

## **Santander Equity Income Unit Trust**

Interim report for the six months ended 15 August 2024  
(unaudited)

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\* These items along with the Scheme Investment Objective & Policy and Risk & Reward Indicator collectively constitute the Authorised Funds Manager's ("Manager's Report") Report in accordance with the Collective Schemes Sourcebook.

## Manager's report

*for the six months ended 15 August 2024*

The Santander Equity Income Unit Trust (the "Scheme") is an authorised unit trust scheme, as defined by the Financial Services and Markets Act 2000 under the terms of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

The Manager of the Scheme is Santander Asset Management UK Limited, which is a private company limited by shares incorporated in Scotland. The ultimate holding company of the Manager is Banco Santander S.A., which is incorporated in Spain.

The Financial Conduct Authority has issued the Scheme with an Undertaking for Collective Investment in Transferable Securities ("UCITS") Certificate which allows the Scheme to enjoy the rights conferred by the European Union UCITS Directive.

The use of financial instruments by a securities Fund is set out in COLL. A securities Fund is required to be invested in transferable securities in accordance with any restrictions set out in those regulations and the Scheme's particulars.

The Scheme may hold cash and near cash assets where this may reasonably be regarded as necessary in order to enable: the pursuit of the Scheme's investment objective; the redemptions of units in that Scheme; any other purpose which may reasonably be regarded as ancillary to the objectives of the Scheme. It may borrow, providing such borrowing is on a temporary basis, and does not exceed the limits applicable to the Scheme.

The Manager may enter into derivative or forward transactions for the purposes of efficient portfolio management, including hedging. This is not expected to increase the risk profile of the Scheme.

For further information please refer to the latest Prospectus which is available on [www.santanderassetmanagement.co.uk](http://www.santanderassetmanagement.co.uk).

The Manager is of the opinion it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Scheme consist predominantly of securities which are readily realisable and, accordingly, the Scheme has 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.

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

## Manager's report (continued)

*for the six months ended 15 August 2024*

### Manager'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.



**Cassie Waller**

**Director**

**For and on behalf of Santander Asset Management UK Limited**

**Manager of Santander Equity Income Unit Trust**

**11 October 2024**



**Jacqueline Hughes**

**Director**

## Investment commentary

*for the six months ended 15 August 2024*

### Investment Objective

The Scheme'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 Scheme has a target income (although this is not guaranteed) of at least:

- 90% of the yield of the FTSE All Share Index TR (the "Target Benchmark") over a one year period; and
- 100% of the yield of the Target Benchmark over a rolling three year period.

### Investment Policy

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

The Scheme may also invest, globally in developed markets, up to 5% in investment grade 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 Scheme will typically invest directly. However, the Scheme 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 Manager, 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 Scheme (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 Scheme 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 Scheme.

### Investment Strategy and Process

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

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

## Investment commentary (continued)

*for the six months ended 15 August 2024*

### Investment Strategy and Process (continued)

The Sub-Investment Manager actively manages the Scheme. This means that it aims to achieve the Scheme's investment objectives by using its discretion to select investments that it believes will deliver income, in particular shares in companies which pay dividends.

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 Scheme 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 Scheme's investment objectives. In practice this means the Scheme's portfolio will typically consist of shares in companies which offer attractive dividend prospects (with the aim of providing income for the Scheme) and also predominantly have good quality and momentum characteristics (which provides the potential for capital growth for the Scheme).

While the Sub-Investment Manager will favour long term investments and avoid a high turnover of the Scheme's portfolio and associated costs which can negatively impact the Scheme's performance, it can change the Scheme'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 Scheme with a Tracking Error (against the Target 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 Target Benchmark, some of the Scheme's investments will reflect the constituents of the Target Benchmark. The Tracking Error of the Scheme's portfolio may occasionally (for instance during volatile market conditions) be higher than 6% provided this is consistent with the investment strategy of the Scheme.

### Further Information

The Scheme's target annual income over a one year period will be measured each year from 16 February to its annual accounting date on 15 February. There is no guarantee that the Scheme will achieve its income, or that the distributions will not change throughout the year.

