japan Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 1% 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 30% and 70% 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);
- between 20% and 70% in bonds which will be, at the time of purchase, investment grade. The Fund can obtain exposure to bonds denominated in Pounds Sterling issued by companies, supranationals and other non-sovereign entities as well as bonds issued by the UK Government; and
- up to 10% in cash.

In relation to the Fund's investment in shares and bonds, the above investment limits reflect the minimum and maximum exposures the Fund can have in these asset classes. However, it is not expected that the Fund's ordinary exposure to each of these asset classes will be at the minimum or maximum amounts for sustained periods.

As exposure to shares and bonds 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).

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Policy (continued)

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).

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 1% 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 draw down (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 Tar-

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

get Benchmark for the Fund over a 5+ year time horizon. This strategy involves selecting shares and bonds such that each type of asset (represented by Indices in the Target Benchmark) contributes an equal amount of volatility. This strategy will be applied to 35% 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 65% 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 10% of the Fund could be exposed to the MSCI USA Index TR even though this makes up 10% 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 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

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

all, of the Fund may be held in cash, cash like and/or money market instruments for the purpose of managing the exposure 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. The 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 Medium in accordance with Santander UK plc's Risk Categorisation Process. The General Information and Glossary of Terms at the start of this Appendix 1 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 70% Shares Portfolio
Final Report and Financial Statements for the year ended 31 March 2024

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.

The base currency of the Fund is UK Sterling.

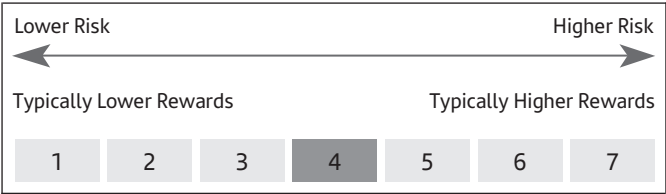
Sub-Investment Manager

Santander Asset Management, S.A, SGIC

Risk Profile

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

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund.

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

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

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 31 March 2019 to 28 March 2024 (5 years)		
	Cumulative	
Santander Max 70% Shares Portfolio R Accumulation Shares	18.58%	
Santander Max 70% Shares Portfolio S Accumulation Shares	19.03%	
Percentage price change from 31 March 2021 to 28 March 2024 (3 years)		
	Annualised	Cumulative
Santander Max 70% Shares Portfolio R Accumulation Shares	1.90%	5.78%
Santander Max 70% Shares Portfolio S Accumulation Shares	1.95%	5.96%
30% Markit iBoxx Sterling Non-Gilts Index TR, 25% MSCI UK Index TR, 12% MSCI Europe Ex UK Index TR, 10% ICE BofA UK Gilts All Stocks Index TR, 10% MSCI USA Index TR, 6% MSCI Japan Index TR, 4% Sterling Overnight Index Average (SONIA) and 3% MSCI AC Asia Pacific Ex Japan Index TR*	4.10%	12.83%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)		
Santander Max 70% Shares Portfolio R Accumulation Shares	8.02%	
Santander Max 70% Shares Portfolio S Accumulation Shares	8.03%	
30% Markit iBoxx Sterling Non-Gilts Index TR, 25% MSCI UK Index TR, 12% MSCI Europe Ex UK Index TR, 10% ICE BofA UK Gilts All Stocks Index TR, 10% MSCI USA Index TR, 6% MSCI Japan Index TR, 4% Sterling Overnight Index Average (SONIA) and 3% MSCI AC Asia Pacific Ex Japan Index TR*	9.85%	

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

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

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.

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.

Market Review

The period under review began with financial regulators acting to reduce stress on the global banking system by quickly dealing with the collapse of US regional bank Silicon Valley Bank⁴⁸ and the collapse of Credit Suisse in Europe.⁴⁹ However, the market later experienced some short-lived volatility with the Israel-Gaza conflict⁵⁰ and continued unrest in Yemen, which threatened to disrupt global trade routes in the Red Sea.⁵¹

⁴⁸ CNBC, 12 March 2023

⁴⁹ Reuters, 15 March 2023

⁵⁰ Reuters, 13 October 2023

⁵¹ Financial Times, 12 January 2024

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review (continued)

Over the period, shares⁵² outperformed bonds⁵³ and overcame concerns about the lack of global economic growth. Shares were particularly strong leading into the summer but became less popular as persistently high inflation, fears that interest rates would remain higher for longer than expected and growing tensions in the Middle East reduced their appeal.⁵⁴

However, increasing hopes that the US would avoid recession, falling inflation and the continued excitement surrounding artificial intelligence (AI) companies gave them a large boost through the remainder of the reporting period.⁵⁵

Major central banks initially raised interest rates to multi-decade highs⁵⁶ earlier in the period before holding them steady for the remainder. As global inflation continued to moderate,⁵⁷ particularly in the latter half of the 12 months, central bank policymakers have suggested that they will begin reducing interest rates this year.⁵⁸

As financial regulators acted to contain the potential banking crisis at the start of the review period, bond prices rose and their yields fell,⁵⁹ as bond prices and yields move in opposite directions. However, yields later soared (and prices fell) into the autumn months⁶⁰ as central banks acted to stem inflation by continuing with interest-rate rises.

With inflation declining and investors increasingly expecting central banks to begin lowering interest rates, yields continued to fall. However, near the end of the reporting period, growing fears that higher-than-expected inflation numbers in the US would slow down the pace of interest-rate cuts sent them back upwards.⁶¹

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. Average outperformance over the Target Benchmark will typically not exceed 1% per year (after fees) measured over a rolling 3-year period (not guaranteed).

The Fund is actively managed by a sub-investment manager which uses a data-driven, systematic and rules-based approach. The process relies on advanced computer modelling techniques to construct investment portfolios. In this case, the model applies two strategies: risk parity and momentum.

The risk parity strategy involves the model seeking to balance the level of volatility of each asset class in a portfolio and the correlation between them. The momentum strategy involves the model choosing assets with the most substantial growth potential over the medium to long term while opportunistically seeking favourable entry and exit points for investments in the short term. The momentum strategy is applied to 65% of the fund whereas the risk parity strategy is applied to 35% of the fund.

⁵² MSCI, 28 March 2024

⁵³ S&P Global Developed Sovereign Bond Index, 28 March 2024

⁵⁴ The Telegraph, 15 October 2023

⁵⁵ Financial Times, 28 March 2024

⁵⁶ CNBC, 18 September 2023

⁵⁷ World Economic Forum, 6 February 2024

⁵⁸ Financial Times, 21 March 2024

⁵⁹ Reuters, 5 April 2023

⁶⁰ The Guardian, 4 October 2023

⁶¹ CNBC, 18 March 2024

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

The Retail Accumulation share class had a cumulative return of 18.58% over the last five years and the S Accumulation share class cumulatively returned 19.03%.

Over the past three years, the Retail Accumulation share class cumulatively returned 5.78% (1.90% annualised), and the S Accumulation share class cumulatively returned 5.96% (1.95% annualised). The Fund has, therefore, not met its objective to outperform the Target Benchmark, which cumulatively returned 12.83% (4.10% annualised).

On 14 January 2022, the Fund started transitioning to a new investment strategy and became fully managed by the new strategy on 7 February 2022. Performance before these dates was under different circumstances that no longer apply.

Over the reporting period, rising interest rates and a strong US dollar relative to other currencies caused the Fund's model to change its suggested allocation of shares and bonds continually. This resulted in some well-timed investment decisions and an overall preference for bonds relative to the Target Benchmark. However, over this period, as the fund held less shares than the Target Benchmark, the Fund's performance was hindered by the good performance of shares.

Over the 12 months through 28 March 2024, the Retail Accumulation share class returned 8.02%, and the S Accumulation share class delivered a return of 8.03%. The Target Benchmark returned 9.85% over the same period.

Over the reporting period, the Fund delivered lower returns than its Target Benchmark. This was mainly because it held fewer shares and highly rated corporate bonds than its Target Benchmark. A change in market conditions and investor sentiment led to an upswing in the performance of these investments, as companies remained resilient despite slowing economic growth. As a result, the Fund's performance suffered. Despite this, the model did suggest some very timely investments, which helped to increase returns.

Within shares, US shares produced the highest returns and were the strongest investment of the period. Japanese shares followed them. Moreover, with the notable exception of shares from the Asia Pacific (excluding Japan) region, almost all shares produced positive returns, contributing to stronger performance.

Towards the end of the first six months, market volatility began to fall which resulted in the Fund increasing its allocation to shares. This proved to be a significant positive factor in increasing shareholder returns, addressing some of the underperformance the Fund experienced.

The Fund contained a lower proportion of shares than its benchmark. At this time, shares were increasing in value. As a result, the Fund delivered a lower return than the benchmark.

Market Outlook

The Systematic model removes bias from investment decision-making, eliminating political, economic and cultural considerations and focusing solely on measuring data. The model considers the changing relationships across all asset classes, both at an overall level and, importantly, at a regional level relative to each other.

Santander Max 70% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Outlook (continued)

Whilst the market environment impacted the performance of the systematic model, the Sub-Investment Manager has identified investment process enhancements which will be implemented over 2024.

To provide an outlook, the Santander Asset Management Multi Asset Solutions (MAS) team provide their thoughts below.

The MAS team expects sluggish economic growth and a gradual easing of inflation.

They believe that interest rates have already peaked as inflation is falling. The outlook for shares is optimistic, especially in developed markets. Most notable is the US, where the economy remains resilient as consumers keep spending and company profits remain robust, especially in the technology sector.

The MAS team is less positive towards UK shares, where further internal economic growth is necessary to improve returns in the UK stock market.

With inflation declining, the MAS team expects central banks to begin cutting interest rates. However, the team feels the market is more optimistic for the timing and size of rate cuts compared to the more cautious signalling from central banks.

Consequently, rate cuts may be slower than anticipated, particularly as central banks are not yet confident of sustained lower inflation.

These views are those of Santander Asset Management. The Scheme's modelling does not take into account outside influences when making investment decisions.

Robert McElvanney

Head of UK Front Office

For and on behalf of Santander Asset Management UK Limited

May 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
iShares Core GBP Bond UCITS ETF	196,972,730		iShares Core GBP Bond UCITS ETF	195,086,944	
United Kingdom Gilt 0.25% 2025	56,381,758		UK Treasury 0.75% 2023	57,261,448	
United Kingdom Gilt 1% 2024	32,255,423		United Kingdom Gilt 1% 2024	34,357,322	
United Kingdom Gilt 2.75% 2024	29,361,032		United Kingdom Gilt 0.125% 2024	29,521,657	
UK Treasury 2.25% 2023	21,922,780		UK Treasury 2.25% 2023	22,000,000	
Kreditanstalt fuer Wiederaufbau 3.75% 2027	8,419,147		RELX	7,514,145	
United Kingdom Gilt 0.125% 2024	6,759,396		BHP Billiton Finance 3.25% 2024	5,999,801	
Credit Agricole 4.875% 2029	6,004,800		Barratt Developments	5,967,165	
BHP Billiton Finance 3.25% 2024	5,970,259		Cooperatieve Rabobank UA 1.875% 2028	5,493,888	
Glencore Finance Europe 3.125% 2026	5,949,532		Kreditanstalt fuer Wiederaufbau 1.375% 2024	5,457,237	
CRH	5,657,314		Toyota Motor Credit 0.75% 2025	5,039,510	
Kreditanstalt fuer Wiederaufbau 5.75% 2032	4,799,641		Shell	5,029,901	
Severn Trent Utilities Finance 6.25% 2029	3,790,525		Compass	4,815,881	
Flutter Entertainment	3,713,956		CRH	4,737,007	
ABN AMRO Bank 5.25% 2026	3,689,307		Inter-American Development Bank 1.375% 2024	4,714,437	
Telefonica Emisiones 5.445% 2029	3,678,836		Kreditanstalt fuer Wiederaufbau 3.75% 2027	4,429,744	
Banque Federative du Credit Mutuel 1% 2026	3,646,800		Geberit	3,977,906	
Rolls-Royce	3,328,191		Pfizer 2.735% 2043	3,874,860	
Annington Funding 3.184% 2029	3,216,769		Glencore Finance Europe 3.125% 2026	3,693,680	
Volvo	3,167,116		Microsoft	3,684,349	
Total cost of purchases for the year	<u>581,433,403</u>	14	Total proceeds from sales for the year	<u>663,167,063</u>	14

Portfolio statement

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Fixed interest securities 34.03% (34.96%)			
AAA to AA 5.16% (20.58%)			
Allianz Finance II 4.5% 2043	£1,300,000	1,259,182	0.11
CPPIB Capital 1.625% 2071	£2,985,000	1,248,178	0.11
European Investment Bank 1% 2026	£3,933,000	3,627,196	0.32
European Investment Bank 3.875% 2037	£2,858,000	2,750,453	0.24
European Investment Bank 6% 2028	£3,338,000	3,609,463	0.32
Inter-American Development Bank 1.25% 2025	£3,368,000	3,178,539	0.28
International Bank for Reconstruction & Development 0.25% 2026	£3,402,000	3,096,875	0.27
International Bank for Reconstruction & Development 0.75% 2026	£3,400,000	3,093,610	0.27
Kreditanstalt fuer Wiederaufbau 3.75% 2027	£4,283,000	4,218,584	0.37
Kreditanstalt fuer Wiederaufbau 5.75% 2032	£4,317,000	4,832,069	0.43
Kreditanstalt fuer Wiederaufbau 6% 2028	£2,500,000	2,701,864	0.24
LCR Finance 5.1% 2051	£2,257,000	2,427,845	0.21
Lloyds Bank 4.875% 2027	£2,994,000	3,015,248	0.27
Lloyds Bank 6% 2029	£1,881,000	2,009,288	0.18
Network Rail Infrastructure Finance 4.75% 2035	£2,576,000	2,665,263	0.24
Santander UK 5.75% 2026*	£7,088,000	7,189,470	0.64
SNCF Reseau 5% 2052	£1,200,000	1,197,959	0.11
Southern Water Services Finance 6.192% 2029	£1,527,000	1,580,478	0.14
University of Oxford 2.544% 2117	£1,830,000	1,007,899	0.09
Walmart 5.625% 2034	£1,894,000	2,064,313	0.18
Wellcome Trust 2.517% 2118	£2,944,000	1,605,863	0.14
		58,379,639	5.16
AA- to A+ 15.59% (1.44%)			
Banque Federative du Credit Mutuel 1% 2026	£4,000,000	3,663,160	0.32
Credit Agricole 4.875% 2029	£6,000,000	6,040,560	0.53
Equinor 6.875% 2031	£1,928,000	2,193,540	0.19
Nestle 2.5% 2032	£3,361,000	2,930,960	0.26
OP Corporate Bank 3.375% 2026	£2,491,000	2,421,800	0.21
TotalEnergies Capital International 1.75% 2025	£1,270,000	1,222,070	0.11
United Kingdom Gilt 0.125% 2028	£9,187,000	7,970,963	0.70
United Kingdom Gilt 0.375% 2030	£14,517,000	11,688,290	1.03
United Kingdom Gilt 0.625% 2025	£11,605,000	11,089,564	0.98
United Kingdom Gilt 0.625% 2035	£13,802,000	9,589,285	0.85
United Kingdom Gilt 0.625% 2050	£11,564,000	4,817,273	0.43
United Kingdom Gilt 0.875% 2029	£15,855,000	13,573,069	1.20
United Kingdom Gilt 1.25% 2027	£8,566,000	7,859,776	0.69
United Kingdom Gilt 1.25% 2041	£8,433,000	5,284,750	0.47
United Kingdom Gilt 1.5% 2026	£10,449,000	9,860,878	0.87
United Kingdom Gilt 1.5% 2047	£11,542,000	6,702,151	0.59

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
AA- to A+ (continued)			
United Kingdom Gilt 1.625% 2054	£5,803,000	3,138,117	0.28
United Kingdom Gilt 1.75% 2037	£9,785,000	7,402,108	0.65
United Kingdom Gilt 2% 2025	£11,691,000	11,291,928	1.00
United Kingdom Gilt 3.5% 2045	£11,706,000	10,279,917	0.91
United Kingdom Gilt 3.5% 2068	£7,208,000	6,099,950	0.54
United Kingdom Gilt 3.75% 2052	£5,453,000	4,885,206	0.43
United Kingdom Gilt 4% 2060	£8,398,000	7,862,837	0.70
United Kingdom Gilt 4.25% 2032	£8,868,000	9,146,145	0.81
United Kingdom Gilt 4.25% 2039	£7,129,000	7,135,951	0.63
Westfield Stratford City Finance NO 2 1.642% 2031	£2,563,000	2,322,673	0.21
		176,472,921	15.59
A to A- 3.02% (3.37%)			
ABN AMRO Bank 5.25% 2026	£2,800,000	2,810,388	0.25
Aspire Defence Finance 4.674% 2040	£350,739	340,751	0.03
AXA 5.453% 2173	£1,568,000	1,571,972	0.14
Bank of America 1.667% 2029	£4,265,000	3,742,538	0.33
Bank of America 7% 2028	£3,300,000	3,574,268	0.32
Clarion Funding 3.125% 2048	£3,650,000	2,585,228	0.23
GlaxoSmithKline Capital 1.625% 2035	£1,406,000	1,038,612	0.09
GlaxoSmithKline Capital 1.625% 2035	£822,000	607,211	0.05
GlaxoSmithKline Capital 4.25% 2045	£1,723,000	1,552,261	0.14
GlaxoSmithKline Capital 5.25% 2033	£940,000	993,491	0.09
HSBC 1.75% 2027	£2,621,000	2,417,943	0.21
JPMorgan Chase 0.991% 2026	£3,452,000	3,300,412	0.29
JPMorgan Chase 1.895% 2033	£1,400,000	1,137,342	0.10
London & Quadrant Housing Trust 5.5% 2040	£3,163,000	3,236,680	0.29
Rio Tinto Finance 4% 2029	£2,295,000	2,228,205	0.20
THFC Funding No 3 5.2% 2045	£3,000,000	2,984,947	0.26
		34,122,249	3.02
BBB+ to BBB 9.27% (8.80%)			
Annington Funding 3.184% 2029	£3,932,000	3,522,801	0.31
Annington Funding 3.935% 2047	£2,524,000	1,926,972	0.17
AT&T 4.875% 2044	£1,940,000	1,743,030	0.15
Banco Santander 2.25% 2032*	£4,700,000	4,125,596	0.36
Barclays 1.7% 2026	£3,700,000	3,481,441	0.31
Barclays 3.25% 2033	£3,500,000	2,975,728	0.26
BAT International Finance 4% 2026	£3,907,000	3,799,616	0.34
BNP Paribas 2% 2031	£2,600,000	2,389,348	0.21
BP Capital Markets 4.25% 2172	£1,119,000	1,057,198	0.09

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
BBB+ to BBB (continued)			
Cadent Finance 2.125% 2028	£4,198,000	3,744,532	0.33
Citigroup 7.375% 2039	£2,590,000	3,173,809	0.28
Cooperatieve Rabobank UA 4.625% 2029	£3,150,000	3,021,490	0.27
E.ON International Finance 6.125% 2039	£800,000	851,817	0.08
E.ON International Finance 6.25% 2030	£2,584,000	2,772,221	0.24
E.ON International Finance 6.75% 2039	£800,000	900,936	0.08
Electricite de France 5.125% 2050	£1,800,000	1,559,535	0.14
Electricite de France 6.125% 2034	£2,700,000	2,786,523	0.25
Enel 5.75% 2037	£1,252,000	1,294,187	0.11
Enel Finance International 1% 2027	£1,133,000	997,563	0.09
Enel Finance International 5.75% 2040	£1,543,000	1,585,811	0.14
Engie 5% 2060	£1,750,000	1,621,911	0.14
GE Capital UK Funding Unlimited 5.875% 2033	£1,894,000	1,991,821	0.18
General Motors Financial 2.35% 2025	£2,250,000	2,152,800	0.19
Glencore Finance Europe 3.125% 2026	£2,466,000	2,362,949	0.21
Goldman Sachs 1.5% 2027	£829,000	737,812	0.07
Goldman Sachs 1.5% 2027	£2,543,000	2,263,277	0.20
Goldman Sachs 3.125% 2029	£2,979,000	2,748,235	0.24
Heathrow Funding 4.625% 2046	£2,119,000	1,855,841	0.16
Heathrow Funding 5.875% 2043	£1,739,000	1,802,291	0.16
HSBC 6% 2040	£1,830,000	1,821,436	0.16
HSBC 7% 2038	£1,350,000	1,484,531	0.13
Imperial Brands Finance 5.5% 2026	£3,136,000	3,137,830	0.28
Intesa Sanpaolo 2.625% 2036	£1,800,000	1,320,337	0.12
M&G 5.625% 2051	£2,418,000	2,331,377	0.21
National Grid Electricity Distribution West Midlands 5.75% 2032	£2,353,000	2,441,923	0.22
Orange 3.25% 2032	£2,000,000	1,817,257	0.16
Orsted 4.875% 2032	£2,588,000	2,553,570	0.23
Orsted 5.75% 2040	£2,376,000	2,452,104	0.22
Phoenix 5.625% 2031	£1,700,000	1,636,455	0.14
Sage 2.875% 2034	£2,100,000	1,755,411	0.15
Severn Trent Utilities Finance 6.25% 2029	£3,439,000	3,618,619	0.32
Verizon Communications 1.125% 2028	£1,156,000	995,215	0.09
Verizon Communications 3.375% 2036	£4,000,000	3,335,759	0.29
Volkswagen Financial Services 2.125% 2028	£2,000,000	1,792,560	0.16
Volkswagen Financial Services 4.25% 2025	£1,200,000	1,181,719	0.10
Wells Fargo 2% 2025	£4,560,000	4,374,892	0.39
Wells Fargo 2.5% 2029	£781,000	694,817	0.06
Wells Fargo 2.5% 2029	£1,061,000	943,919	0.08
		104,936,822	9.27

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Below BBB to unrated 0.99% (0.77%)			
Lloyds Banking 2.707% 2035	£2,626,000	2,131,977	0.19
NatWest 3.622% 2030	£1,300,000	1,261,022	0.11
Telefonica Emisiones 5.445% 2029	£3,500,000	3,579,109	0.32
Tesco Corporate Treasury Services 2.75% 2030	£2,944,000	2,618,285	0.23
Tesco Property Finance 1 7.6227% 2039	£297,740	342,024	0.03
Tesco Property Finance 4 5.8006% 2040	£1,283,914	1,315,576	0.11
		11,247,993	0.99
Total Fixed interest securities		385,159,624	34.03
Money Market Securities 10.21% (9.09%)			
European Investment Bank 1.375% 2025	£5,000,000	4,839,650	0.43
Lloyds Bank 5.125% 2025	£2,208,000	2,206,338	0.20
United Kingdom Gilt 0.25% 2025	£58,821,000	56,689,621	5.01
United Kingdom Gilt 1% 2024	£22,132,000	22,071,026	1.95
United Kingdom Gilt 2.75% 2024	£29,964,000	29,682,788	2.62
		115,489,423	10.21
Equities 40.89% (43.93%)			
Belgium 0.20% (0.41%)			
Groupe Bruxelles Lambert	36,594	2,191,291	0.20
Chile 0.11% (nil)			
Antofagasta	60,103	1,224,899	0.11
Denmark 0.62% (0.64%)			
Novo Nordisk	61,729	6,253,134	0.55
Vestas Wind Systems	36,663	807,506	0.07
		7,060,640	0.62
Finland 0.15% (nil)			
Stora Enso	150,922	1,658,703	0.15
France 2.77% (3.08%)			
Air Liquide	19,805	3,264,908	0.29
Airbus	17,940	2,618,490	0.23
BNP Paribas	35,085	1,975,247	0.17
Covivio SA	37,476	1,524,480	0.13
EssilorLuxottica	10,297	1,845,651	0.16
Hermes International	991	2,004,198	0.18

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
France (continued)			
Kering	3,022	946,402	0.08
L'Oreal	7,532	2,824,701	0.25
LVMH Moet Hennessy Louis Vuitton	5,528	3,940,233	0.35
Safran	12,297	2,207,814	0.19
Sanofi	25,520	1,984,610	0.18
Schneider Electric	15,485	2,775,557	0.25
TotalEnergies	65,290	3,542,903	0.31
		31,455,194	2.77
Germany 1.64% (2.63%)			
Allianz	18,204	4,323,577	0.38
BASF	36,538	1,652,824	0.15
Deutsche Post	42,003	1,433,557	0.12
Deutsche Telekom	122,255	2,354,897	0.21
Infineon Technologies	39,528	1,064,872	0.09
Mercedes-Benz	28,907	1,824,899	0.16
SAP	22,964	3,546,938	0.31
Siemens	16,929	2,561,241	0.22
		18,762,805	1.64
Hong Kong 0.27% (0.59%)			
Prudential	402,444	2,990,159	0.27
Italy 0.31% (0.38%)			
Enel	393,361	2,057,860	0.18
UniCredit	47,532	1,429,028	0.13
		3,486,888	0.31
Netherlands 1.09% (1.31%)			
Adyen	433	580,172	0.05
ASML	7,362	5,615,677	0.50
Heineken	21,223	1,354,505	0.12
ING Groep	145,004	1,889,583	0.17
Prosus	49,618	1,233,397	0.11
Stellantis	71,898	1,619,111	0.14
		12,292,445	1.09
Norway 0.16% (0.25%)			
DNB Bank	119,607	1,876,428	0.16

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Republic of Ireland 1.25% (0.89%)			
CRH	95,621	6,529,002	0.58
Experian	122,912	4,245,380	0.37
Flutter Entertainment	21,748	3,434,009	0.30
		14,208,391	1.25
Spain 0.67% (0.68%)			
Banco Bilbao Vizcaya Argentaria	200,578	1,893,200	0.17
Banco Santander EUR 0.5*	769,258	2,973,710	0.26
Iberdrola	273,016	2,683,127	0.24
		7,550,037	0.67
Sweden 0.71% (0.83%)			
Atlas Copco	163,077	1,909,363	0.17
Industrivarden	67,431	1,834,610	0.16
Sandvik	130,242	2,295,816	0.20
Volvo	95,912	2,065,586	0.18
		8,105,375	0.71
Switzerland 2.44% (3.12%)			
ABB	61,367	2,259,328	0.20
Alcon	21,469	1,410,259	0.13
Cie Financiere Richemont	12,773	1,543,582	0.14
Glencore	1,287,239	5,602,708	0.49
Lonza	1,884	894,147	0.08
Nestle	65,756	5,533,028	0.49
Novartis	42,290	3,247,016	0.29
Roche	15,802	3,189,426	0.28
Swiss Prime Site	22,840	1,706,275	0.15
UBS	90,806	2,213,885	0.19
		27,599,654	2.44
United Kingdom 18.23% (18.77%)			
Anglo American	161,313	3,148,507	0.28
Ashtead	60,475	3,409,581	0.30
AstraZeneca	198,730	21,220,389	1.87
BAE Systems	358,040	4,831,750	0.43
Barclays	2,138,555	3,917,833	0.35
Berkeley	41,893	1,993,269	0.18
BP	2,030,167	10,063,538	0.89
British American Tobacco	253,974	6,109,345	0.54

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United Kingdom (continued)			
BT	1,042,470	1,143,068	0.10
Centrica	826,315	1,054,791	0.09
Compass	228,371	5,305,058	0.47
Croda International	26,330	1,290,697	0.11
Diageo	275,799	8,068,500	0.71
Entain	100,517	801,523	0.07
GSK	490,879	8,387,159	0.74
Haleon	750,514	2,499,962	0.22
Halma	79,667	1,880,938	0.17
HSBC	2,378,820	14,722,517	1.30
Imperial Brands	118,578	2,098,831	0.19
Informa	348,171	2,893,997	0.25
InterContinental Hotels	24,378	2,009,235	0.18
Legal & General	1,034,428	2,630,550	0.23
Lloyds Banking	8,928,571	4,621,428	0.41
London Stock Exchange	55,163	5,234,969	0.46
Melrose Industries	203,848	1,371,897	0.12
National Grid	524,582	5,589,421	0.49
NatWest	810,214	2,150,308	0.19
Next	21,190	1,956,261	0.17
Ocado	104,862	477,227	0.04
Reckitt Benckiser	91,570	4,130,723	0.37
RELX	238,337	8,160,659	0.72
Rentokil Initial	356,999	1,683,964	0.15
Rio Tinto	135,811	6,813,638	0.60
Rolls-Royce	1,040,501	4,439,818	0.39
Sage	169,160	2,140,720	0.19
Segro	260,310	2,352,682	0.21
Shell	777,253	20,402,891	1.80
SSE	170,836	2,818,794	0.25
Standard Chartered	322,190	2,163,184	0.19
Tesco	1,015,567	3,012,172	0.27
Unilever	310,605	12,346,549	1.09
Vodafone	3,432,414	2,418,136	0.21
Wise	104,767	972,657	0.09
WPP	225,048	1,695,962	0.15
		206,435,098	18.23
United States 10.27% (10.35%)			
Abbott Laboratories	17,931	1,613,045	0.14
AbbVie	8,724	1,255,717	0.11

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United States (continued)			
Adobe	2,316	924,530	0.08
Advanced Micro Devices	7,573	1,081,592	0.09
Alphabet	39,524	4,717,850	0.42
Amazon.com	35,049	5,000,777	0.44
American Financial	15,788	1,704,217	0.15
Apple	53,741	7,294,652	0.64
Applied Materials	6,634	1,082,341	0.09
Bank of America	57,457	1,724,278	0.15
Berkshire Hathaway	7,533	2,506,567	0.22
Boeing	3,427	523,036	0.05
Broadcom	1,704	1,786,404	0.16
Caterpillar	3,517	1,019,700	0.09
Charles Schwab	13,046	746,769	0.07
Cisco Systems	25,984	1,025,990	0.09
Coca-Cola	34,153	1,653,240	0.15
Comcast	26,763	918,194	0.08
Costco Wholesale	2,688	1,557,880	0.14
Danaher	5,626	1,111,171	0.10
Deere	3,119	1,013,363	0.09
Duke Energy	25,774	1,972,147	0.18
Eli Lilly	2,948	1,811,973	0.16
Exxon Mobil	17,641	1,623,126	0.15
General Electric	9,382	1,303,045	0.12
Hess	10,453	1,262,717	0.11
Home Depot	7,303	2,216,308	0.19
Ingersoll Rand	19,291	1,449,211	0.13
Intel	18,779	656,317	0.06
Johnson & Johnson	13,249	1,658,996	0.15
JPMorgan Chase	14,740	2,336,930	0.21
Kimco Realty	92,318	1,432,363	0.13
Linde	4,476	1,644,312	0.14
Marriott International	5,730	1,144,049	0.10
Mastercard	5,553	2,114,118	0.19
Merck	12,041	1,257,335	0.11
Meta Platforms	7,685	2,953,060	0.26
Microsoft	24,226	8,054,366	0.71
Morgan Stanley	14,697	1,095,018	0.10
Netflix	1,939	931,794	0.08
NVIDIA	8,229	5,879,411	0.52
Oneok	28,522	1,809,423	0.16
Otis Worldwide	30,625	2,406,363	0.21

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United States (continued)			
Palo Alto Networks	2,285	513,490	0.05
Pfizer	40,409	887,031	0.08
Philip Morris International	15,551	1,127,501	0.10
Procter & Gamble	11,435	1,467,880	0.13
Qualcomm	7,338	983,144	0.09
Realty Income	39,865	1,706,629	0.15
Regency Centers	36,442	1,745,870	0.15
Salesforce	5,355	1,275,196	0.11
ServiceNow	1,852	1,116,580	0.10
SS&C Technologies	28,314	1,442,316	0.13
T Rowe Price	19,130	1,845,233	0.16
Teledyne Technologies	2,589	879,164	0.08
Tesla	10,075	1,401,767	0.13
Thermo Fisher Scientific	3,559	1,635,774	0.14
Uber Technologies	12,769	778,017	0.07
United Parcel Service	7,502	882,661	0.08
UnitedHealth	4,548	1,780,029	0.16
Verizon Communications	23,748	788,623	0.07
Visa	9,624	2,123,489	0.19
Walt Disney	10,192	987,049	0.09
Wells Fargo	32,311	1,481,971	0.13
Westinghouse Air Brake Technologies	15,395	1,774,401	0.16
		115,897,510	10.27
Total Equities		462,795,517	40.89
Collective Investment Schemes 6.76% (6.71%)			
iShares Core GBP Bond UCITS ETF**	619,720	76,516,828	6.76
		76,516,828	6.76
Futures 0.12% (0.01%)			
E-Mini S&P 500 Jun'24	(19)	940	-
EURO/GBP Jun'24	(42)	525	-
FTSE 100 Index Jun'24	(144)	(272,167)	(0.02)
GBP/USD Jun'24	(291)	263,300	0.02
GBP/Yen Jun'24	(439)	(640,847)	(0.06)
Long Gilt Jun '24	(274)	(320,580)	(0.03)
MSCI Asia Jun'24	1,232	71,779	0.01

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Futures (continued)			
MSCI Europe Jun'24	286	39,123	0.01
Topix Index Jun'24	456	2,186,119	0.19
		1,328,192	0.12
Options 0.02% (-0.07%)			
ESTX 50 Put Option Jun'24 4,675	(3,250)	(847,476)	(0.07)
ESTX 50 Put Option Jun'24 4,775	3,250	1,178,130	0.11
FTSE100 Call Option Apr'24 7,900	(719)	(747,760)	(0.07)
FTSE100 Put Option Apr'24 7,750	719	118,635	0.01
S&P 500 Put Option May'24 4,950	(580)	(1,106,511)	(0.10)
S&P 500 Put Option May'24 5,050	580	1,616,149	0.14
		211,167	0.02
Portfolio of investments		1,041,500,751	92.03
Net other assets		90,162,602	7.97
Total net assets		1,131,663,353	100.00

Figures in brackets represent sector distribution at 31 March 2023.

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.

* 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		
	2024 p	2023 p	2022 p	2024 p	2023 p	2022 p
Opening net asset value per share	341.53	356.11	346.51	199.93	208.48	202.58
Return before operating charges	28.73	(12.31)	12.70	16.81	(7.24)	7.40
Operating charges	(2.31)	(2.27)	(3.10)	(1.35)	(1.31)	(1.50)
Return after operating charges	26.42	(14.58)	9.60	15.46	(8.55)	5.90
Distributions	(7.35)	(6.44)	(3.59)	(4.30)	(3.75)	(2.39)
Retained distributions on accumulation shares	7.35	6.44	3.59	4.30	3.75	2.39
Closing net asset value per share	367.95	341.53	356.11	215.39	199.93	208.48
*after direct transaction costs of	0.15	0.06	0.37	0.08	0.03	0.22
Performance	2024	2023	2022	2024	2023	2022
Return after operating charges**	7.74%	(4.09)%	2.77%	7.73%	(4.10)%	2.91%
Closing net asset value (£'s)	591,460,913	608,975,374	682,457,274	540,202,440	514,444,056	516,820,081
Closing number of shares	160,744,780	178,305,767	191,643,533	250,800,233	257,315,963	247,897,992
Operating charges	0.67%	0.67%	0.86%	0.67%	0.66%	0.71%
Direct transaction costs*	0.04%	0.02%	0.14%	0.04%	0.02%	0.14%
	p	p	p	p	p	p
Highest share price	368.1	358.1	372.6	215.5	209.6	216.6
Lowest share price	329.1	309.7	340.9	192.7	181.3	199.6

*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 70% Shares Portfolio

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		57,846,633		(70,973,068)
Revenue	2	34,381,408		31,666,976	
Expenses	3	(7,294,246)		(7,501,906)	
Interest payable and similar charges	4	(402,749)		(817,636)	
Net revenue before taxation		26,684,413		23,347,434	
Taxation	5	(3,286,593)		(2,010,543)	
Net revenue after taxation			23,397,820		21,336,891
Total return before distributions			81,244,453		(49,636,177)
Distributions	6		(23,397,820)		(21,336,891)
Change in net assets attributable to shareholders from investment activities			57,846,633		(70,973,068)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		1,123,419,430		1,199,277,355
Amounts receivable on issue of shares	24,528,360		33,689,731	
Amounts payable on cancellation of shares	(97,430,703)		(59,851,845)	
		(72,902,343)		(26,162,114)
Dilution adjustment		59,770		20,630
Change in net assets attributable to shareholders from investment activities		57,846,633		(70,973,068)
Retained distribution on accumulation shares		23,239,863		21,256,627
Closing net assets attributable to shareholders		1,131,663,353		1,123,419,430

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		1,045,436,092	1,066,649,534
Current assets:			
Debtors	7	8,084,035	7,538,324
Cash and bank balances	8	112,847,832	103,179,718
Total assets		<u>1,166,367,959</u>	<u>1,177,367,576</u>
Liabilities:			
Investment liabilities		(3,935,341)	(3,603,920)
Creditors			
Bank overdrafts	8	(29,000,569)	(48,282,091)
Other creditors	9	(1,768,696)	(2,062,135)
Total liabilities		<u>(34,704,606)</u>	<u>(53,948,146)</u>
Net assets attributable to shareholders		<u><u>1,131,663,353</u></u>	<u><u>1,123,419,430</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised gains/(losses) on non-derivative securities	3,963,092	(46,861,715)
Unrealised gains/(losses) on non-derivative securities	52,190,365	(38,088,814)
Realised gains on derivative securities	3,395,202	23,655,294
Unrealised gains/(losses) on derivative securities	568,762	(9,104,912)
Currency losses	(2,262,983)	(563,096)
Transaction charges	(7,805)	(9,825)
Net capital gains/(losses)	<u>57,846,633</u>	<u>(70,973,068)</u>
2. Revenue	2024	2023
	£	£
UK dividends	8,622,638	8,172,466
Overseas UK tax exempt revenue	5,921,803	9,406,571
Overseas UK taxable revenue	3,646,131	2,879,677
Interest on debt securities	15,359,181	11,057,442
Bank interest	568,461	175,345
Rebates from holdings in Collective Investment Schemes	-	(24,525)
Scrip dividends	263,194	-
Total revenue	<u>34,381,408</u>	<u>31,666,976</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>7,124,460</u>	<u>7,374,044</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>84,806</u>	<u>85,461</u>
Other expenses:		
Audit fees	17,000	14,741
Safe custody fees	66,104	25,435
Legal and professional fees	-	762
FCA fee	59	115
Tax service fees	<u>1,817</u>	<u>1,348</u>
	<u>84,980</u>	<u>42,401</u>
Total expenses	<u>7,294,246</u>	<u>7,501,906</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	110,085	89,953
Margin interest	<u>292,664</u>	<u>727,683</u>
Total interest payable and similar charges	<u>402,749</u>	<u>817,636</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation

	2024	2023
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	2,380,246	978,411
Current tax charge	2,380,246	978,411
Deferred tax movement	(1,223)	2,595
Double taxation relief	(41,930)	(26,129)
Overseas withholding tax	949,500	1,055,666
Total tax charge(note 5b)	3,286,593	2,010,543

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	26,684,413	23,347,434
Corporation tax @ 20% (2023 - 20%)	5,336,883	4,669,487
Effects of:		
Double taxation relief	(38,263)	(33,913)
Movement in excess management expenses	-	(166,387)
Overseas withholding tax	949,500	1,055,666
Relief on overseas tax expensed	-	1,497
Revenue exempt from UK corporation tax	(2,961,527)	(3,515,807)
Total tax charge (note 5a)	3,286,593	2,010,543

	2024	2023
	£	£
c) Provision for deferred taxation		
Opening provision	2,595	-
Deferred tax (credit) / charge (note 5a)	(1,223)	2,595
Closing provision	1,372	2,595

6. Distributions

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

	2024	2023
	£	£
Interim accumulation distributions paid	17,011,225	16,112,543
Final accumulation distributions payable	6,228,638	5,144,084
	23,239,863	21,256,627
Equalisation:		
Amounts deducted on cancellation of shares	207,522	146,624
Amounts added on issue of shares	(49,565)	(66,360)
Distributions	23,397,820	21,336,891

Notes to the financial statements (continued)

for the year ended 31 March 2024

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	23,397,820	21,336,891
Add:		
Undistributed revenue brought forward	99	99
Deduct:		
Undistributed revenue carried forward	(99)	(99)
Distributions	<u>23,397,820</u>	<u>21,336,891</u>

Details of the distribution per share are disclosed in the distribution table on page 134.