## Investment commentary (continued)

*for the six months ended 15 August 2024*

### Further Information (continued)

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

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

If the Manager considers that the Scheme'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 Scheme, it may implement this change after providing Unitholders with reasonable notice in advance.

The base currency of the Scheme is UK Sterling.

### Sub-Investment Manager

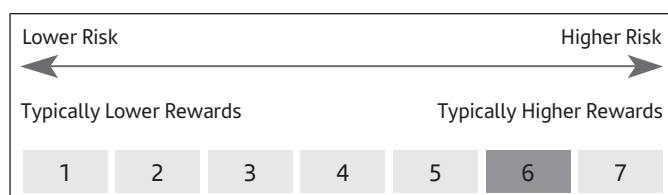
Schroder Investment Management Limited

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

### 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; income risk; investment style and management risk; liquidity risk; smaller and medium sized companies risk and stock market risk. The Manager reviews policies for managing these risks regularly as part of the process for achieving the investment objective. The Scheme does not borrow in the normal course of business.

### Risk and Reward Indicator



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

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.

## Investment commentary (continued)

for the six months ended 15 August 2024

### Performance

#### Yield

1 year	
Santander Equity Income R Income Units	4.27%
Santander Equity Income R Accumulation Units	4.25%
FTSE All-Share Index TR	3.62%
3 years	
Santander Equity Income R Income Units	4.80%
Santander Equity Income R Accumulation Units	4.77%
FTSE All-Share Index TR	3.63%

Please note that the Benchmark was reclassified from Constraint to Target on 30 October 2020.

All figures are to 15 February 2024.

Source BNY Mellon Asset Servicing – The sum of income payments announced in the previous 12 months, divided by the fund price (Historical Yield).

3 year yield figure is an average annual yield.

Benchmark Yield sourced from FTSE Russell.

### Capital Growth

Percentage price change from 15 August 2019 to 15 August 2024 (5 years)	
Santander Equity Income R Income Units	38.17%
Santander Equity Income R Accumulation Units	38.07%
Percentage price change from 15 February 2024 to 15 August 2024 (6 months)	
Santander Equity Income R Income Units	10.75%
Santander Equity Income R Accumulation Units	10.70%

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.



## Investment commentary (continued)

*for the six months ended 15 August 2024*

### Market Review

Over the period, UK equities performed well, with companies across the market capitalisation spectrum performing similarly.<sup>1</sup> The FTSE All-Share,<sup>2</sup> FTSE 100<sup>3</sup> and FTSE 250 indices<sup>4</sup> all ended higher over the six-month period. Meanwhile, the pound strengthened against the US dollar.<sup>5</sup>

This was alongside headline inflation moving steadily down towards the Bank of England (BoE)'s 2% target level – it reached 2.2% during July, which was below forecasts.<sup>6</sup> The BoE's Monetary Policy Committee voted to cut interest rates from 5.25% to 5% during the central bank's August meeting, which marked the first rate cut since March 2020.<sup>7</sup> Nonetheless, BoE governor Andrew Bailey emphasised that further rate cuts this year are not a certainty.<sup>8</sup> Additionally, the UK economy expanded by 0.9% year-on-year during the second quarter of the 2024.<sup>9</sup> All of these factors benefited UK stocks.

Both geopolitical tensions and political uncertainty impacted investor sentiment during the period. The ongoing conflict in the Middle East continues to weigh on sentiment, while the Labour Party's win in July's UK general election has improved the prospect for political stability.<sup>10</sup> This contrasts with political uncertainty elsewhere in Europe and the US.

Meanwhile, the yield on 10-year government bonds in the US and UK fell slightly over the period due to inflation falling towards target levels and the hope that interest rates would soon start to fall. As bond prices move inversely to yields, this meant that government bonds gained over the period. Despite this, UK 'value' stocks (companies that investors believe are undervalued) outperformed UK stocks characterised as 'growth' (companies that are expected to experience substantial growth in the future) and 'quality' (companies with strong fundamentals).