7. Debtors

	2024	2023
	£	£
Amounts receivable on issue of shares	548,013	883,973
Sales awaiting settlement	6,111	-
Accrued revenue	6,961,058	6,345,997
Overseas withholding tax	465,915	296,226
Currency sales awaiting settlement	102,938	12,128
Total debtors	<u>8,084,035</u>	<u>7,538,324</u>

8. Cash and bank balances

	2024	2023
	£	£
Amount held at futures clearing houses and brokers	12,709,545	18,605,454
Cash and bank balances	100,138,287	84,574,264
Total cash and bank balances	<u>112,847,832</u>	<u>103,179,718</u>
Bank overdraft*	<u>29,000,569</u>	<u>48,282,091</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 0.57% (2023 - 0.16%).

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

9. Other creditors

	2024	2023
	£	£
Amounts payable on cancellation of shares	847,143	1,242,563
Accrued expenses	659,924	648,635
Corporation tax	157,180	156,200
Currency purchases awaiting settlement	103,077	12,143
Deferred taxation	1,372	2,594
Total other creditors	<u>1,768,696</u>	<u>2,062,135</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:

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

a) Market price risk

The Fund aims to achieve its objective by investing 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 70%. 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 is monitored by the Manager and appropriate Sub-Investment Manager by understanding the risk and return characteristics of the underlying investments as well as a regular performance review. The overall portfolio is stress tested to capture market specific risks of the Fund. The use of the derivatives is monitored using the commitment approach. The Fund is authorised to use derivatives for efficient portfolio management, 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. Derivatives may also be used to hedge and manage risk.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £104,150,075 (2023 - £106,304,562). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

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

As at 31 March 2024, 51.65% of the Fund's assets were interest bearing (2023 - 48.93%).

As at the balance sheet date, a decrease in interest rates by 100 basis points (2023 - 300 basis points), with all other variables remaining constant, the investment portfolio would increase in value by £28,468,899 (2023 - £136,638,080). 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 March 2024

10. Risk disclosures (continued)

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 value of the collectives can therefore be significantly affected by currency movements. 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 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 £14,334,673 (2023 - £14,216,564). A 5% weakening in GBP would increase the value by £15,843,586 (2023 - £15,713,044).

For numerical disclosure see note 16.

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

2024	Market value	Percentage of
Investments	£	total net assets
		%
Investment grade (AAA - BBB)	373,911,631	33.04
Below investment grade (Below BBB to unrated)	11,247,993	0.99
Total fixed interest securities	385,159,624	34.03

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

d) Credit risk (continued)

2023	Market value	Percentage of total net assets
Investments	£	%
Investment grade (AAA - BBB)	384,126,454	34.18
Below investment grade (Below BBB to unrated)	8,638,424	0.78
Total fixed interest securities	392,764,878	34.96

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 Manager seeks to limit liquidity risk of the Funds by selecting collectives with daily liquidity. In addition, the Manager will invest in a diversified portfolio of collectives with different liquidity profiles.

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 are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

The Fund writes short dated covered put options over some of the equities which it holds in its investment portfolio. This is a Fundamental part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. Each call option provides the purchaser with any gain achieved on the underlying securities above an agreed price (strike price) at an agreed future date. 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.

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

g) Bond risk (continued)

investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

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

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

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

h) Country risk

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

i) Stock market risk

Where a Fund invests in the shares of companies (equities) these tend to be more volatile than bonds, but also offer greater potential for growth. The value of the shares in companies may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

j) Derivatives risk

The Fund may use derivative strategies for the purposes of efficient portfolio management (including for 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 a Fund. Derivatives may also be used to hedge and manage risk in relation to the Fund. The Fund may also use derivative strategies for investment purposes where derivatives are used as part of a Fund's investment strategy to help achieve its investment objectives.

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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

j) Derivatives risk (continued)

In accordance with standard industry practice when investing in 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.

k) 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.

l) 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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

l) Number-based model risk (continued)

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.

m) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

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. £915,290 (2023 - £974,951) was due to the ACD at the year end date.

As at 31 March 2024, 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 purchases transactions was nil (2023 - nil) and sales transactions was £811,365 (2023 - nil).
- b) Revenue receivable for the year was £407,560 (2023 - £454,250) and the outstanding amount was £32,381 (2023 - nil).
- c) The aggregate value of investments held at the year end was £7,189,470 (2023 - £8,161,923).

Banco Santander 2.25% 2032

- a) The value of purchase transactions was £260,220 (2023 - nil) and sales transactions was nil (2023 - nil).
- b) Revenue receivable for the year was 99,000 (2023 - nil) and the outstanding amount was £51,719 (2023 - nil).
- c) The aggregate value of investments held at the year end was £4,125,597 (2023 - £3,551,884).

Banco Santander EUR 0.5

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Related party transactions (continued)

- a) The value of purchase transactions was nil (2023 - £3,138,748) and sales transactions was £1,915,682 (2023 - nil).
b) Revenue receivable for the year was 127,321 (2023 - £63,187) and the outstanding amount was nil (2023 - nil).
c) The aggregate value of investments held at the year end was £2,973,710 (2023 - £4,203,865).

Banco Bilbao Vizcaya Argentaria

- a) The value of purchases transactions was 2,248,945 (2023 - nil) and sales transactions was £1,265,824 (2023 - nil).
b) Revenue receivable for the year was £49,645 (2023 - nil) and the outstanding amount was nil (2023 - nil).
c) The aggregate value of investments held at the year end was £1,893,200 (2023 - nil).

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:

	2024	2023
	No of shares	No of shares
R Accumulation Shares		
Opening shares in issue	178,305,767	191,643,533
Shares issued in the year	104,131	112,060
Shares cancelled in the year	(17,665,118)	(13,449,826)
Closing shares in issue	<u>160,744,780</u>	<u>178,305,767</u>
	2024	2023
	No of shares	No of shares
S Accumulation Shares		
Opening shares in issue	257,315,963	247,897,992
Shares issued in the year	11,939,350	16,861,228
Shares cancelled in the year	(18,455,080)	(7,443,257)
Closing shares in issue	<u>250,800,233</u>	<u>257,315,963</u>

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	808,908,638	3,935,341
Observable inputs using market data*	236,527,454	-
	<u>1,045,436,092</u>	<u>3,935,341</u>
	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	571,851,208	3,603,920
Observable inputs using market data*	494,798,326	-
	<u>1,066,649,534</u>	<u>3,603,920</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Bonds	239,159,743	-	-	239,159,743	-	-
Collective Investment schemes	196,972,730	-	-	196,972,730	-	-
Equities	144,912,065	44,543	344,322	145,300,930	0.03	0.24
Total purchases	581,044,538	44,543	344,322	581,433,403		
2023	£	£	£	£	%	%
Bonds	425,420,082	-	-	425,420,082	-	-
Collective Investment schemes	513,534,954	-	-	513,534,954	-	-
Equities	123,179,145	37,342	112,934	123,329,421	0.03	0.09
Total purchases	1,062,134,181	37,342	112,934	1,062,284,457		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Bonds	235,999,127	-	-	235,999,127	-	-
Collective Investment schemes	195,086,944	-	-	195,086,944	-	-
Equities	232,153,279	(71,598)	(689)	232,080,992	0.03	-
Total sales	663,239,350	(71,598)	(689)	663,167,063		
2023	£	£	£	£	%	%
Bonds	394,240,773	-	-	394,240,773	-	-
Collective Investment schemes	514,260,686	-	-	514,260,686	-	-
Equities	136,061,263	(40,870)	(991)	136,019,402	0.03	-
Total sales	1,044,562,722	(40,870)	(991)	1,044,520,861		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	116,141	345,011
Total costs as % of Average NAV	0.01%	0.03%
2023	£	£
Total costs from purchases & sales	78,212	113,925
Total costs as % of Average NAV	0.01%	0.01%

There were direct transaction costs associated with derivatives in the year of £nil (2023 - nil) which is 0.00% of the Average NAV of the Fund (2023 - 0.00%).

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 0.14% (2023 - 0.18%) 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 March 2024 was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
2024				
Danish Krone	3,975,336	-	7,090,813	11,066,149
Euro	14,323,630	-	79,057,982	93,381,612
Japanese Yen	6,880,844	-	2,186,119	9,066,963
Norwegian Krone	1,111,829	-	1,876,428	2,988,257
Swedish Krona	878,751	-	8,226,796	9,105,547
Swiss Franc	5,178,051	-	21,996,947	27,174,998
UK Sterling	19,238,486	500,654,984	313,789,799	833,683,269
US Dollar	32,260,337	-	118,682,190	150,942,527
2023				
Danish Krone	4,160,655	-	7,220,464	11,381,119
Euro	7,034,203	-	99,776,251	106,810,454
Japanese Yen	10,906,113	-	617,709	11,523,822
Norwegian Krone	-	-	2,812,558	2,812,558
Swedish Krona	59,499	-	9,258,678	9,318,177
Swiss Franc	3,583,154	-	28,973,393	32,556,547
UK Sterling	21,349,056	494,805,993	311,280,285	827,435,334
US Dollar	7,804,947	-	119,456,513	127,261,460

Currency	Financial liabilities not carrying interest £	Total £
2024		
Danish Krone	33,056	33,056
Euro	847,476	847,476
Japanese Yen	640,847	640,847

Notes to the financial statements (continued)

for the year ended 31 March 2024

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

Currency	Financial liabilities not carrying interest £	Total £
Swiss Franc	30,500	30,500
UK Sterling	3,048,058	3,048,058
US Dollar	1,146,032	1,146,032
2023		
Euro	1,499,065	1,499,065
Japanese Yen	643,681	643,681
UK Sterling	2,563,741	2,563,741
US Dollar	973,554	973,554

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 £	
2024			
Danish Krone	3,972,454	7,060,640	11,033,094
Euro	14,766,996	77,767,140	92,534,136
Japanese Yen	6,880,844	1,545,272	8,426,116
Norwegian Krone	1,111,828	1,876,428	2,988,256
Swedish Krona	1,000,172	8,105,375	9,105,547
Swiss Franc	5,147,550	21,996,947	27,144,497
UK Sterling	24,229,432	806,405,780	830,635,212
US Dollar	33,053,324	116,743,171	149,796,495
2023			
Danish Krone	4,182,705	7,198,414	11,381,119
Euro	5,843,041	99,468,348	105,311,389
Japanese Yen	10,906,113	(25,972)	10,880,141
Norwegian Krone	-	2,812,558	2,812,558
Swedish Krona	59,499	9,258,678	9,318,177
Swiss Franc	3,583,154	28,973,393	32,556,547
UK Sterling	25,236,754	799,634,839	824,871,593
US Dollar	9,902,710	116,385,196	126,287,906

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 367.95p to 373.29p and the S Accumulation share class has increased from 215.39p to 218.52p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	2.1016	-	2.1016	1.8525
	30.11.23	interim	1.8049	-	1.8049	1.9017
	28.02.24	quarter 3	1.4183	-	1.4183	1.1233
	31.05.24	final	2.0252	-	2.0252	1.5639
Group 2	31.08.23	quarter 1	1.3096	0.7920	2.1016	1.8525
	30.11.23	interim	1.0907	0.7142	1.8049	1.9017
	28.02.24	quarter 3	0.8857	0.5326	1.4183	1.1233
	31.05.24	final	1.1128	0.9124	2.0252	1.5639

Distributions on S Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.08.23	quarter 1	1.2302	-	1.2302	1.0805
	30.11.23	interim	1.0566	-	1.0566	1.0983
	28.02.24	quarter 3	0.8302	-	0.8302	0.6576
	31.05.24	final	1.1855	-	1.1855	0.9154
Group 2	31.08.23	quarter 1	0.7802	0.4500	1.2302	1.0805
	30.11.23	interim	0.5688	0.4878	1.0566	1.0983
	28.02.24	quarter 3	0.5505	0.2797	0.8302	0.6576
	31.05.24	final	0.6298	0.5557	1.1855	0.9154

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 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary

Investment Objective

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

The Fund will also aim to outperform (after the deduction of fees) the following Target Benchmark measured over a rolling 3 year time period: MSCI ACWI Net Total Return GBP Index.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by obtaining exposure, of up to 100%, to a wide range of shares issued by listed companies globally (including in non-developed markets).

To obtain exposure to these shares, the Fund will invest in directly by purchasing units in Collective Investment Schemes. These can be managed by the ACD or other companies (including within the Santander Group). The Fund may invest in both Passively Managed and Actively Managed Collective Investment Schemes as detailed in "Investment Strategy and Process" below. It is intended that at least 60% of the Fund will be invested in Collective Investment Schemes but this figure could be higher depending on the ACD's investment views.

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

In implementing this geography and sector led strategy, it is expected that the Fund will be invested at least 70% in passive investments. Passive investments include both Passively Managed Collective Investment Schemes and Derivatives which track the performance of an index such as index futures. Up to 100% of the Fund may be held in passive investments for a sustained period, including up to 100% in Passively Managed Collective Investment Schemes. Further information on the holding of passive investments is detailed in "Investment Strategy and Process" below.

The Fund may also invest directly in shares.

The Fund may use Derivatives for Efficient Portfolio Management (including hedging) which means that Derivatives may be used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund. The Fund may use Derivatives extensively and their use will be consistent with the risk profile of the Fund.

The Fund has the flexibility to invest up to 10% globally (including in non-developed markets), directly and indirectly, in bonds (which may include those with a relatively low credit rating) issued by companies, governments, government bodies and supranationals, cash, cash like and other money market instruments and indirectly in real estate and commodities.

This flexibility is likely to be used at times when the ACD believes that the potential returns from exposure to shares have become less attractive, or due to adverse market conditions.

The Fund has a Risk Category of High in accordance with Santander UK plc's Risk Categorisation Process.

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Policy (continued)

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.

Investment Strategy and Process

The Fund is actively managed which means that the ACD will use its discretion to select assets in accordance with its investment views and opportunities identified as market and economic conditions change.

The ACD aims to achieve the Fund's investment objectives by seeking exposure to geographies and sectors which it believes will outperform the Target Benchmark.

This means that the Fund's performance, and geography and sector allocation, may differ significantly from that of its Target Benchmark.

The ACD will complete an assessment before any investment decisions are made. This ongoing process, in relation to the Fund's exposure to shares, will generally consist of:

- Developing an investment strategy based on economic outlook and geopolitical considerations to determine which geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- Observing an internally approved list of both Actively Managed and Passively Managed Collective Investment Schemes available for investment when implementing the 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 (and may invest in a wider range of assets or use Derivatives differently), have an investment policy and strategy that is consistent with the geographical and sector investment strategy decision.

The Fund's strategy is complemented by the deployment of Derivatives for Efficient Portfolio Management purposes, for example responding quickly to developments in financial markets.

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

The ACD will consider how it may most efficiently implement the Fund's geography and sector led strategy. In doing so, when selecting from the approved list of Collective Investment Schemes referred to above, the Fund will tend to invest in those Collective Investment Schemes with lower costs and higher liquidity (i.e. the ease with which an asset can be sold and returned as cash) relative to other Collective Investment Schemes on the approved list which invest in comparable geographies and sectors. Lower cost Collective Investment Schemes tend to be passively managed. In practice this could mean that up to 100%

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

of the Fund holds passive investments for a sustained period. In addition, the ACD will operate limits to ensure that the Fund does not have excessive exposure to any one: issuer of Collective Investment Schemes; individual Collective Investment Scheme; or Derivative counterparty.

Further Information

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

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

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

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

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

Investment Manager

Santander Asset Management UK Limited

Risk Profile

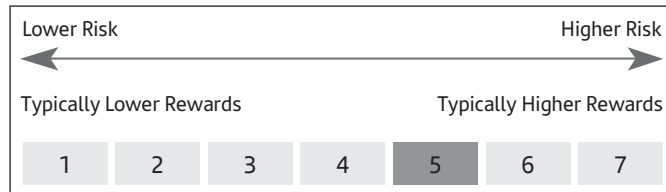
The main risk within the portfolio relates to changes in the prices of securities held. Other risks include: Collective Investment Schemes (CIS) risk, counterparty risk, country risk, currency risks, derivatives risk, liquidity risk, non-developed market risk, passively managed CIS risk and stock market risk. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business. Please refer to the Prospectus for further information.

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund.