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

The Scheme's objective is to provide an income, with some potential for capital growth, over five years or more. It aims to deliver an annual income of at least 90% of that achieved by its Target Benchmark, the FTSE All-Share Index TR, although this is not guaranteed. Over a rolling three-year period, the Scheme seeks to provide 100% of the income of the index.

The Scheme is managed by a Sub-Investment Manager, who is expected to invest at least 80% of the portfolio in a wide range of shares in companies listed in the UK. The Scheme may also invest up to 20% in shares in developed markets outside the UK. Between 85-100% of the Scheme will always be invested in shares. It may also invest up to 5% globally in highly-rated bonds issued by governments and companies from developed markets and hold up to 10% in cash.

Over the 6 months to 15 August 2024, the income delivered to date is in line with the objective to achieve at least 90% of the yield of the FTSE All Share Index TR at accounting year end.

<sup>1</sup> *Financial Times*, 24 July 2024

<sup>2</sup> *London Stock Exchange*, 15 August 2024

<sup>3</sup> *London Stock Exchange*, 15 August 2024

<sup>4</sup> *London Stock Exchange*, 15 August 2024

<sup>5</sup> *Xe*, 15 August 2024

<sup>6</sup> *Trading Economics*, 15 August 2024

<sup>7</sup> *Bank of England*, 1 August 2024

<sup>8</sup> *Financial Times*, 1 August 2024

<sup>9</sup> *Trading Economics*, 15 August 2024

<sup>10</sup> *Financial Times*, 5 July 2024

## Investment commentary (continued)

*for the six months ended 15 August 2024*

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

For the 12-month period to 15 August 2024, the R Income share class delivered a yield of 4.27%, the R Accumulation share class delivered a yield of 4.25% and the Target Benchmark delivered a yield of 3.62%.

The source of dividend income remains diversified across both sectors and company, with the top-five paying companies over the period being National Grid, Diversified Energy Company, HSBC Holdings, DNB Bank and Rio Tinto. Some portfolio holdings have a lower dividend yield than the market. However, these are businesses that the Sub-Investment Managers believes are high quality with significant dividend growth potential – for example, Rightmove, RELX and Kainos.

Over the 3 years to 15 August 2024, the Scheme delivered on its income goal of meeting at least 100% of the yield of its Target Benchmark – the FTSE All-Share Index. Over this period, the R Income share class delivered an average annual yield of 4.80%, the R Accumulation share class delivered an average annual yield of 4.77% and the Target Benchmark delivered an average annual yield of 3.63%.

Over the 5 years to 15 August 2024, the R Accumulation share class delivered a cumulative return of 38.07% and the R Income share class delivered a cumulative return of 38.17%.

For additional information, over the 6 months to 15 August 2024, the R Accumulation share class returned 10.70% and the R Income shares returned 10.75%. This performance period is not part of the Scheme Objective.

### Market Outlook

The Sub-Investment Manager believes UK shares continue to trade at a significant discount to other major stock markets. They believe valuations are held back by persistent outflows from domestic investors attracted to the relatively high interest rates on cash deposits, as well as greater exposure to the fast-growing technology sector in the US.

It is unclear when these negative impacts will subside, but analysis from Hargreaves Lansdown shows that there have been net inflows into UK mid-cap funds in recent months,<sup>11</sup> which have helped drive better total returns. Many London-listed companies have also been taking advantage of low valuations to buy back their own shares, rather than leaving the company vulnerable to a bid approach from an overseas competitor or private equity company.

The Sub-Investment Manager therefore retains their positive outlook for the UK stock market. However, investors should be prepared for continued volatility given geopolitical risks and possible changes in investor sentiment.

James Ind

**Chief Investment Officer**

**For and on behalf of Santander Asset Management UK Limited**

**September 2024**

<sup>11</sup> Hargreaves Lansdown, 29 July 2024

## Summary of material portfolio changes (unaudited)

for the six months ended 15 August 2024

Purchases	Cost £	Sales	Proceeds £
MONY	1,505,464	Roche	1,799,806
Unite	1,262,100	Ashtead	1,203,280
Computacenter	1,137,988	Redrow	1,115,014
Kainos	675,751	OSB	980,469
Macfarlane	552,591	3i	896,745
Clarkson	548,464	DNB Bank	822,075
National Grid	433,685	Diversified Energy	612,411
Shell	329,608	Bunzl	503,824
Domino's Pizza	289,794	QinetiQ	487,441
Severfield	260,090	RELX	477,888
Hargreaves Lansdown	241,165	Vertu Motors	433,097
HSBC	211,139	Hollywood Bowl	353,898
Sirius Real Estate	195,922	Bloomsbury Publishing	324,970
4imprint	146,435	Berkeley	313,695
Aker BP	145,961	United Utilities	299,345
Somero Enterprises	107,415	Gamma Communications	294,438
		Anglo American	285,062
		Sirius Real Estate	277,721
		B&M European Value Retail	236,576
		LondonMetric Property	180,428
Total cost of purchases for the period	<u>8,043,572</u>	Total proceeds from sales for the period	<u>12,529,509</u>

All purchases during the period are disclosed above.

## Portfolio statement (unaudited)

as at 15 August 2024

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
<b>Equities 100.76% (99.95%)</b>			
<b>Aerospace &amp; Defence 1.70% (1.73%)</b>			
QinetiQ	399,998	1,918,390	1.70
		1,918,390	1.70
<b>Banks 8.38% (8.79%)</b>			
DNB Bank	146,788	2,351,783	2.08
HSBC	987,160	6,472,808	5.73
TBC Bank	20,822	641,318	0.57
		9,465,909	8.38
<b>Biotechnology 1.39% (1.57%)</b>			
Bioventix	36,452	1,567,436	1.39
		1,567,436	1.39
<b>Commercial Services 8.41% (9.75%)</b>			
4imprint	38,452	2,099,479	1.86
Ashtead	26,182	1,389,741	1.23
RELX	138,792	4,934,056	4.37
SThree	272,701	1,073,078	0.95
		9,496,354	8.41
<b>Computers 6.01% (4.27%)</b>			
Computacenter	44,002	1,177,494	1.04
FDM	101,117	430,759	0.38
Kainos	108,930	1,163,372	1.03
Softcat	248,851	4,016,455	3.56
		6,788,080	6.01
<b>Cosmetics &amp; Personal Care 5.39% (4.65%)</b>			
Unilever	127,728	6,092,626	5.39
		6,092,626	5.39
<b>Distribution &amp; Wholesale 0.95% (1.01%)</b>			
Bunzl	18,133	588,597	0.52
Macfarlane	406,258	489,541	0.43
		1,078,138	0.95
<b>Diversified Financial Services 3.72% (4.05%)</b>			
Close Brothers	168,618	822,181	0.73

## Portfolio statement (continued)

as at 15 August 2024

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
<b>Diversified Financial Services (continued)</b>			
Hargreaves Lansdown	159,651	1,753,766	1.55
OSB	412,745	1,623,739	1.44
		4,199,686	3.72
<b>Electricity 7.15% (5.80%)</b>			
Drax	187,053	1,244,838	1.10
National Grid	297,771	2,924,707	2.59
SSE	142,820	2,717,150	2.41
Telecom Plus	65,267	1,190,470	1.05
		8,077,165	7.15
<b>Engineering &amp; Construction 0.85% (0.41%)</b>			
Severfield	1,163,059	958,361	0.85
		958,361	0.85
<b>Food &amp; Beverages 2.10% (1.84%)</b>			
Cranswick	51,021	2,367,374	2.10
		2,367,374	2.10
<b>Home Builders 1.60% (2.74%)</b>			
Berkeley	34,005	1,807,366	1.60
		1,807,366	1.60
<b>Home Furnishings 0.99% (0.91%)</b>			
Howden Joinery	123,595	1,120,389	0.99
		1,120,389	0.99
<b>Insurance 3.70% (4.09%)</b>			
Admiral	21,275	636,761	0.56
Legal & General	1,538,681	3,545,121	3.14
		4,181,882	3.70
<b>Internet 2.65% (1.47%)</b>			
MONY	626,257	1,394,048	1.23
Rightmove	293,339	1,604,564	1.42
		2,998,612	2.65