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

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

Performance

Capital Growth

Percentage price change from 29 March 2019 to 28 March 2024 (5 years)		
	Cumulative	
Santander Max 100% Shares Portfolio R Accumulation Shares	64.84%	
Santander Max 100% Shares Portfolio S Accumulation Shares	65.59%	
Percentage price change from 31 March 2021 to 28 March 2024 (3 years)		
	Annualised	Cumulative
Santander Max 100% Shares Portfolio R Accumulation Shares	8.56%	27.87%
Santander Max 100% Shares Portfolio S Accumulation Shares	8.61%	28.05%
MSCI ACWI Net Total Return GBP Index	10.13%	33.56%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)		
Santander Max 100% Shares Portfolio R Accumulation Shares	20.80%	
Santander Max 100% Shares Portfolio S Accumulation Shares	20.79%	
MSCI ACWI Net Total Return GBP Index	20.54%	

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

Source Factset- Market index returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to fees. Past performance is not a guarantee of future performance. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review

The period under review began with financial regulators acting to reduce stress on the global banking system by quickly dealing with the collapse of US regional bank Silicon Valley Bank⁶² and the collapse of Credit Suisse in Europe.⁶³ However, the market later experienced some short-lived volatility with the Israel-Gaza conflict⁶⁴ and continued unrest in Yemen, which threatened to disrupt global trade routes in the Red Sea.⁶⁵

Over the period, shares⁶⁶ outperformed bonds⁶⁷ and overcame investors' concerns about the lack of global economic growth. Shares were particularly strong leading into the summer but became less popular as persistently high inflation, fears that interest rates would remain higher for longer than expected and growing tensions in the Middle East reduced their appeal.⁶⁸

However, increasing hopes that the US would avoid recession, falling inflation and the continued excitement surrounding artificial intelligence (AI) companies gave them a large boost through the remainder of the reporting period.⁶⁹

US shares were some of the strongest performers as US inflation cooled, economic growth was relatively strong and investors hoped the Federal Reserve (Fed) would start to cut interest rates.⁷⁰ Generally, developed markets performed relatively well. In contrast, Asian stock markets, with the exception of Japan, were less buoyant as investors were worried that China's economy was not recovering from the COVID-19 pandemic as well as had been hoped for.⁷¹

Major central banks initially raised interest rates to multi-decade highs⁷² earlier in the period before holding them steady for the remainder. As global inflation has continued to moderate,⁷³ particularly in the latter half of the accounting period, central bank policymakers have suggested that they will begin reducing interest rates this year.⁷⁴

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. It will also aim to outperform (after fees) the Target Benchmark over a rolling three-year period.

The Fund is actively managed and can be up to 100% invested in shares through purchasing units in other Collective Investment Schemes (CIS). At least 70% of the Fund will be in passive investments, but this may be up to 100% for sustained periods. The Fund can also invest directly in shares, rather than investing through CIS. As it can be up to 100% invested in shares, the Fund is considered a higher-risk investment. It can also be up to 10% invested in bonds, cash, real estate and commodities.

⁶² CNBC, 12 March 2023

⁶³ Reuters, 15 March 2023

⁶⁴ Reuters, 13 October 2023

⁶⁵ Financial Times, 12 January 2024

⁶⁶ MSCI, 28 March 2024

⁶⁷ S&P Global Developed Sovereign Bond Index, 28 March 2024

⁶⁸ The Telegraph, 15 October 2023

⁶⁹ Financial Times, 28 March 2024

⁷⁰ CNBC, 27 March 2024

⁷¹ Nasdaq, 29 December 2023

⁷² CNBC, 18 September 2023

⁷³ World Economic Forum, 6 February 2024

⁷⁴ FT, 21 March 2024

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

Over five years, Max 100% Shares Portfolio's Retail Accumulation Share Class delivered a cumulative return of 64.84%, while the S Accumulation Share Class had a cumulative return of 65.59%.

Over three years, Max 100% Shares Portfolio's Retail Accumulation Share Class cumulatively returned 27.87% (8.56% annualised) and the S Accumulation Share Class delivered a cumulative return of 28.05% (8.61% annualised). The Fund therefore did not achieve its objective to outperform the Target Benchmark, which delivered a cumulative return of 33.56% (10.13% annualised).

The Fund was positioned to outperform in a negative market environment by favouring bonds and cash over shares, relative to the Target Benchmark. This meant the Fund underperformed the Target Benchmark during short-term stock market recoveries.

The Fund's regional preferences within shares varied over the three-year period, which added to returns. However, the Fund held lesser amounts of shares than its Target Benchmark, which detracted from the returns.

Towards the end of the period, the Fund added to its positions in US, Europe (excluding the UK), emerging markets and global shares, which increased returns relative to the Target Benchmark. Stock markets then rallied significantly and this improved performance helped to compensate for earlier rocky periods.

Over the 12 months through 28 March 2024, the Max 100% Shares Portfolio's Retail Accumulation Share Class returned 20.80% and its S Accumulation Share Class returned 20.79%, compared with the Target Benchmark's return of 20.54%.

Early in period, the Fund held a smaller proportion of shares than its Target Benchmark. As cooling inflation increased investor expectations that central banks would start to cut interest rates and valuations also dropped, the Fund added to its holdings in shares.

Despite increasing the Fund's allocation in shares, the Fund maintained its overall cautious position, as the Manager expected short-term stock-market volatility. Overall this was a drag on performance as market continued a relatively steady upward trend, with the exception of the period between August and October where markets suffered some losses.

The Manager added to the Fund's position in higher-yielding (and lower-rated) corporate bonds, and UK and US government bonds in anticipation of gains when yields began to fall. These positions contributed positively after the strong returns seen during November and December 2023 in these asset classes.

Stock-market sentiment became more positive as economies avoided recession, increasing the prospects for long-term economic growth. This reduced the downside risk on equities, creating an attractive entry point with the potential for shares to continue to generate positive returns and with a reduced level of uncertainty than before.

The bond market rally was very fast during the last months of 2023 and at the start of 2024 showed signs of correction as market expectations regarding Central Bank rate cuts started discounting a slower pace. Exposure to bonds was reduced given the view that the market could offer better entry points in the future, after a period of stabilization.

Santander Max 100% Shares Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

Within shares, the Fund preferred US and Japanese shares, where the Manager expected strong returns as the likelihood of recession faded and company earnings remained resilient. This positively impacted performance when shares rallied, particularly AI and other technology shares.

The developed market share purchases were financed by reducing the Fund's holdings in emerging market shares, which were relatively weak due to China's struggling economic recovery from the COVID-19 pandemic.

The Manager also reduced bond allocations. However, selling bonds had the advantage of locking in positive price movements earlier in the period, which contributed to returns.

Overall, the Fund performed strongly over the period, and the Manager's decision to add developed market shares and reduce the bond holdings was particularly advantageous.

Market Outlook

Shares have performed strongly over the last six months, especially in the US, boosting share values. The Manager believes that sluggish economic growth combined with a gradual easing of inflation provides an optimistic outlook for shares. This led to the decision to increase the Fund's allocation to shares relative to its Target Benchmark.

The US economy will likely remain resilient as confident US consumers keep spending and company profits remain robust, especially in the technology sector. As a result, the Manager is particularly optimistic about US and developed market shares.

The Manager is less positive towards UK shares, where further internal economic growth is necessary to improve returns in the UK stock market.

Interest rates have likely peaked, and inflation is falling, so the Manager expects central banks to start cutting interest rates. However, the outlook remains uncertain as the Manager feels investors are currently more optimistic for the timing and size of rate cuts compared to the more cautious signalling from central banks.

Central banks are not yet confident of a sustained lower inflation. Consequently, rate cuts may be slower than investors anticipate, and shares may come under increasing pressure from weakening sentiment.

Multi Asset Solutions Team

For and on behalf of Santander Asset Management UK Limited

May 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
HSBC Index Tracker Investment Funds - European Index Fund	16,967,925		Vanguard FTSE Developed Europe ex UK Equity Index Fund	23,423,979	
BlackRock Global Funds - Continental European Flexible Fund	11,756,058		Santander AM Euro Equity IKP*	15,149,639	
GAM Star Continental European Equity	11,148,595		Amundi S&P 500 II UCITS ETF	14,929,470	
CT Lux Global Focus	9,501,727		Vanguard FTSE All-World UCITS ETF	13,001,428	
Brown Advisory US Sustainable Growth Fund	8,265,323		Xtrackers MSCI Emerging Markets UCITS ETF	10,160,804	
Amundi Pioneer US Equity Fundamental Growth	7,951,019		HSBC Index Tracker Investment Funds - European Index Fund	9,843,103	
MAN GLG Japan CoreAlpha Equity	6,774,871		Amundi Japan Topix UCITS ETF	9,597,776	
RAM (Lux) Systematic Funds - Emerging Markets Equities	6,606,984		Invesco S&P 500 UCITS ETF	9,163,946	
Robeco Capital Growth Funds - Robeco BP U.S. Premium Equities	6,371,937		Xtrackers S&P 500 Swap UCITS ETF	7,807,761	
Vanguard Investment Series - Pacific Ex-Japan Stock Index Fund	5,182,030		iShares Emerging Markets Equity Index Fund UK	6,709,075	
Amundi S&P 500 UCITS ETF	4,784,371		Amundi MSCI Emerging Markets Asia UCITS ETF	6,194,820	
Baillie Gifford Worldwide Japanese Fund	4,587,967		Amundi S&P 500 UCITS ETF	6,117,668	
iShares UK Gilts All Stocks Index Fund UK	3,997,251		UBS Lux Fund Solutions - MSCI Japan UCITS ETF	5,010,213	
Xtrackers MSCI Emerging Markets UCITS ETF	3,644,107		iShares UK Gilts All Stocks Index Fund UK	3,997,802	
UBS Lux Fund Solutions - MSCI Japan UCITS ETF	3,631,088		Amundi Nasdaq-100 II UCITS ETF	3,552,894	
Amundi Nasdaq-100 II UCITS ETF	3,514,654		iShares North American Equity Index Fund UK	2,675,519	
First Sentier Investors Global Umbrella Fund - FSSA Asian Equity Plus Fund	2,694,354		Invesco Funds-Invesco Asian Equity Fund	2,661,160	
Invesco Funds-Invesco Asian Equity Fund	2,683,389		First Sentier Investors Global Umbrella Fund - FSSA Asian Equity Plus Fund	2,592,860	
Vanguard FTSE Developed Europe ex UK Equity Index Fund	2,500,327		Xtrackers Switzerland UCITS ETF	2,583,348	
Xtrackers Switzerland UCITS ETF	2,478,643		iShares Core FTSE 100 UCITS ETF	2,204,152	
Total cost of purchases for the year	<u>137,671,032</u>	14	Total proceeds from sales for the year	<u>166,950,346</u>	14

* Related party to the Fund.

Portfolio statement

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Collective Investment Schemes 96.98% (98.23%)			
Amundi Pioneer US Equity Fundamental Growth	3,799	9,512,040	2.68
Amundi S&P 500 UCITS ETF*	380,908	30,406,032	8.58
Baillie Gifford Worldwide Japanese Fund	482,218	5,112,909	1.44
BlackRock Global Funds - Continental European Flexible Fund	408,565	12,473,694	3.52
Brown Advisory US Sustainable Growth Fund	500,225	9,602,578	2.71
CT Lux Global Focus	563,840	11,133,748	3.14
Fidelity Investment Funds ICVC - Index UK Fund	2,206,566	3,814,491	1.08
GAM Star Continental European Equity	462,065	12,671,006	3.58
HSBC Index Tracker Investment Funds - European Index Fund	887,110	7,621,162	2.15
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	943,761	3,560,810	1.00
Invesco S&P 500 UCITS ETF*	54,516	44,244,594	12.48
iShares Emerging Markets Equity Index Fund UK	4,854,676	9,257,925	2.61
iShares Global High Yield Bond UCITS ETF*	13,667	912,819	0.26
iShares North American Equity Index Fund UK	2,933,269	21,985,160	6.20
iShares UK Equity Index Fund UK	758,316	2,218,959	0.63
MAN GLG Japan CoreAlpha Equity	25,627	7,802,396	2.20
RAM (Lux) Systematic Funds - Emerging Markets Equities	36,803	7,003,422	1.98
Robeco Capital Growth - BP Global Premium Equities	17,289	4,314,211	1.22
Robeco Capital Growth Funds - Robeco BP U.S. Premium Equities	18,253	7,332,121	2.07
Santander GO Global Equity ESG IKP**	45,000	6,502,640	1.83
UBS Lux Fund Solutions - MSCI Japan UCITS ETF*	164,579	7,392,889	2.09
Vanguard FTSE All-World UCITS ETF*	39,531	4,010,815	1.13
Vanguard FTSE Developed Europe ex UK Equity Index Fund	19,322	7,618,869	2.15
Vanguard FTSE UK All Share Index Unit Trust	6,573	1,727,724	0.49
Vanguard Investment Series - Pacific Ex-Japan Stock Index Fund	14,964	5,177,938	1.46
Vanguard Investment Series - US 500 Stock Index Fund	456,196	22,720,269	6.41
Vanguard S&P 500 UCITS ETF*	289,962	22,816,385	6.44
Xtrackers MSCI Emerging Markets UCITS ETF*	322,717	13,774,709	3.89
Xtrackers S&P 500 Swap UCITS ETF*	4,504,164	40,960,884	11.56
		343,683,199	96.98
Futures 0.05% (0.12%)			
E-Mini S&P 500 Jun'24	39	141,490	0.04
Euro Stoxx 600 Jun '24	83	34,416	0.01
Topix Index Jun'24	7	24,348	-
		200,254	0.05

Portfolio statement (continued)

as at 31 March 2024

Investment			Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Options nil (-0.04%)					
S&P 500 Put 4,650 19/4/2024			(25)	(4,215)	-
S&P 500 Put 4,900 19/4/2024			25	7,580	-
				3,365	0.00
					Percentage of total net assets %
Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	
Forward currency trades nil (-0.08%)					
Buy USD : Sell GBP	26/04/2024	US\$4,470,924	£(3,561,850)	(23,076)	(0.01)
Buy USD : Sell GBP	26/04/2024	US\$2,200,000	£(1,723,048)	18,270	0.01
				(4,806)	0.00
Portfolio of investments				343,882,012	97.03
Net other assets				10,517,140	2.97
Total net assets				354,399,152	100.00

Figures in brackets represent sector distribution at 31 March 2023.

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

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

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

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

** Related party to the Fund.

Comparative tables

Change in net asset value per share	R Accumulation Shares			S Accumulation Shares		
	2024 p	2023 p	2022 p	2024 p	2023 p	2022 p
Opening net asset value per share	574.48	593.59	539.46	303.30	313.39	284.39
Return before operating charges	120.97	(14.06)	60.51	63.86	(7.46)	31.90
Operating charges	(6.28)	(5.05)	(6.38)	(3.32)	(2.63)	(2.90)
Return after operating charges	114.69	(19.11)	54.13	60.54	(10.09)	29.00
Distributions	(4.55)	(5.33)	(3.00)	(2.41)	(2.85)	(1.83)
Retained distributions on accumulation shares	4.55	5.33	3.00	2.41	2.85	1.83
Closing net asset value per share	689.17	574.48	593.59	363.84	303.30	313.39
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance	2024	2023	2022	2024	2023	2022
Return after operating charges**	19.96%	(3.22)%	10.03%	19.96%	(3.22)%	10.20%
Closing net asset value (£'s)	329,135,963	295,621,618	319,930,504	25,263,189	21,914,490	22,616,579
Closing number of shares	47,758,378	51,458,737	53,897,205	6,943,400	7,225,442	7,216,775
Operating charges***	1.03%	0.89%	1.08%	1.03%	0.88%	0.93%
Direct transaction costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	p	p	p	p	p	p
Highest share price	690.1	600.1	617.2	364.3	316.9	325.7
Lowest share price	565.7	525.0	536.3	298.7	277.2	282.8

*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.

***The ACD's periodic charge for the R share class reduced from 0.85% to 0.70% on 27 April 2022. This was to align it to the S class.

Financial Statements - Santander Max 100% Shares Portfolio

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		57,939,168		(14,245,390)
Revenue	2	4,851,554		5,379,727	
Expenses	3	(2,391,365)		(2,352,643)	
Interest payable and similar charges	4	(10,857)		(15,135)	
Net revenue before taxation		2,449,332		3,011,949	
Taxation	5	-		-	
Net revenue after taxation			2,449,332		3,011,949
Total return before distributions			60,388,500		(11,233,441)
Distributions	6		(2,450,737)		(3,011,953)
Change in net assets attributable to shareholders from investment activities			57,937,763		(14,245,394)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		317,536,108		342,547,083
Amounts receivable on issue of shares	2,468,812		3,671,917	
Amounts payable on cancellation of shares	(25,965,426)		(17,426,701)	
		(23,496,614)		(13,754,784)
Dilution adjustment		3,545		6,711
Change in net assets attributable to shareholders from investment activities		57,937,763		(14,245,394)
Retained distribution on accumulation shares		2,418,350		2,982,492
Closing net assets attributable to shareholders		354,399,152		317,536,108

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		343,909,303	312,486,741
Current assets:			
Debtors	7	4,187,563	120,455
Cash and bank balances	8	24,565,541	14,440,723
Total assets		<u>372,662,407</u>	<u>327,047,919</u>
Liabilities:			
Investment liabilities		(27,291)	(584,738)
Creditors			
Bank overdrafts	8	(12,550,010)	(8,176,481)
Other creditors	9	(5,685,954)	(750,592)
Total liabilities		<u>(18,263,255)</u>	<u>(9,511,811)</u>
Net assets attributable to shareholders		<u><u>354,399,152</u></u>	<u><u>317,536,108</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised gains on non-derivative securities	17,109,094	17,291,510
Unrealised gains/(losses) on non-derivative securities	40,530,197	(30,136,376)
Realised gains/(losses) on derivative securities	910,423	(629,240)
Unrealised losses on derivative securities	(162,086)	(783,033)
Currency losses	(281,605)	(1,071,619)
Realised (losses)/gains on forward currency contracts	(429,077)	1,818,236
Unrealised gains/(losses) on forward currency contracts	263,071	(673,175)
Transaction charges	(7,877)	(61,693)
Rebates from holdings in Collective Investment Schemes	7,028	-
Net capital gains/(losses)	<u>57,939,168</u>	<u>(14,245,390)</u>
2. Revenue	2024	2023
	£	£
UK dividends	818,284	1,442,820
Overseas UK tax exempt revenue	2,575,245	3,840,324
Overseas UK taxable revenue	222,718	-
Unfranked revenue	1,056,554	1,373
Bank interest	101,325	42,785
Rebates from holdings in Collective Investment Schemes	77,428	52,425
Total revenue	<u>4,851,554</u>	<u>5,379,727</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>2,275,788</u>	<u>2,282,291</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>36,760</u>	<u>36,414</u>
Other expenses:		
Audit fees	17,000	14,741
Safe custody fees	59,941	17,735
FCA fee	59	115
Tax service fees	<u>1,817</u>	<u>1,347</u>
	<u>78,817</u>	<u>33,938</u>
Total expenses	<u>2,391,365</u>	<u>2,352,643</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	6,218	2,390
Margin interest	<u>4,639</u>	<u>12,745</u>
Total interest payable and similar charges	<u>10,857</u>	<u>15,135</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation

	2024	2023
	£	£
a) Analysis of the tax charge for the year		
Total tax charge(note 5b)	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	2,449,332	3,011,949
Corporation tax @ 20% (2023 - 20%)	489,866	602,390
Effects of:		
Capitalised income subject to tax	1,405	-
Movement in excess management expenses	187,435	454,239
Revenue exempt from UK corporation tax	(678,706)	(1,056,629)
Total tax charge (note 5a)	-	-

c. Provision for deferred taxation

At the year end there is a potential deferred tax asset of £5,582,574 (2023 - £5,395,139) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

	2024	2023
	£	£
Interim accumulation distributions paid	2,135,040	1,482,626
Final accumulation distributions payable	283,310	1,499,866
	2,418,350	2,982,492
Equalisation:		
Amounts deducted on cancellation of shares	34,669	35,307
Amounts added on issue of shares	(2,282)	(5,846)
Distributions	2,450,737	3,011,953
Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	2,449,332	3,011,949
Add:		
Undistributed revenue brought forward	1	5
Tax relief on capitalised rebates from holdings in Collective Investment Schemes	1,405	-
Undistributed revenue carried forward	(1)	(1)
Distributions	2,450,737	3,011,953

Notes to the financial statements (continued)

for the year ended 31 March 2024

6. Distributions (continued)

Details of the distribution per share are disclosed in the distribution table on page 159.

7. Debtors	2024	2023
	£	£
Amounts receivable on issue of shares	14,897	94,283
Sales awaiting settlement	2,165,937	-
Recoverable UK income tax	3,596	276
Rebates from holdings in Collective Investment Schemes	110,352	25,896
Currency sales awaiting settlement	1,892,781	-
Total debtors	<u>4,187,563</u>	<u>120,455</u>

8. Cash and bank balances	2024	2023
	£	£
Amount held at futures clearing houses and brokers	451,417	1,527,248
Cash and bank balances	<u>24,114,124</u>	<u>12,913,475</u>
Total cash and bank balances	<u>24,565,541</u>	<u>14,440,723</u>
Bank overdraft*	<u>12,550,010</u>	<u>8,176,481</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 0.42% (2023 - 0.30%).

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

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	224,854	531,276
Purchases awaiting settlement	3,323,615	-
Accrued expenses	243,880	219,316
Currency purchases awaiting settlement	1,893,605	-
Total other creditors	<u>5,685,954</u>	<u>750,592</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 up to 100% in a wide range of shares issued by listed companies globally. To obtain exposure to these assets, the Fund will invest indirectly by purchasing units in Collective Investment Schemes. 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 Schemes Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

a) Market price risk (continued)

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 Schemes 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 £34,388,201 (2023 - £31,190,200). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

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

As at 31 March 2024, 3.39% of the Fund's assets were interest bearing (2023 - 1.97%).

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 value of the collectives can therefore be significantly affected by currency movements. 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 £15,966,253 (2023 - £14,145,320). A 5% weakening in GBP would increase the value by £17,646,912 (2023 - £15,634,301).

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 Manager seeks to limit liquidity risk of the Funds by selecting collectives with daily liquidity. In addition, the Investment Manager will invest in a diversified portfolio of collectives with different liquidity profiles. Funds investing in smaller companies, emerging markets and high yield bonds, hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes.

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 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.

The Fund writes short dated covered put options over some of the equities which it holds in its investment portfolio. This is a Fundamental part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. Each call option provides the purchaser with any gain achieved on the underlying securities above an agreed price (strike price) at an agreed future date. 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.

g) 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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

g) Collective Investment Scheme (CIS) Risk (continued)

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.

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) Stock market risk

Where a Fund invests in the shares of companies (equities) these tend to be more volatile than bonds, but also offer greater potential for growth. The value of the shares in companies may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

j) 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 March 2024

10. Risk disclosures (continued)

k) 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.

l) 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.

m) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk (“VaR”) approach.

11. Related party transactions

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

The ACD

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Related party transactions (continued)

cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £417,035 (2023 - £635,552) was due to the ACD at the year end date.

As at 31 March 2024 the Fund held Santander AM Euro Equity IKP, a sub Fund of Santander SICAV managed by Santander Asset Management Luxembourg. The holdings and the associated transactions in this period and the comparative period are as follows:

- a) The value of purchases transactions was nil (2023 - nil) and sales transactions was £15,149,639 (2023 - £3,027,618).
- b) Revenue receivable for the year was £365,291 (2023 - £354,672) and the outstanding amount was nil (2023 - nil).
- c) The aggregate value of investments held at the year end was nil (2023 - £14,817,907).

As at 31 March 2024 the Fund held Santander GO Global Equity ESG Class: IKP, a sub Fund of Santander SICAV managed by Santander Asset Management Luxembourg. The holdings and the associated transactions in this period and the comparative period are as follows:

- a) The value of purchases transactions was nil (2023 - nil) and sales transactions was nil (2023 - nil).
- b) Revenue receivable for the year was £26,091 (2023 - £34,277) and the outstanding amount was nil (2023 - nil).
- c) The aggregate value of investments held at the year end was £6,502,640 (2023 - £5,187,024).

Material shareholders

As at 31 March 2024, 98.98% (2023 - 99.03%) of the shares in issue in the Santander Max 100% Shares 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.

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:

	2024	2023
R Accumulation Shares	No of shares	No of shares
Opening shares in issue	51,458,737	53,897,205
Shares issued in the year	129,837	270,981
Shares cancelled in the year	(3,830,196)	(2,709,449)
Closing shares in issue	<u>47,758,378</u>	<u>51,458,737</u>
	2024	2023
S Accumulation Shares	No of shares	No of shares
Opening shares in issue	7,225,442	7,216,775
Shares issued in the year	539,422	706,251
Shares cancelled in the year	(821,464)	(697,584)
Closing shares in issue	<u>6,943,400</u>	<u>7,225,442</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	164,726,961	4,215
Observable inputs using market data*	179,182,342	23,076
	<u>343,909,303</u>	<u>27,291</u>
	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	179,234,290	316,861
Observable inputs using market data*	133,252,451	267,877
	<u>312,486,741</u>	<u>584,738</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Collective Investment schemes	137,671,032	-	-	137,671,032	-	-
Total purchases	137,671,032	-	-	137,671,032		
2023	£	£	£	£	%	%
Collective Investment schemes	156,994,314	-	-	156,994,314	-	-
Total purchases	156,994,314	-	-	156,994,314		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Collective Investment schemes	166,950,346	-	-	166,950,346	-	-
Total sales	166,950,346	-	-	166,950,346		
2023	£	£	£	£	%	%
Collective Investment schemes	163,082,590	-	-	163,082,590	-	-
Total sales	163,082,590	-	-	163,082,590		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2023	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2023 - nil) which is 0.00% of the Average NAV of the Fund (2023 - 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 0.27% (2023 - 0.10%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 £	
2024			
Euro	146,557	39,569,447	39,716,004
Japanese Yen	33,076	20,340,279	20,373,355
UK Sterling	10,007,603	9,100,229	19,107,832
US Dollar	329,904	274,872,057	275,201,961
2023			
Euro	111,622	15,469	127,091
Japanese Yen	-	8,262,636	8,262,636
UK Sterling	5,039,934	133,307,765	138,347,699
US Dollar	1,112,687	169,685,995	170,798,682

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 £
2024			
Ceca Bank	18,270	18,270	18,270
2023			
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 R Accumulation share class has increased from 689.17p to 706.77p and the S Accumulation share class has increased from 363.84p to 373.14p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Distributions on R Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	30.11.23	interim	3.9964	-	3.9964	2.6138
	31.05.24	final	0.5506	-	0.5506	2.7133
Group 2	30.11.23	interim	3.1519	0.8445	3.9964	2.6138
	31.05.24	final	0.2887	0.2619	0.5506	2.7133

Distributions on S Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	30.11.23	interim	2.1124	-	2.1124	1.4139
	31.05.24	final	0.2933	-	0.2933	1.4339
Group 2	30.11.23	interim	1.6224	0.4900	2.1124	1.4139
	31.05.24	final	0.2018	0.0915	0.2933	1.4339

Equalisation

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

Accumulation distributions

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

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary

Investment Objective

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

The Fund is managed with the aim of staying within a risk profile classification (with volatility parameters) of 6 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

Investment Policy

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

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

This Fund is managed with the aim of staying within a risk profile classification of 6, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

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

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

Additionally the Fund may obtain exposure globally:

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

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Policy (continued)

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

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

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

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

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

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

The Fund may use Derivatives for Efficient Portfolio Management (including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund. This may include passive Derivatives, for example Derivatives which track the performance of an index such as index futures, which, if used, will increase the Fund's exposure to passive investments.

Investment Strategy and Process

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

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

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

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

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

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

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

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

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

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

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

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

Further Information

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

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

*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 Medium High in accordance with Santander UK plc's Risk Categorisation Process.

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 the Target Benchmark and may also include a comparison against a commercial peer group of competitor Funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Investment Manager

Santander Asset Management UK Limited

Santander Atlas Portfolio 6

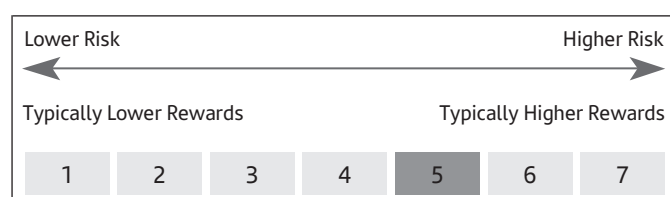
Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Risk Profile

The main risk within the portfolio relates to changes in the prices of securities held. Other risks include: Bond risk, Collective Investment Schemes (CIS) risk, counterparty risk, country risk, currency risks, derivatives risk, liquidity risk, non-developed market risk, passively managed CIS risk and stock market risk. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Fund does not borrow in the normal course of business. Please refer to the Prospectus for further information.

Risk and Reward Indicator



The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 5 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC of 6 (as set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

Performance

Capital Growth

Percentage price change from 29 March 2019 to 28 March 2024 (5 years)	
Santander Atlas Portfolio 6 I Accumulation Share Class	34.89%
IA Mixed Investment 40-85% Shares	28.73%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)	
Santander Atlas Portfolio 6 I Accumulation Share Class	12.31%
IA Mixed Investment 40-85% Shares	10.16%

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 Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review

The period under review began with financial regulators acting to reduce stress on the global banking system by quickly dealing with the collapse of US regional bank Silicon Valley Bank⁷⁵ and the collapse of Credit Suisse in Europe.⁷⁶ However, the market later experienced some short-lived volatility with the Israel-Gaza conflict⁷⁷ and continued unrest in Yemen, which threatened to disrupt global trade routes in the Red Sea.⁷⁸

Over the period, shares⁷⁹ outperformed bonds⁸⁰ and overcame concerns about the lack of global economic growth. Shares were particularly strong leading into the summer of 2023 but became less popular as persistently high inflation, fears that interest rates would remain higher for longer than expected and growing tensions in the Middle East reduced their appeal.⁸¹

However, increasing hopes that the US would avoid recession, falling inflation and the continued excitement surrounding artificial intelligence (AI) companies gave them a large boost through the remainder of the reporting period.⁸²

Major central banks initially raised interest rates to multi-decade highs⁸³ earlier in the period before holding them steady for the remainder. As global inflation has continued to moderate,⁸⁴ particularly in the latter half of the 12 months, central bank policymakers have suggested that they will begin reducing interest rates later this year.⁸⁵

As financial regulators acted to contain the potential banking crisis at the start of the review period, bond prices rose and their yields fell,⁸⁶ as bond prices and yields move in opposite directions. However, yields later soared (and prices fell) into the autumn months⁸⁷ as central banks acted to stem inflation by continuing with interest-rate rises.

With inflation then declining and investors increasingly expecting central banks to begin lowering interest rates, yields began to fall. However, near the end of the reporting period, growing fears that higher-than-expected inflation numbers in the US would slow down the pace of interest-rate cuts sent them back upwards.⁸⁸

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the Fund's expected volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. As Atlas Portfolio 6, the Fund is expected to be the second most volatile Fund in this range. Typically, it will be at least 70% invested in a combination of shares and bonds.

⁷⁵ CNBC, 12 March 2023

⁷⁶ Reuters, 15 March 2023

⁷⁷ Reuters, 13 October 2023

⁷⁸ Financial Times, 12 January 2024

⁷⁹ MSCI, 28 March 2024

⁸⁰ S&P Global Developed Sovereign Bond Index, 28 March 2024

⁸¹ The Telegraph, 15 October 2023

⁸² Financial Times, 28 March 2024

⁸³ CNBC, 18 September 2023

⁸⁴ World Economic Forum, 6 February 2024

⁸⁵ Financial Times, 21 March 2024

⁸⁶ Reuters, 5 April 2023

⁸⁷ The Guardian, 4 October 2023

⁸⁸ CNBC, 18 March 2024

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

The Santander Atlas Portfolio 6 I Accumulation has produced a cumulative return of 34.89% over the last five years, meeting its objective to provide a combination of capital growth and income over a period of five or more years. For comparison, the comparator benchmark of the IA Mixed Investment 40-85% Shares returned 28.73% over the same period. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally. The design of Atlas Portfolio 6 is to provide certainty to investors by remaining within its volatility band whereas the comparator benchmark does not restrict volatility.

The Fund's success in meeting its objective over the five years was helped by the decision to reduce the amount of riskier assets such as shares in December 2019. This meant the Fund could weather the storm when COVID-19 was declared a pandemic in March 2020, and stock markets fell significantly. However, the Fund's performance was held back in 2022 when the war in Ukraine and a spike in inflation injected uncertainty into financial markets.

Over the 12-month reporting period, the Santander Atlas Portfolio 6 I Accumulation stayed within its Risk Profile Classification of 6 and delivered a return of 12.31%. For comparison, the comparator benchmark of the IA Mixed Investment 40-85% Shares returned 10.16%.

Towards the later months of the reporting period, the fund switched to a preference for shares over bonds, which benefitted the overall fund performance. In particular, the preference for US, Japanese and European (excluding the UK) shares, as well as the holdings in gold, contributed to the Fund's robust performance.

On the other hand, the Fund's positioning in bonds, particularly US and UK government bonds, proved negative for performance.

At the start of the period, the Fund preferred bonds and gold over shares. Holding fewer shares resulted in a smaller exposure to expected short-term market volatility, which helped to diversify the portfolio against market uncertainty.

Within bonds, the Fund preferred US and UK government bonds, and corporate bonds, based on the belief that interest rates had peaked and bond yields would move lower, increasing the returns paid to bondholders.

Due to the Fund's positioning, it performed strongly in the first half of the period. Bond yields dropped dramatically, and shares performed well after signs of falling inflation, which increased expectations that central banks would cut interest rates.

The portfolio increased its holdings in shares as the second half of the period approached. Investor sentiment towards shares became more positive as economies avoided recession, increasing the prospects for long-term economic growth. This created an attractive entry point with the potential for shares to generate a higher return than bonds.

Within shares, the Fund had a preference for US, European (excluding the UK) and Japanese stock markets, where the Manager expected strong returns as the likelihood of recession faded and company earnings remained resilient. This positively impacted performance as shares rallied, particularly AI and other technology shares.

Santander Atlas Portfolio 6

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

The Fund's share purchases were financed by reducing the holdings in US and UK government bonds, high-yielding (and lower-rated) corporate bonds and gold. However, the reduction in these assets also had the advantage of locking in positive price movements earlier in the period, which contributed to positive returns.

Towards the end of the period, shares continued to climb, and bond and gold prices rose, with the latter hitting a record high.⁸⁶ This resulted in a positive and strong performance for the Fund over the reporting period.

Market Outlook

The Fund is currently positioned to reflect the Manager's outlook that the most likely future scenario is sluggish economic growth and a gradual easing of inflation.

The Manager expects that interest rates have already peaked as inflation is falling, which leads to our current preference for shares. The outlook for shares is optimistic, in the Manager's opinion, especially in developed markets. Most notable is the US, where the economy remains resilient as consumers keep spending and company profits remain robust, especially in the technology sector.

The Manager is less positive towards UK shares, where further internal economic growth is necessary to improve returns in the UK stock market.

With inflation declining, the Manager expects central banks to begin cutting interest rates. However, the Manager feels investors are currently more optimistic for the timing and size of rate cuts compared to the more cautious signalling from central banks.

Multi Asset Solution Team

For and on behalf of Santander Asset Management UK Limited

July 2024

⁸⁶ *Financial Times*, 5 March 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
HSBC Index Tracker Investment Funds - European Index Fund	9,585,655		Amundi S&P 500 UCITS ETF	21,333,871	
Vanguard UK Short-Term Investment Grade Bond Index Fund	8,878,590		Vanguard FTSE Developed Europe ex UK Equity Index Fund	12,118,854	
HSBC European Index Institutional Income	7,577,441		iShares GBP Bond 0-5yr UCITS ETF	8,341,101	
iShares Core GBP Bond UCITS ETF	5,801,022		HSBC European Index Institutional Income	7,211,590	
Vanguard FTSE All-World UCITS ETF	4,515,064		Vanguard FTSE All-World UCITS ETF	7,031,751	
Robeco Capital Growth Funds - High Yield Bonds	3,893,616		Amundi Japan Topix UCITS ETF	6,605,667	
UBS Lux Fund Solutions - MSCI Japan UCITS ETF	3,880,630		Vanguard USD Treasury Bond UCITS ETF	5,361,348	
Amundi Nasdaq-100 II UCITS ETF	3,414,212		Vanguard UK Short-Term Investment Grade Bond Index Fund	4,491,239	
Xtrackers MSCI Emerging Markets UCITS ETF	3,385,962		Invesco S&P 500 UCITS ETF	4,321,017	
PIMCO Funds: Global Investors Series -Income Fund	2,791,341		Xtrackers MSCI Emerging Markets UCITS ETF	4,260,558	
Xtrackers S&P 500 Swap UCITS ETF	2,499,033		Invesco Physical Gold ETC	3,606,397	
Brown Advisory US Sustainable Growth Fund	2,424,603		Amundi Nasdaq-100 II UCITS ETF	3,460,812	
Amundi Pioneer US Equity Fundamental Growth	2,410,901		HSBC Index Tracker Investment Funds - European Index Fund	3,267,368	
Robeco Capital Growth Funds - Robeco BP U.S. Premium Equities	2,382,404		SPDR FTSE UK All Share UCITS ETF	2,572,812	
iShares UK Equity Index Fund UK	2,209,043		Xtrackers Switzerland UCITS ETF	2,273,865	
Xtrackers Switzerland UCITS ETF	2,181,703		Xtrackers USD Corporate Bond UCITS ETF	1,917,763	
Insight Investment Discretionary Funds ICVC - UK All Maturities Bond Fund	2,003,714		Robeco Capital Growth Funds - High Yield Bonds	1,804,534	
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	2,003,422		Xtrackers S&P 500 Swap UCITS ETF	1,701,353	
Xtrackers USD Corporate Bond UCITS ETF	1,857,578		Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	1,321,424	
MAN GLG Japan CoreAlpha Equity	1,713,512		UBS Lux Fund Solutions - MSCI Japan UCITS ETF	1,128,792	
Total cost of purchases for the year	<u>85,411,707</u>	14	Total proceeds from sales for the year	<u>110,486,179</u>	14