## Portfolio statement (continued)

as at 15 August 2024

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
<b>Leisure Time 1.87% (2.20%)</b>			
Hollywood Bowl	668,312	2,108,524	1.87
		2,108,524	1.87
<b>Machinery Construction &amp; Mining 1.03% (1.04%)</b>			
Somero Enterprises	369,259	1,163,166	1.03
		1,163,166	1.03
<b>Machinery Diversified 0.78% (0.77%)</b>			
IMI	49,053	875,596	0.78
		875,596	0.78
<b>Media 1.29% (1.26%)</b>			
Bloomsbury Publishing	205,266	1,461,494	1.29
		1,461,494	1.29
<b>Mining 4.02% (4.61%)</b>			
Anglo American	44,704	977,006	0.87
Rio Tinto	74,882	3,557,644	3.15
		4,534,650	4.02
<b>Miscellaneous Manufacturing 1.15% (0.82%)</b>			
ME International	664,019	1,304,133	1.15
		1,304,133	1.15
<b>Oil &amp; Gas 6.54% (6.37%)</b>			
Aker BP	132,423	2,510,535	2.22
Shell	173,629	4,871,161	4.32
		7,381,696	6.54
<b>Pharmaceuticals &amp; Biotechnology 4.41% (6.46%)</b>			
GSK	311,829	4,976,791	4.41
		4,976,791	4.41
<b>Private Equity 4.81% (4.65%)</b>			
3i	173,574	5,431,130	4.81
		5,431,130	4.81

## Portfolio statement (continued)

as at 15 August 2024

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
<b>Real Estate 1.69% (1.56%)</b>			
Sirius Real Estate	1,971,228	1,906,177	1.69
		1,906,177	1.69
<b>Real Estate Investment Trusts 2.92% (1.90%)</b>			
LondonMetric Property	305,962	625,386	0.56
Tritax Big Box REIT	843,832	1,381,353	1.22
Unite	134,488	1,287,723	1.14
		3,294,462	2.92
<b>Retailers 9.14% (9.33%)</b>			
Associated British Foods	71,950	1,798,030	1.59
B&M European Value Retail	155,851	698,212	0.62
Domino's Pizza	352,158	1,068,447	0.95
Dunelm	251,960	3,063,834	2.71
Next	31,688	3,119,367	2.76
Vertu Motors	815,849	575,174	0.51
		10,323,064	9.14
<b>Telecommunications 1.05% (1.12%)</b>			
Gamma Communications	80,534	1,190,293	1.05
		1,190,293	1.05
<b>Toys, Games &amp; Hobbies 3.38% (3.30%)</b>			
Games Workshop	37,273	3,820,483	3.38
		3,820,483	3.38
<b>Transportation 1.04% (0.51%)</b>			
Clarkson	30,248	1,178,160	1.04
		1,178,160	1.04
<b>Water 0.65% (0.97%)</b>			
United Utilities	73,144	733,269	0.65
		733,269	0.65
<b>Total Equities</b>		113,800,856	100.76

## Portfolio statement (continued)

as at 15 August 2024

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
<b>Investment Trusts 0.72% (0.68%)</b>			
Greencoat UK Wind	573,557	811,583	0.72
		811,583	0.72
<b>Portfolio of investments</b>		<b>114,612,439</b>	<b>101.48</b>
<b>Net other assets</b>		<b>(1,669,780)</b>	<b>(1.48)</b>
<b>Total net assets</b>		<b>112,942,659</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 15 February 2024.

All equity shares are listed ordinary shares unless otherwise stated.