Portfolio statement

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Collective Investment Schemes 93.64% (97.48%)			
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund	5,986,411	8,682,092	3.67
Amundi Pioneer US Equity Fundamental Growth	1,024	2,563,919	1.08
Baillie Gifford Worldwide Japanese Fund	69,382	735,650	0.31
BlackRock Global Funds - Continental European Flexible Fund	59,599	1,819,587	0.77
Brown Advisory US Sustainable Growth Fund	133,116	2,555,364	1.08
Fidelity Investment Funds ICVC - Index UK Fund	10,701,532	18,499,737	7.81
Fidelity Investment Funds ICVC - Sustainable MoneyBuilder Income Fund	6,844,626	2,026,694	0.86
GAM Star Continental European Equity	67,357	1,847,102	0.78
HSBC Index Tracker Investment Funds - European Index Fund	825,661	7,093,254	3.00
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	4,893,360	18,462,647	7.80
HSBC Index Tracker Investment Funds OEIC - UK Gilt Index	262,852	222,373	0.09
Insight Investment Discretionary Funds ICVC - UK All Maturities Bond Fund	623,162	1,425,358	0.60
Invesco Funds-Invesco Sterling Bond Fund	43,623	619,734	0.26
Invesco Physical Gold ETC	21,431	3,628,054	1.53
Invesco S&P 500 UCITS ETF*	27,365	22,209,137	9.38
iShares Core GBP Bond UCITS ETF	48,551	5,994,592	2.53
iShares Emerging Markets Equity Index Fund UK	4,048,022	7,719,627	3.26
iShares GBP Bond 0-5yr UCITS ETF	16,489	1,643,129	0.69
iShares UK Equity Index Fund UK	764,178	2,236,112	0.95
iShares UK Gilts All Stocks Index Fund UK	299,681	426,765	0.18
MAN GLG Japan CoreAlpha Equity	5,851	1,781,395	0.75
PIMCO Funds: Global Investors Series -Income Fund	251,474	2,841,656	1.20
Robeco Capital Growth Funds - High Yield Bonds	18,160	2,331,926	0.99
Robeco Capital Growth Funds - Robeco BP U.S. Premium Equities	6,146	2,468,812	1.04
SPDR FTSE UK All Share UCITS ETF	137,126	8,847,369	3.74
UBS Lux Fund Solutions - MSCI Japan UCITS ETF*	219,446	9,857,514	4.16
Vanguard FTSE All-World UCITS ETF	171,532	17,403,637	7.35
Vanguard FTSE Developed Europe ex UK Equity Index Fund	17,994	7,095,237	3.00
Vanguard FTSE UK All Share Index Unit Trust	29,255	7,689,726	3.25
Vanguard Investment Series - UK Investment Grade Bond Index Fund	13,601	1,295,233	0.55
Vanguard UK Short-Term Investment Grade Bond Index Fund	82,802	9,596,868	4.05
Vanguard USD Treasury Bond UCITS ETF	699,650	12,008,793	5.07
Xtrackers MSCI Emerging Markets UCITS ETF*	250,262	10,682,072	4.51
Xtrackers S&P 500 Swap UCITS ETF	1,914,173	17,407,496	7.35
		221,718,661	93.64
Futures 0.20% (-0.08%)			
E-Mini S&P 500 Jun'24	59	212,790	0.09
Long Gilt Jun '24	45	87,750	0.04

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %		
Futures (continued)					
Euro Stoxx 600 Jun '24	149	60,732	0.02		
Topix Index Jun'24	23	116,971	0.05		
		478,243	0.20		
Options 0.01% (-0.04%)					
S&P 500 Put 4,825 17/5/2024	(10)	(8,795)	(0.01)		
S&P 500 Put 5,075 17/5/2024	10	22,244	0.01		
S&P 500 Put 4,650 19/4/2024	(21)	(3,541)	-		
S&P 500 Put 4,900 19/4/2024	21	6,367	-		
STX 600 Put 475 17/5/2024	(158)	(6,079)	-		
STX 600 Put 500 17/5/2024	158	23,640	0.01		
		33,836	0.01		
			Percentage of total net assets %		
Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	
Forward currency trades 0.08% (0.31%)					
Buy GBP : Sell USD	26/04/2024	£18,679,351	US\$(23,461,034)	109,748	0.05
Buy USD : Sell GBP	26/04/2024	US\$8,000,000	£(6,299,538)	32,528	0.01
Buy USD : Sell GBP	26/04/2024	US\$4,440,000	£(3,470,740)	43,557	0.02
				185,833	0.08
Portfolio of investments				222,416,573	93.93
Net other assets				14,371,979	6.07
Total net assets				236,788,552	100.00

Figures in brackets represent sector distribution at 31 March 2023.

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

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

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

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

Comparative tables

Change in net asset value per share	I Accumulation Shares		
	2024 p	2023 p	2022 p
Opening net asset value per share	244.22	251.71	234.70
Return before operating charges	31.40	(6.12)	18.56
Operating charges	(1.56)	(1.37)	(1.55)
Return after operating charges	29.84	(7.49)	17.01
Distributions	(4.69)	(4.03)	(2.20)
Retained distributions on accumulation shares	4.69	4.03	2.20
Closing net asset value per share	274.06	244.22	251.71
*after direct transaction costs of	0.00	0.00	0.00
Performance	2024	2023	2022
Return after operating charges**	12.22%	(2.98)%	7.25%
Closing net asset value (£'s)	236,788,552	228,350,195	244,560,591
Closing number of shares	86,400,079	93,502,822	97,159,474
Operating charges	0.62%	0.57%	0.61%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	273.9	252.3	262.6
Lowest share price	240.5	228.6	234.0

*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 Atlas Portfolio 6

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		21,828,942		(11,272,802)
Revenue	2	5,194,302		4,840,337	
Expenses	3	(990,584)		(981,966)	
Interest payable and similar charges	4	(9,528)		(10,170)	
Net revenue before taxation		4,194,190		3,848,201	
Taxation	5	163,701		5,433	
Net revenue after taxation			4,357,891		3,853,634
Total return before distributions			26,186,833		(7,419,168)
Distributions	6		(4,194,190)		(3,853,631)
Change in net assets attributable to shareholders from investment activities			21,992,643		(11,272,799)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		228,350,195		244,560,591
Amounts receivable on issue of shares	2,036,255		4,549,455	
Amounts payable on cancellation of shares	(19,713,747)		(13,312,116)	
		(17,677,492)		(8,762,661)
Dilution adjustment		3,545		3,011
Change in net assets attributable to shareholders from investment activities		21,992,643		(11,272,799)
Retained distribution on accumulation shares		4,119,661		3,822,053
Closing net assets attributable to shareholders		236,788,552		228,350,195

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		222,434,988	223,388,506
Current assets:			
Debtors	7	1,697,600	134,662
Cash and bank balances	8	25,890,314	14,030,193
Total assets		<u>250,022,902</u>	<u>237,553,361</u>
Liabilities:			
Investment liabilities		(18,415)	(368,845)
Creditors			
Bank overdrafts	8	(10,576,845)	(8,348,224)
Other creditors	9	(2,639,090)	(486,097)
Total liabilities		<u>(13,234,350)</u>	<u>(9,203,166)</u>
Net assets attributable to shareholders		<u><u>236,788,552</u></u>	<u><u>228,350,195</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised gains/(losses) on non-derivative securities	6,721,976	(2,104,555)
Unrealised gains/(losses) on non-derivative securities	14,841,225	(7,725,379)
Realised (losses)/gains on derivative securities	(595,788)	795,614
Unrealised gains/(losses) on derivative securities	649,070	(316,509)
Currency (losses)/gains	(501,642)	530,948
Realised gains/(losses) on forward currency contracts	1,239,480	(3,781,573)
Unrealised (losses)/gains on forward currency contracts	(518,143)	1,361,115
Transaction charges	(7,236)	(32,463)
Net capital gains/(losses)	<u>21,828,942</u>	<u>(11,272,802)</u>
2. Revenue	2024	2023
	£	£
UK dividends	1,990,708	1,497,628
Overseas UK tax exempt revenue	1,384,979	2,370,723
Overseas UK taxable revenue	954,634	586,390
Unfranked revenue	788,896	322,664
Bank interest	51,549	33,134
Margin interest	10,073	-
Rebates from holdings in Collective Investment Schemes	13,463	29,798
Total revenue	<u>5,194,302</u>	<u>4,840,337</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>900,256</u>	<u>924,200</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>27,034</u>	<u>27,752</u>
Other expenses:		
Audit fees	15,866	13,759
Safe custody fees	45,552	14,792
FCA fee	59	115
Tax service fees	1,817	1,348
	<u>63,294</u>	<u>30,014</u>
Total expenses	<u>990,584</u>	<u>981,966</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	885	1,657
Margin interest	8,643	8,513
Total interest payable and similar charges	<u>9,528</u>	<u>10,170</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation	2024	2023
	£	£
a) Analysis of the tax charge for the year		
Prior year adjustment	-	(5,433)
Deferred tax credit(note 5c)	(163,701)	-
Total tax credit(note 5b)	<u>(163,701)</u>	<u>(5,433)</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	<u>4,194,190</u>	<u>3,848,201</u>
Corporation tax @ 20% (2023 - 20%)	838,838	769,640
Effects of:		
Movement in excess management expenses	(327,402)	4,070
Prior year adjustment	-	(5,473)
Revenue exempt from UK corporation tax	<u>(675,137)</u>	<u>(773,670)</u>
Total tax credit (note 5a)	<u>(163,701)</u>	<u>(5,433)</u>

c) Provision for deferred taxation	2024	2023
	£	£
Opening provision	-	-
Deferred tax credit (note 5a)	<u>(163,701)</u>	-
Closing provision	<u>(163,701)</u>	-

At the year end there is a potential deferred tax asset of £1,238,420 (2023 - £1,402,121) in relation to surplus management expenses. There is evidence that taxable profits may arise in the future, therefore the fund has recognised £163,701 (2023: Nil) of the potential deferred tax asset.

6. Distributions

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

	2024	2023
	£	£
Interim accumulation distributions paid	1,887,351	1,933,380
Final accumulation distributions payable	<u>2,232,310</u>	<u>1,888,673</u>
	4,119,661	3,822,053
Equalisation:		
Amounts deducted on cancellation of shares	82,952	40,554
Amounts added on issue of shares	<u>(8,423)</u>	<u>(8,976)</u>
Distributions	<u>4,194,190</u>	<u>3,853,631</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	4,357,891	3,853,634
Add:		
Undistributed revenue brought forward	82	79
Deduct:		
Undistributed revenue carried forward	(82)	(82)
Deferred tax	(163,701)	-
Distributions	<u>4,194,190</u>	<u>3,853,631</u>

Details of the distribution per share are disclosed in the distribution table on page 187.

7. Debtors	2024	2023
	£	£
Amounts receivable on issue of shares	134,890	-
Sales awaiting settlement	1,197,042	-
Accrued revenue	173,709	122,836
Deferred Tax	163,701	-
Recoverable UK income tax	4,061	1,092
Rebates from holdings in Collective Investment Schemes	24,197	10,734
Total debtors	<u>1,697,600</u>	<u>134,662</u>

8. Cash and bank balances	2024	2023
	£	£
Amount held at futures clearing houses and brokers	713,461	1,271,131
Cash and bank balances	<u>25,176,853</u>	<u>12,759,062</u>
Total cash and bank balances	<u>25,890,314</u>	<u>14,030,193</u>
Bank overdraft*	<u>10,576,845</u>	<u>8,348,224</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 0.20% (2023 - 0.24%).

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

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	526,024	383,977
Purchases awaiting settlement	2,002,447	-
Accrued expenses	<u>110,619</u>	<u>102,120</u>
Total other creditors	<u>2,639,090</u>	<u>486,097</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:

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, at least 85% of the Fund's investments will be accessed indirectly by purchasing units in Collective Investment Schemes. 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 Schemes 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 £22,241,657 (2023 - £22,301,966). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Interest 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 March 2024, 6.47% of the Fund's assets were interest bearing (2023 - 2.49%).

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. Also as the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

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 value of the collectives can therefore be significantly affected by currency movements. 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 £5,618,676 (2023 - £4,854,643). A 5% weakening in GBP would increase the value by £6,210,115 (2023 - £5,365,658).

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 Manager seeks to limit liquidity risk of the Funds by selecting collectives with daily liquidity. In addition, the Manager will invest in a diversified portfolio of collectives with different liquidity profiles.

Funds investing in smaller companies, emerging markets and high yield bonds, hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

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 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.

The Fund writes short dated covered put options over some of the equities which it holds in its investment portfolio. This is a Fundamental part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. Each put option provides the purchaser with any gain achieved on the underlying securities above an agreed price (strike price) at an agreed future date. 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.

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

g) Bond Risk (continued)

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) 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.

i) 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.

j) Stock market risk

Where a Fund invests in the shares of companies (equities) these tend to be more volatile than bonds, but also offer greater potential for growth. The value of the shares in companies may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

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 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 March 2024

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) 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.

m) 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

n) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

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. £470,061 (2023 - £77,339) was due to the ACD at the year end date.

Material shareholders

As at 31 March 2024, 91.8% (2023 - 91.36%) of the shares in issue in the Santander Atlas Portfolio 6 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.

12. Shareholders' funds

The Fund currently has one share class; I 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:

	2024	2023
I Accumulation Shares	No of shares	No of shares
Opening shares in issue	93,502,822	97,159,474
Shares issued in the year	805,867	1,888,888
Shares cancelled in the year	(7,908,610)	(5,545,540)
Closing shares in issue	<u>86,400,079</u>	<u>93,502,822</u>

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	106,584,233	18,415
Observable inputs using market data*	<u>115,850,755</u>	<u>-</u>
	<u>222,434,988</u>	<u>18,415</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

13. Fair value disclosure (continued)

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	222,671,998	356,312
Observable inputs using market data*	716,508	12,533
	<u>223,388,506</u>	<u>368,845</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Collective Investment schemes	85,411,707	-	-	85,411,707	-	-
Total purchases	85,411,707	-	-	85,411,707		
2023	£	£	£	£	%	%
Collective Investment schemes	184,473,531	-	-	184,473,531	-	-
Total purchases	184,473,531	-	-	184,473,531		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Collective Investment schemes	110,486,179	-	-	110,486,179	-	-
Total sales	110,486,179	-	-	110,486,179		
2023	£	£	£	£	%	%
Collective Investment schemes	197,892,958	-	-	197,892,958	-	-
Total sales	197,892,958	-	-	197,892,958		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2023	£	£
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £6,395 (2023 - £3,027) which is 0.00% of the Average NAV of the Fund (2023 - 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% (2023 - 0.10%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 £	
2024			
Australian Dollar	18,656	-	18,656
Euro	69,731	14,726,852	14,796,583
Japanese Yen	71,708	12,469,152	12,540,860
UK Sterling	13,717,133	105,079,227	118,796,360
US Dollar	494,751	90,141,342	90,636,093
2023			
Australian Dollar	19,567	-	19,567
Euro	62,454	-	62,454
Japanese Yen	-	5,354,373	5,354,373
UK Sterling	27,029,247	153,912,051	180,941,298
US Dollar	(21,351,493)	63,323,995	41,972,502

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 £
2024			
Ceca Bank	32,528	32,528	32,528
Goldman Sachs	153,305	153,305	153,305
2023			
JP Morgan	716,508	716,508	716,508

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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Accumulation Shares class has increased from 274.06p to 280.87p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	30.11.23	interim	2.1112	-	2.1112	2.0136
	31.05.24	final	2.5837	-	2.5837	2.0199
Group 2						
	30.11.23	interim	1.4457	0.6655	2.1112	2.0136
	31.05.24	final	0.9959	1.5878	2.5837	2.0199

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 Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary

Investment Objective

The Fund's objective is to provide an income, with some 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 5% per annum, although this is not guaranteed.

Investment Policy

The Fund is actively managed (by the appointed Sub-Investment Manager) and aims to achieve its objectives by investing at least 80% in a wide range of shares in companies listed, at the time of purchase, in the UK. Such companies may also be domiciled, incorporated or conduct a significant part of their business in the UK and can include Real Estate Investment Trusts (a type of property investment company) and other investment trusts.

The Fund may also invest up to 20% in shares in companies listed, at the time of purchase, in developed markets outside of the UK. The Fund will at all times be invested between 85% and 100% in shares.

The Fund may also invest, globally in developed markets, up to 5% in bonds issued by companies, governments, government bodies and supranationals (excluding sub-investment grade bonds), and up to 10% in cash, cash like and other money market instruments. This flexibility may be used at times when, for example, the Sub-Investment Manager believes that the potential returns from exposure to shares generally, or shares in a specific company relative to bonds issued by that company, have become less attractive, or due to adverse market conditions.

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 Fund.

The Fund is managed with reference to the FTSE All Share Index TR as a Constraint Benchmark as further detailed in "Investment Strategy and Process" below.

The Fund has a Risk Category of High in accordance with Santander UK plc's Risk Categorisation Process.

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process

The ACD's investment philosophy is that the Fund's investment objectives can be achieved from appointing a skilled investment manager which focuses on long term investment views. The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and has put in place the investment guidelines which the Sub-Investment Manager must follow.

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. This means that it aims to achieve the Fund's investment objectives by using its discretion to select investments that it believes will deliver income, in particular shares in companies which pay dividends.

The Sub-Investment Manager aims to enhance the natural income from the shares in which the Fund invests by using Derivatives. A key strategy used by the Sub-Investment Manager in this respect is the use of covered call options, where the Fund owns a share and sells the right to buy that share at a specified price within a specified time period, for the purpose of providing additional income to the Fund. It is expected that Derivatives will be used by the Fund regularly for Efficient Portfolio Management and less frequently for Investment Purposes.

As part of its investment process the Sub-Investment Manager will consider a number of factors with a focus on:

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

To help inform its investment views and in addition to its own analysis, the Sub-Investment Manager uses external research as well as a third party screening process which identifies and ranks some of the companies the Fund may invest in based on quality, momentum and value.

An assessment will be completed by the Sub-Investment Manager on investment opportunities before investment decisions are made. Based on its investment views, the Sub-Investment Manager will select shares in companies which it believes will best achieve the Fund's investment objectives. In practice this means the Fund's portfolio will typically consist of shares in companies which offer attractive dividend prospects (with the aim of providing income for the Fund) and also predominantly have good quality and momentum characteristics (which provides the potential for capital growth for the Fund).

The Derivative strategies which the Sub-Investment Manager uses to enhance income may reduce (but not exclude) the potential for capital growth opportunities.

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Investment Strategy and Process (continued)

While the Sub-Investment Manager will favour long term investments and avoid a high turnover of the Fund's portfolio and associated costs which can negatively impact the Fund's performance, it can change the Fund's investments, including to hold shorter term investments, where it believes these will provide income from dividends.

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

Although the Sub-Investment Manager has discretion to select investments, it will typically manage the Fund with a Tracking Error (against the Constraint Benchmark) of up to 6%. This means that although the Sub-Investment Manager does not have to invest in the same assets or in the same amounts, and may hold significantly fewer assets, than those which make up the Constraint Benchmark, some of the Fund's investments will reflect the constituents of the Constraint Benchmark. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 6% provided this is consistent with the investment strategy of the Fund.

Further Information

The Fund will make income distributions to Shareholders on the Distribution Dates listed whilst Shareholders will always receive the income earned by the 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.

The Constraint Benchmark has been selected for the Fund as it is representative of shares listed in the UK and therefore broadly in line with the investment policy of the Fund. The Constraint Benchmark is provided by FTSE International Limited, which is included in the public register of administrators and benchmarks established and maintained by the FCA.

The base currency of the Fund is UK Sterling.

For further information, please refer to the Prospectus.

Sub-Investment Manager

Schroder Investment Management Limited

Risk Profile

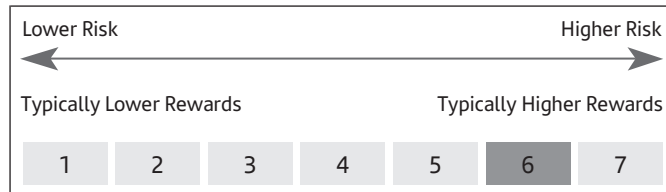
The main risk within the portfolio relates to changes in the prices of securities held. Other risks include: capital erosion risk, counterparty risk, country risk, currency risk, derivatives risk, liquidity risk, income risk; investment style and management risk; smaller and medium sized companies risk;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

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Risk and Reward Indicator



The risk and reward indicator shown above is based on historical data which may not be a reliable indication for the future risk profile of the Fund.

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

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

Performance

Annual Income Delivered

Calculation Date 31/03/2024	Target Annual Income	Annual Income Delivered	Historic Yield
Santander Enhanced Income Portfolio I Accumulation Shares	5.00%	4.90%	4.58%
Santander Enhanced Income Portfolio I Income Shares	5.00%	4.91%	4.71%

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.

Historic Yield: The sum of income payments announced in the previous 12 months, divided by the Fund price as at 31 March 2024.

Capital Growth

Percentage price change from 29 March 2019 to 28 March 2024 (5 years)	
Santander Enhanced Income Portfolio I Accumulation Shares	26.24%
Santander Enhanced Income Portfolio I Income Shares	26.05%
Percentage price change from 31 March 2023 to 28 March 2024 (1 year)	
Santander Enhanced Income Portfolio I Accumulation Shares	9.18%
Santander Enhanced Income Portfolio I Income Shares	9.20%

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

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

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

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Review

UK shares performed well over the 12 months under review,¹ but underperformed their global peers.² Share markets benefited from easing inflation figures, which raised hopes that global central banks would begin to reduce interest rates in 2024.³ Within the UK, larger,⁴ medium-sized⁵ and smaller companies⁶ performed similarly.

Earlier in the period, larger companies on the FTSE 100 Index drove the positive performance, helped by strong oil prices and a weaker pound.⁷ Many of the companies on the FTSE 100 Index get a substantial amount of their revenue from overseas. Therefore, these companies can benefit when the pound falls, as their foreign-currency earnings are worth more when converted back to the pound.

Meanwhile, 'quality' companies (those with strong fundamentals), 'growth' companies (those expected to experience substantial growth in the future) and 'value' companies (those believed to be undervalued that generally have a higher future return potential) performed similarly over the period.⁸

Inflation and interest rates continued to dominate investor sentiment over the 12 months. With consumer prices remaining stubbornly high, the Bank of England (BoE) continued to raise interest rates, with the main bank rate hitting 5.25% in August 2023.⁹ However, inflation fell in June 2024¹⁰ and continued to moderate thereafter.¹¹

As it became clear that its rate rises were helping to lower prices, the BoE kept rates¹² on hold for the remainder of the period. The central bank also hinted that it may begin reducing interest rates, which benefited UK shares into the end of the period.¹³

Although the UK entered a technical recession in the fourth quarter of 2023¹⁴ (two consecutive quarters of negative Gross Domestic Product (GDP) growth), recent figures showed that the economy has performed better than expected.¹⁵

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide an income, with some potential for capital growth, over a period of five or more years. The Fund has a target annual income of 5% (although this isn't guaranteed).

It is actively managed by a sub-investment manager and invests at least 80% in shares in companies listed in the UK, including real estate investment trusts (REITs) and other investment trusts. The Fund can invest up to 20% in shares in companies listed in developed markets outside the UK. It may also be up to 5% invested in high-quality bonds and 10% in cash.

¹ London Stock Exchange, 28 March 2024

² MSCI, 28 March 2024

³ Reuters, 22 March 2024

⁴ London Stock Exchange, 28 March 2024

⁵ London Stock Exchange, 28 March 2024

⁶ Hargreaves Lansdown, 28 March 2024

⁷ Bloomberg, 26 September 2023

⁸ Sub-Investment Manager, 28 March 2024

⁹ Reuters, 3 August 2023

¹⁰ Reuters, 19 July 2023

¹¹ Trading Economics, 28 March 2024

¹² CNBC, 21 March 2024

¹³ Reuters, 22 March 2024

¹⁴ Financial Times, 15 February 2024

¹⁵ CNBC, 10 March 2024

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

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

The fund missed its target annual income of 5%, delivering an income of 4.91% over the accounting period.

This was due to one stock's dividend being accounted for in April 2024 instead of March 2024 due to a change in the ex-dividend date (the date when the price of the stock excludes the entitlement to the dividend payment). The dividend received for the associated stock was distributed by the Fund the following month. The fund would have otherwise achieved its objective to deliver a target annual income of 5%, had this not happened.

Over the 12 months, the Sub-Investment Manager maintained the strategy of investing in high-quality companies of different sizes that they feel have sustainable prospects for dividend growth. The Sub-Investment Manager's strategy results in a bias towards medium sized companies (for example those in the FTSE 250 index).

The Fund's source of dividend income remaining diversified across both sectors and companies over the 12 months. The top five dividend-paying companies over the period were Diversified Energy Company, Polar Capital Holdings, Aker BP, Legal & General Group and HSBC Holdings.

Over the past 12 months through 28 March 2024, the Institutional Accumulation Share Class delivered a return of 9.18%, and the I Income shares returned 9.20%.

The Fund benefited from its positioning in the various sectors within the Constraint Benchmark. In particular, having a higher exposure to the consumer discretionary (non-essential goods and services) and information technology sectors compared to the Constraint Benchmark was particularly helpful, as these sectors outperformed. Meanwhile, having relatively smaller positions, versus the Constraint Benchmark, in the consumer staples (essential products) and materials sectors was beneficial, with these sectors underperforming over the 12 months.

The Sub-Investment Manager's decision to maintain the long-standing holdings in 3i Group, Next and Hollywood Bowl also benefited performance. Additionally, not holding the shares of AstraZeneca, Diageo and Prudential was helpful, as the companies' shares weakened over the period.

These positives more than offset the negative impact of owning the shares of Close Brothers Group, OSB Group and Draw, which all underperformed, as well as not holding the strong-performing shares of Rolls-Royce.

Over the past five years, the Institutional Accumulation Share Class delivered a cumulative return of 26.24%, and the I Income shares cumulatively returned 26.05%.

Over the 12 months, the Sub-Investment Manager purchased new shares in B&M European Value Retail, Clarkson, Macfarlane Group, ME Group International, MoneySuperMarket.com, Shell, TBC Bank and Telecom Plus. Conversely, the Sub-Investment Manager sold the holdings in BHP Group, Eurocell, Diageo, Headlam, Hilton Food Group, Polar Capital Holdings, Redrow, RS Group, Secure Trust Bank, Strix Group, TotalEnergies and XP Power.

Santander Enhanced Income Portfolio

Final Report and Financial Statements for the year ended 31 March 2024

Investment commentary (continued)

Market Outlook

Despite investors recently moderating their expectations for interest-rate cuts, the Sub-Investment Manager remains positive regarding the prospect for UK shares given that they appear relatively cheap compared to other markets.¹⁶ Indeed, a recent survey from PwC revealed that current low valuations may lead to larger-scale merger and acquisition activity.¹⁷

This has been evidenced over recent months, with an agreed merger by FTSE 100 constituent Barratt Developments for its smaller peer Redrow¹⁸ and the start of merger talks between FTSE 100 paper and packaging companies, Mondi and DS Smith.¹⁹

The UK is expected to deliver subdued underlying dividend growth in 2024 due to lower dividend payments from the mining sector. However, the Sub-Investment Manager believes interest rates are set to fall and shares will remain attractive to investors.²⁰

The Sub-Investment Manager continues to believe that the best long-term strategy is to invest in a portfolio of high-quality companies that they feel are capable of growing profitably regardless of the prevailing economic conditions.

Robert McElvanney

Head of UK Front Office

For and on behalf of Santander Asset Management UK Limited

May 2024

¹⁶ *FT*, 26 December 2023

¹⁷ *PwC*, 23 January 2024

¹⁸ *Reuters*, 7 February 2024

¹⁹ *Reuters*, 8 February 2024

²⁰ *Computershare*, 25 January 2024

Summary of material portfolio changes

for the year ended 31 March 2024

Purchases	Cost		Sales	Proceeds	
	£	Note		£	Note
Shell	1,870,417		TotalEnergies	2,021,250	
Unilever	1,156,088		RELX	1,730,000	
RELX	783,776		3i	1,252,999	
HSBC	752,494		Bunzl	1,117,352	
Telecom Plus	544,760		Redrow	888,022	
Moneysupermarket.com	534,537		Berkeley	825,268	
B&M European Value Retail	529,550		BHP	736,157	
Rightmove	511,987		Drax	566,719	
GSK	465,526		Associated British Foods	560,000	
Bunzl	418,568		Hilton Food	535,824	
ME International	406,405		Diageo	509,911	
Ashtead	333,482		Diversified Energy	438,806	
Bioventix	289,269		Roche	437,820	
Clarkson	269,642		RS	428,987	
TBC Bank	267,828		Games Workshop	393,245	
4imprint	263,716		Admiral	390,932	
Dunelm	252,218		Next	387,500	
QinetiQ	250,886		Polar Capital	356,270	
Cranswick	230,847		Secure Trust Bank	318,069	
Rio Tinto	221,199		Strix	292,406	
Total cost of purchases for the year	<u>11,578,476</u>	14	Total proceeds from sales for the year	<u>16,223,841</u>	14

Portfolio statement

as at 31 March 2024

	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Investment			
Equities 98.02% (98.39%)			
Australia nil (1.48%)			
France nil (3.60%)			
Georgia 0.57% (nil)			
TBC Bank	9,474	304,116	0.57
Germany 1.77% (1.17%)			
Sirius Real Estate	971,314	947,031	1.77
Isle of Man nil (0.54%)			
Norway 4.76% (4.36%)			
Aker BP	50,057	985,470	1.85
DNB Bank	98,915	1,551,806	2.91
		<hr/> 2,537,276	4.76
Singapore nil (0.76%)			
Switzerland 0.98% (1.97%)			
Roche	2,586	521,950	0.98
United Kingdom 88.29% (82.61%)			
3i	49,183	1,381,550	2.59
4imprint	17,124	1,085,662	2.03
Admiral	6,367	180,632	0.34
Anglo American	27,780	542,210	1.01
Ashtead	19,556	1,102,567	2.07
Associated British Foods	22,235	555,430	1.04
B&M European Value Retail	94,019	512,968	0.96
Berkeley	19,293	917,961	1.72
Bioventix	17,996	791,824	1.48
Bloomsbury Publishing	127,588	673,665	1.26
Bunzl	8,751	266,730	0.50
Clarkson	7,716	309,026	0.58
Close Brothers	98,169	410,346	0.77
Cranswick	24,931	1,020,675	1.91
Domino's Pizza	131,952	454,706	0.85
Drax	123,311	618,035	1.16
Dunelm	137,108	1,550,691	2.90
FDM	54,144	184,631	0.35
Games Workshop	19,598	1,965,679	3.68

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
United Kingdom (continued)			
Gamma Communications	50,824	693,239	1.30
GSK	150,431	2,570,264	4.81
Hargreaves Lansdown	86,550	636,835	1.19
Hollywood Bowl	367,595	1,211,226	2.27
Howden Joinery	81,692	740,293	1.39
HSBC	458,599	2,838,269	5.31
IMI	24,067	436,816	0.82
Kainos	17,798	171,840	0.32
Legal & General	760,680	1,934,409	3.62
LondonMetric Property	190,043	385,788	0.72
Macfarlane	100,659	134,380	0.25
ME International	318,974	530,773	0.99
Moneysupermarket.com	220,765	485,241	0.91
National Grid	117,590	1,252,921	2.35
Next	13,912	1,284,356	2.41
OSB	345,059	1,301,563	2.44
QinetiQ	248,255	906,131	1.70
RELX	43,307	1,482,832	2.78
Rightmove	142,453	782,922	1.47
Rio Tinto	46,671	2,341,484	4.39
Severfield	403,813	221,289	0.41
Shell	77,643	2,038,129	3.82
Softcat	115,276	1,830,583	3.43
SSE	69,712	1,150,248	2.15
SThree	130,960	563,128	1.05
Telecom Plus	31,919	519,003	0.97
Tritax Big Box REIT	417,212	655,857	1.23
Unilever	62,272	2,475,312	4.64
United Utilities	50,241	516,980	0.97
Vertu Motors	773,891	520,829	0.98
		47,137,928	88.29
United States 1.65% (1.11%)			
Diversified Energy	30,157	285,587	0.53
Somero Enterprises	178,099	596,632	1.12
		882,219	1.65
Total Equities		52,330,520	98.02

Portfolio statement (continued)

as at 31 March 2024

Investment	Holding or nominal value of positions at 31 March	Market value £	Percentage of total net assets %
Investment Trusts 0.73% (0.79%)			
Greencoat UK Wind	280,620	389,781	0.73
		389,781	0.73
Options -0.18% (nil)			
3i Call GBP 26 19 April 24	(14)	(30,940)	(0.06)
3i Call GBP 27 19 April 24	(13)	(16,965)	(0.03)
Admiral Call GBP 27.5 19 April 24	(6)	(7,424)	(0.01)
Anglo American Call GBP 20 19 April 24	(20)	(10,200)	(0.02)
Ashtead Call GBP 60 19 April 24	(6)	(2,160)	-
Bunzl Call GBP 34.5 19 April 24	(5)	-	-
Next Call GBP 92.5 19 April 24	(5)	(8,250)	(0.02)
Next Call GBP 90 19 April 24	(4)	(13,060)	(0.03)
RELX Call GBP 35.25 19 April 24	(11)	(2,118)	-
RELX Call GBP 36 19 April 24	(15)	(975)	-
Unilever Call GBP 40.5 19 April 24	(15)	(4,500)	(0.01)
		(96,592)	(0.18)
Portfolio of investments		52,623,709	98.57
Net other assets		761,572	1.43
Total net assets		53,385,281	100.00

Figures in brackets represent sector distribution at 31 March 2023.

All equity shares are listed ordinary shares unless otherwise stated.

Options are derivative investments and are listed on recognised exchanges.

Comparative tables

Change in net asset value per share	I Income Shares			I Accumulation Shares		
	2024 p	2023 p	2022 p	2024 p	2023 p	2022 p
Opening net asset value per share	193.42	220.34	213.83	213.63	230.57	212.57
Return before operating charges	19.84	(15.23)	19.32	22.59	(15.73)	19.31
Operating charges	(1.11)	(1.13)	(1.25)	(1.25)	(1.21)	(1.31)
Return after operating charges	18.73	(16.36)	18.07	21.34	(16.94)	18.00
Distributions	(9.52)	(10.56)	(11.56)	(10.74)	(11.30)	(11.73)
Retained distributions on accumulation shares	-	-	-	10.74	11.30	11.73
Closing net asset value per share	202.63	193.42	220.34	234.97	213.63	230.57
*after direct transaction costs of	0.23	0.23	0.13	0.26	0.25	0.14
Performance	2024	2023	2022	2024	2023	2022
Return after operating charges**	9.68%	(7.42)%	8.04%	9.99%	(7.35)%	8.47%
Closing net asset value (£'s)	51,547,761	53,603,106	61,532,290	1,837,520	1,911,241	2,036,809
Closing number of shares	25,439,535	27,713,715	27,925,557	782,028	894,635	883,388
Operating charges	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Direct transaction costs*	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
	p	p	p	p	p	p
Highest share price	204.0	224.0	235.2	235.0	233.7	240.5
Lowest share price	182.5	170.1	200.1	207.1	183.1	207.5

*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 Enhanced Income Portfolio

Statement of total return

for the year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital gains/(losses)	1		2,679,636		(7,500,321)
Revenue	2	2,746,193		3,182,448	
Expenses	3	(293,613)		(313,474)	
Interest payable and similar charges	4	(13)		(340)	
Net revenue before taxation		2,452,567		2,868,634	
Taxation	5	(67,737)		(98,060)	
Net revenue after taxation			2,384,830		2,550,574
Total return before distributions			5,064,466		(4,729,747)
Distributions	6		(2,632,498)		(3,040,098)
Change in net assets attributable to shareholders from investment activities			2,431,968		(7,769,845)

Statement of change in net assets attributable to shareholders

for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		55,514,347		63,569,099
Amounts receivable on issue of shares	1,189,349		4,239,940	
Amounts payable on cancellation of shares	(5,855,040)		(4,623,385)	
		(4,665,691)		(383,445)
Dilution adjustment		10,651		(3,734)
Change in net assets attributable to shareholders from investment activities		2,431,968		(7,769,845)
Retained distribution on accumulation shares		94,006		102,272
Closing net assets attributable to shareholders		53,385,281		55,514,347

Balance sheet

as at 31 March 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		52,720,301	54,617,650
Current assets:			
Debtors	7	366,064	494,094
Cash and bank balances	8	2,281,260	2,031,155
Total assets		<u>55,367,625</u>	<u>57,142,899</u>
Liabilities:			
Investment liabilities		(96,592)	(53,359)
Creditors			
Bank overdrafts	8	(1,337,016)	(592,967)
Distributions payable	6	(353,541)	(714,875)
Other creditors	9	(195,195)	(267,351)
Total liabilities		<u>(1,982,344)</u>	<u>(1,628,552)</u>
Net assets attributable to shareholders		<u><u>53,385,281</u></u>	<u><u>55,514,347</u></u>

Notes to the financial statements

for the year ended 31 March 2024

1. Net capital gains/(losses)	2024	2023
	£	£
Realised losses on non-derivative securities	(84,240)	(315,268)
Unrealised gains/(losses) on non-derivative securities	2,667,854	(7,300,356)
Realised gains on derivative securities	194,769	116,104
Unrealised (losses)/gains on derivative securities	(78,178)	21,106
Currency losses	(7,273)	(11,736)
Transaction charges	(13,296)	(10,171)
Net capital gains/(losses)	<u>2,679,636</u>	<u>(7,500,321)</u>
2. Revenue	2024	2023
	£	£
UK dividends	2,089,073	2,098,306
Overseas UK tax exempt revenue	400,994	784,075
Unfranked revenue	80,089	68,399
Option premium revenue	140,949	149,677
Bank interest	8,694	2,016
Scrip dividends	26,394	79,975
Total revenue	<u>2,746,193</u>	<u>3,182,448</u>
3. Expenses	2024	2023
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	<u>268,198</u>	<u>285,311</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	<u>6,437</u>	<u>6,847</u>
Other expenses:		
Audit fees	15,866	18,259
Safe custody fees	1,236	1,594
FCA fee	59	115
Tax service fees	<u>1,817</u>	<u>1,348</u>
	<u>18,978</u>	<u>21,316</u>
Total expenses	<u>293,613</u>	<u>313,474</u>
4. Interest payable and similar charges	2024	2023
	£	£
Overdraft interest	<u>13</u>	<u>340</u>
Total interest payable and similar charges	<u>13</u>	<u>340</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Taxation

	2024	2023
	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	67,737	98,060
Total tax charge(note 5b)	<u>67,737</u>	<u>98,060</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	<u>2,452,567</u>	<u>2,868,634</u>
Corporation tax @ 20% (2023 - 20%)	490,513	573,727
Effects of:		
Movement in excess management expenses	12,779	18,744
Overseas withholding tax	67,737	98,060
Revenue exempt from UK corporation tax	<u>(503,292)</u>	<u>(592,471)</u>
Total tax charge (note 5a)	<u>67,737</u>	<u>98,060</u>

c. Provision for deferred taxation

At the year end there is a potential deferred tax asset of £353,133 (2023 - £340,354) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

	2024	2023
	£	£
Interim income distribution paid	2,172,992	2,221,684
Interim accumulation distributions paid	81,488	77,073
Final income distribution payable	353,541	714,875
Final accumulation distributions payable	<u>12,517</u>	<u>25,199</u>
	2,620,538	3,038,831
Equalisation:		
Amounts deducted on cancellation of shares	15,191	18,250
Amounts added on issue of shares	<u>(3,231)</u>	<u>(16,983)</u>
Distributions	<u>2,632,498</u>	<u>3,040,098</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	2,384,830	2,770,574
Add:		
Undistributed revenue brought forward	(9)	(9)
Expenses paid from capital	293,613	313,474
Deduct:		
Tax relief on expenses paid from capital	(45,945)	(43,950)
Undistributed revenue carried forward	9	9
Distributions	<u>2,632,489</u>	<u>3,040,098</u>

Details of the distribution per share are disclosed in the distribution table on pages 212 and 213.

7. Debtors	2024	2023
	£	£
Amounts receivable on issue of shares	491	19,951
Sales awaiting settlement	-	19,808
Accrued revenue	353,670	434,457
Overseas withholding tax	11,903	19,878
Total debtors	<u>366,064</u>	<u>494,094</u>

8. Cash and bank balances	2024	2023
	£	£
Amount held at futures clearing houses and brokers	305,242	497,116
Cash and bank balances	1,976,018	1,534,039
Total cash and bank balances	<u>2,281,260</u>	<u>2,031,155</u>
Bank overdraft*	<u>1,337,016</u>	<u>592,697</u>

As at 31 March 2024, the weighted average of the floating interest rate on bank balances was 0.44% (2023 - 0.09%).

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

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	138,701	36,120
Purchases awaiting settlement	13,703	190,562
Accrued expenses	42,791	40,669
Total other creditors	<u>195,195</u>	<u>267,351</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 at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK and Europe, generally comprised within the Constraint Benchmark

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

a) Market price risk (continued)

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

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk is monitored by the Manager 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 £5,262,371 (£5,456,430). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

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

As at 31 March 2024, 1.77% of the Fund's assets were interest bearing (2023 - 2.59%).

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

c) Currency risk

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

c) Currency risk (continued)

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.

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 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 are subject to a strict selection process as well as an on-going monitoring to ensure that counterparty risk is minimised.

The Fund writes short dated covered call options over some of the equities which it holds in its investment portfolio. This is a Fundamental part of the Fund's investment policy and strategy which enables it to enhance its revenue through the receipt of option premium. Each call option provides the purchaser with any gain achieved on the underlying securities above an agreed price (strike price) at an agreed future date. 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.

g) Investment style and investment management risk

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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 Manager'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) 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.

j) Smaller and medium sized companies risk

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

k) 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.

l) Stock market risk

Where a Fund invests in the shares of companies (equities) these tend to be more volatile than bonds, but also offer greater potential for growth. The value of the shares in companies may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

m) 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

10. Risk disclosures (continued)

m) Derivatives risk (continued)

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

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

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

n) Leverage risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

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. £160,675 (2023 - £40,062) was due to the ACD at the year end date.

Material shareholders

As at 31 March 2024, 74.3% (2023 - 73.4%) of the shares in issue in the Santander Enhanced 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

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:

	2024	2023
	No of shares	No of shares
I Income Shares		
Opening shares in issue	27,713,715	27,925,557
Shares issued in the year	477,176	1,928,850
Shares cancelled in the year	(2,751,356)	(2,140,692)
Closing shares in issue	<u>25,439,535</u>	<u>27,713,715</u>

	2024	2023
	No of shares	No of shares
I Accumulation Shares		
Opening shares in issue	894,635	883,388
Shares issued in the year	122,277	201,192
Shares cancelled in the year	(234,884)	(189,945)
Closing shares in issue	<u>782,028</u>	<u>894,635</u>

13. Fair value disclosure

	2024	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	<u>52,720,301</u>	<u>96,592</u>
	<u>52,720,301</u>	<u>96,592</u>
	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	<u>54,617,650</u>	<u>53,539</u>
	<u>54,617,650</u>	<u>53,539</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

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
2024	£	£	£	£	%	%
Equities	11,520,264	5,306	52,906	11,578,476	0.05	0.46
Total purchases	11,520,264	5,306	52,906	11,578,476		
2023	£	£	£	£	%	%
Collective Investment schemes	434,475	261	2,176	436,912	0.06	0.50
Equities	14,770,230	6,445	52,954	14,829,629	0.04	0.36
Total purchases	15,207,705	6,706	55,130	15,266,541		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	£	£	£	£	%	%
Equities	16,229,458	(5,524)	(93)	16,223,841	0.03	-
Total sales	16,229,458	(5,524)	(93)	16,223,841		
2023	£	£	£	£	%	%
Equities	15,398,356	(5,315)	(107)	15,392,934	0.03	-
Total sales	15,398,356	(5,315)	(107)	15,392,934		

	Broker Commission	Transfer Taxes
2024	£	£
Total costs from purchases & sales	10,830	52,999
Total costs as % of Average NAV	0.02%	0.10%
2023	£	£
Total costs from purchases & sales	12,021	55,237
Total costs as % of Average NAV	0.02%	0.10%

There were direct transaction costs associated with derivatives in the year of £nil (2023 - nil) which is 0.00% of the Average NAV of the Fund (2023 - 0.00%).

In the case of equity securities broker commissions and transfer taxes are paid by the Fund on each purchase or sale transaction and are a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.16% (2023 - 0.19%) of the transaction value.

Notes to the financial statements (continued)**for the year ended 31 March 2024****15. Post balance sheet events**

Subsequent to the year end, the net asset value per share of the I Income share class has increased from 202.63p to 211.56p and the I Accumulation share class has increased from 234.97p to 249.19p as at 23 July 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 31 March 2024

Distributions on I Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.05.23	monthly	0.7624	-	0.7624	0.9300
	30.06.23	monthly	0.7624	-	0.7624	0.9300
	31.07.23	monthly	0.7624	-	0.7624	0.9300
	31.08.23	monthly	1.2218	-	1.2218	0.9300
	30.09.23	monthly	1.4702	-	1.4702	0.9300
	31.10.23	interim	0.4086	-	0.4086	0.9250
	30.11.23	monthly	0.3080	-	0.3080	0.6954
	31.12.23	monthly	1.1151	-	1.1151	0.4274
	31.01.24	monthly	0.2933	-	0.2933	0.4274
	28.02.24	monthly	0.3089	-	0.3089	0.4274
	31.03.24	monthly	0.7206	-	0.7206	0.4274
	30.04.24	final	1.3897	-	1.3897	2.5795
Group 2	31.05.23	monthly	0.3235	0.4389	0.7624	0.9300
	30.06.23	monthly	0.0000	0.7624	0.7624	0.9300
	31.07.23	monthly	0.0000	0.7624	0.7624	0.9300
	31.08.23	monthly	0.2906	0.9312	1.2218	0.9300
	30.09.23	monthly	0.7647	0.7055	1.4702	0.9300
	31.10.23	interim	0.2275	0.1811	0.4086	0.9250
	30.11.23	monthly	0.1964	0.1116	0.3080	0.6954
	31.12.23	monthly	0.4546	0.6605	1.1151	0.4274
	31.01.24	monthly	0.1517	0.1416	0.2933	0.4274
	28.02.24	monthly	0.2146	0.0943	0.3089	0.4274
	31.03.24	monthly	0.2871	0.4335	0.7206	0.4274
	30.04.24	final	0.4459	0.9438	1.3897	2.5795

Distribution tables (continued)

for the year ended 31 March 2024

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1	31.05.23	monthly	0.8276	-	0.8276	0.9700
	30.06.23	monthly	0.8276	-	0.8276	0.9700
	31.07.23	monthly	0.8276	-	0.8276	0.9700
	31.08.23	monthly	1.4093	-	1.4093	0.9700
	30.09.23	monthly	1.6533	-	1.6533	0.9700
	31.10.23	interim	0.4630	-	0.4630	0.9679
	30.11.23	monthly	0.3497	-	0.3497	0.8155
	31.12.23	monthly	1.2684	-	1.2684	0.4613
	31.01.24	monthly	0.3355	-	0.3355	0.4613
	28.02.24	monthly	0.3539	-	0.3539	0.4613
	31.03.24	monthly	0.8266	-	0.8266	0.4613
	30.04.24	final	1.6005	-	1.6005	2.8167
Group 2	31.05.23	monthly	0.1573	0.6703	0.8276	0.9700
	30.06.23	monthly	0.0000	0.8276	0.8276	0.9700
	31.07.23	monthly	0.0000	0.8276	0.8276	0.9700
	31.08.23	monthly	0.5362	0.8731	1.4093	0.9700
	30.09.23	monthly	0.5627	1.0906	1.6533	0.9700
	31.10.23	interim	0.2860	0.1770	0.4630	0.9679
	30.11.23	monthly	0.3195	0.0302	0.3497	0.8155
	31.12.23	monthly	0.6840	0.5844	1.2684	0.4613
	31.01.24	monthly	0.2698	0.0657	0.3355	0.4613
	28.02.24	monthly	0.2492	0.1047	0.3539	0.4613
	31.03.24	monthly	0.5972	0.2294	0.8266	0.4613
	30.04.24	final	0.5417	1.0588	1.6005	2.8167

Equalisation

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

Accumulation distributions

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

Further information

Report and Accounts

Copies of annual and half-yearly long reports may be requested from the ACD or inspected at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom.

The annual accounting period for the Company ends each year on 31 March, and the interim reporting period ends on 30 September.

The annual reports of the Company are published on or before 31 July and half yearly reports by 30 November each year.

Funds and Share Classes

Fund	Share Classes	ACD's annual management charge
Santander Sterling Bond Portfolio	R Accumulation Shares	0.50%
Santander Max 50% Shares Portfolio	R Accumulation Shares	0.55%
	R Income Shares	0.55%
	S Accumulation Shares	0.55%
Santander Max 70% Shares Portfolio	R Accumulation Shares	0.65%
	S Accumulation Shares	0.65%
Santander Max 100% Shares Portfolio	R Accumulation Shares	0.70%
	S Accumulation Shares	0.70%
Santander Atlas Portfolio 6	I Accumulation Shares	0.40%
Santander Enhanced Income Portfolio	I Accumulation Shares	0.50%
	I 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 month during the accounting period and is reflected in the relevant Share price. Income attributable to income Shares will be paid on the distribution dates as specified in the Prospectus.

Each Class may attract different charges and expenses and so monies may be deducted from the scheme property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Further Classes may be established from time to time by the ACD with the agreement of the Depositary, and where relevant the approval of the FCA, and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, a revised prospectus will be prepared as soon as reasonably practical, setting out the details of such new Fund or Class.

Minimum Investment

The minimum initial investment for all the R and I Share Classes is £500. The minimum initial investment for all the S Share Classes is £10,000,000 and the minimum subsequent investment for all Share Classes is £1.50.

The minimum withdrawal amount for all Share Classes is £1.50, provided a minimum value of £500 remains for the R Share Classes and I Income Share Classes, a minimum value of £1,000,000 remains for the I Accumulation Share Class and a minimum value of £10,000,000 remains for the S Share Classes.

Further information (continued)

Voting Rights

Every Shareholder who (being an individual) is present in person, or (being a corporation) by its properly authorised representative, shall have one vote on a show of hands. A Shareholder may vote in person or by proxy on a poll vote, and any Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

For some resolutions, for example to approve certain amendments to the Instrument of Incorporation, an extraordinary resolution is required. For an extraordinary resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of it.

For other resolutions, an ordinary resolution is required. For an ordinary resolution to be passed, more than 50% of the votes cast at the meeting must be in favour of it.

The rights attached to a Class may only be varied in accordance with the FCA Regulations.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if itself the registered Shareholder, would be entitled to vote and from whom the ACD or its associate has received voting instructions.

Shareholders for the purposes of attending and voting at a meeting means those on the date seven days before the notice of the relevant meeting was sent out, but excludes holders those who are known to the ACD not to be Shareholders at the time of the meeting.

Any joint Shareholders may vote provided that if more than one joint holder of a Share votes, the most senior joint Shareholder in the Register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholder.

Winding Up of the Company or Terminating a Fund

The Company may not be wound up except:

- by the court, as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Regulations.

To wind up the Company under the FCA Regulations, the ACD has to notify the FCA of the proposal, confirming that the Company will be able to meet all its liabilities within the following 12 months.

Under the FCA Regulations the Company must be wound up or a Fund terminated:

- (a) if an extraordinary resolution is passed to that effect;
- (b) if the FCA agrees to a request by the ACD for revocation of the order in respect of the winding up of the Company or termination of a Fund (provided no material change in any relevant factor occurs prior to the date of the relevant revocation);
- (c) on the occurrence of an event specified in the Instrument of Incorporation as triggering a winding up of the Company or termination of a Fund;

Further information (continued)

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

- (d) when the period (if any) fixed for duration of the Company or a particular Fund by the Instrument of Incorporation expires or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example if the Net Asset Value of a Fund is less than £5,000,000 at any time more than one year after the first issue of Shares in that Fund);
- (e) in the case of the Company, on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;
- (f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold scheme property; or
- (g) on the date when all Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- FCA Regulations relating to dealing, valuation, pricing, investment and borrowing will cease to apply to the Company or the Fund;
- the Company will cease to issue and cancel Shares in the Company or the Fund;
- the ACD will cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the Fund;
- no transfer of Shares will be registered and no change to the Register will be made without the sanction of the ACD.
- where the Company is to be wound up, it will cease to carry on its business except as is required for its beneficial winding up; and
- the corporate status and corporate powers of the Company and (subject to the provisions above) the powers of the ACD continue until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate) realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund.

If the ACD has not previously notified Shareholders of the proposals to wind up the Company or to terminate the Fund, it will, as soon as practicable after the commencement of the winding up of the Company or termination of the Fund, give written notice of this commencement to Shareholders. When the ACD has caused all of the relevant property and all of the liabilities of the Company or the particular Fund to be realised, it will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or a particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary will notify the FCA that the winding up or termination has been completed.

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The Auditors will make a report in respect of the final account stating their opinions as to whether it has been properly prepared. This final account and the

Further information (continued)

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

Auditors' report on it must be sent to the FCA and to each affected Shareholder (or the first named of joint Shareholders) within four months of the completion of the winding up or termination.

As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets and any liabilities attributable or allocated to a particular Fund shall be met out of the property attributable, or allocated to, that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Regulations, may be re-allocated by the ACD provided that such re-allocation shall be done in a manner which is fair to Shareholders generally.

Dealing

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

The ACD's delegate, FNZ TA Services Limited, is available to deal with requests from institutional investors to buy, redeem (sell) or switch Shares between 9am and 5pm on each Business Day.

Such applications and instructions may be made by post or electronic means where available. The Shares are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Fund after the receipt by FNZ TA Services Limited of the investor's instructions.

Subject to the ACD's internal approvals for new investors including 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 may be higher or lower than

Further information (continued)

Pricing and dilution adjustment (continued)

the mid-market values used in calculating the Share price, for example due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances this will have an adverse effect on the continuing Shareholders in a Fund. This effect is called “dilution”.

For the purpose of reducing dilution in a Fund, the ACD may make a dilution adjustment to the price of a Share so that it is above or below that which would have resulted from a mid-market valuation of the Fund’s investments. This will give a more accurate value of the actual price paid or received.

A dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Share on an aggregated basis. The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of Shares in a Fund, it is not possible to predict accurately whether dilution will occur at a future point in time or how frequently however, based on historical data, the ACD expects to make a dilution adjustment on most occasions when Shares are issued or redeemed. A typical adjustment, based on historical data, is expected to be between 0% and 2% for the issue and redemption of Shares.

Please refer to the Prospectus for further information.

OCF Cap

A Fund may operate with an “OCF cap” in respect of one or more of its Share Classes. This means that the ongoing charges figure (“OCF”) the Share Class is subject to is set at a fixed maximum amount. Where a Share Class has an OCF cap, if the costs which are included in the OCF calculation exceed the amount of the cap then the ACD will pay any excess out of its own resources. Where the OCF calculation is equal to or below the OCF cap, the Share Class will pay this amount.

A summary of the OCF caps for all Funds can be found below:

Fund	Shares Classes	OCF Cap
Santander Sterling Bond Portfolio	R Accumulation Shares	n/a
Santander Max 50% Shares Portfolio	R Accumulation Shares	1.00%
	R Income Shares	1.00%
	S Accumulation Shares	1.00%
Santander Max 70% Shares Portfolio	R Accumulation Shares	1.10%
	S Accumulation Shares	1.10%
Santander Max 100% Shares Portfolio	R Accumulation Shares	1.15%
	S Accumulation Shares	1.15%
Santander Atlas Portfolio 6	I Accumulation Shares	0.99%
Santander Enhanced Income Portfolio	I Accumulation Shares	n/a
	I Income Shares	n/a

Taxation

The Funds pay corporation tax at 20% on their taxable income less expenses and are generally exempt from capital gains tax.

Where a Fund pays dividend distributions, these are paid without any deduction of tax. The first £1,000 of dividends, including dividend distributions from a Fund, paid to an individual (or, in the case of accumulation Shares, retained in a Fund and

Further information (continued)

Taxation (continued)

reinvested) in any tax year are tax-free (the dividend allowance). Where an individual's total dividends from all sources paid or treated as paid to an individual are more than the dividend allowance in a tax year, then the amount over the allowance is taxable at dividend tax rates which depend on the individual's circumstance.

A Fund which is over 60% invested in interest paying investments for the whole of its distribution period can pay interest distributions, these are generally known as 'bond funds'. The only Fund which is currently a bond fund is Santander Sterling Bond 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 Units and any income from them can fall as well as rise and you may not get back the amount you originally invested. Significant changes in interest rates could also affect the value of your investment and any foreign investments will be affected by fluctuations in rates of currency exchange. Investment in a Fund should generally be viewed as a long-term investment. **Please refer to the Key Investor Information Document for a fuller explanation of the risk warnings.** The most recent Key Investor Information Document may be obtained by visiting www.santanderassetmanagement.co.uk. Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

Appointments

Authorised Corporate Director (ACD), Registrar and Investment Manager

Santander Asset Management UK Limited
287 St Vincent Street
Glasgow G2 5NB, United Kingdom
Authorised and regulated by the Financial Conduct Authority

Directors

Dr Jocelyn Dehnert
Lazaro de Lazaro Torres
Jacqueline Hughes
Pak Chan - resigned 10 June 2024
Miguel Angel Sanchez Lozano
Robert Noach – resigned 8 May 2023
Richard George Royds – appointed 8 May 2023
Cassandra Waller - appointed 15 May 2024

Sub-Investment Managers

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

Santander Asset Management, S.A.,SGIIC
Calle Serrano 69 - 28006
Madrid, Spain
Registered with the Commercial Registry of Madrid and with the Administrative Registry of the Spanish Commission of the Stock Market of Collective Investment Institutions Management Companies.

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU, United Kingdom
Authorised and regulated by the Financial Conduct Authority

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One, 144 Morrison Street,
Edinburgh, EH3 8EX, United Kingdom

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