## Statistical information (unaudited)

for the six months ended 15 August 2024

		R Income Units		
	15.08.2024	15.02.2024	15.02.2023	15.02.2022
Other information				
Closing net asset value (£)	111,015,673	106,774,240	115,289,762	127,133,300
Closing number of units	50,954,700	53,110,078	55,779,462	57,552,387
Net asset value per units(p)	217.87	201.04	206.69	220.90
Prices				
Highest share price (p)	227.6	208.2	227.8	242.5
Lowest share price (p)	201.7	186.8	172.0	208.3

		R Accumulation Units		
	15.08.2024	15.02.2024	15.02.2023	15.02.2022
Other information				
Closing net asset value (£)	1,926,986	2,486,309	3,446,349	2,787,065
Closing number of units	802,694	1,154,130	1,633,633	1,297,650
Net asset value per units(p)	240.06	215.43	210.96	214.78
Prices				
Highest share price (p)	243.9	219.5	221.5	228.1
Lowest share price (p)	216.1	194.5	172.4	192.7

## Statistical information (continued)

for the six months ended 15 August 2024

### Ongoing Charges Figure (OCF)

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

Expense Type	Period to 15.08.2024	Year to 15.02.2024
<b>R Income Units</b>		
Manager's periodic charge	0.50%	0.50%
Other expenses	0.06%	0.04%
Ongoing charges figure*	0.56%	0.54%
<b>R Accumulation Units</b>		
Manager's periodic charge	0.50%	0.50%
Other expenses	0.06%	0.04%
Ongoing charges figure*	0.56%	0.54%

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

## Financial Statements - Santander Equity Income Unit Trust (unaudited)

### Statement of total return (unaudited)

for the six months ended 15 August 2024

	2024		2023	
	£	£	£	£
Income				
Net capital gains/(losses)		9,261,661		(7,460,415)
Revenue	3,410,071		3,750,171	
Expenses	(315,546)		(296,318)	
Interest payable and similar charges	-		(21)	
Net revenue before taxation	3,094,525		3,453,832	
Taxation	(90,934)		(117,155)	
Net revenue after taxation		3,003,591		3,336,677
Total return before distributions		12,265,252		(4,123,738)
Distributions		(3,293,408)		(3,622,847)
Change in net assets attributable to Unitholders from investment activities		8,971,844		(7,746,585)

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

for the six months ended 15 August 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to Unitholders		109,260,549*		118,736,111
Amounts receivable on issue of Units	1,528,553		2,156,766	
Amounts payable on cancellation of Units	(6,892,344)		(5,879,932)	
		(5,363,791)		(3,723,166)
Dilution adjustment		20,700		(1,717)
Change in net assets attributable to Unitholders from investment activities		8,971,844		(7,746,585)
Retained distribution on accumulation Units		53,357		93,739
Closing net assets attributable to Unitholders		112,942,659		107,358,382*

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

## Balance sheet (unaudited)

as at 15 August 2024

	15 August 2024 £	15 February 2024 £
Assets:		
Fixed assets:		
Investments	114,612,439	109,945,340
Current assets:		
Debtors	713,686	314,298
Cash and bank balances	1,263,530	1,511,633
Total assets	<u>116,589,655</u>	<u>111,771,271</u>
Liabilities:		
Creditors		
Bank overdrafts	-	(499,706)
Distributions payable	(3,161,132)	(1,743,039)
Other creditors	(485,864)	(267,977)
Total liabilities	<u>(3,646,996)</u>	<u>(2,510,722)</u>
<b>Net assets attributable to Unitholders</b>	<u><u>112,942,659</u></u>	<u><u>109,260,549</u></u>

### Accounting policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 February 2024 and are described in those financial statements.

The distribution policies applied are consistent with those of the annual financial statements for the year ended 15 February 2024 and are described in those financial statements.

## Distribution tables (unaudited)

for the six months ended 15 August 2024

Distributions on R Income Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2024	Distribution paid 2023
Group 1	15.10.24	interim	6.2038	-	6.2038	6.3807
Group 2	15.10.24	interim	3.8126	2.3912	6.2038	6.3807

Distributions on R Accumulation Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2024	Distribution paid 2023
Group 1	15.10.24	interim	6.6473	-	6.6473	6.5122
Group 2	15.10.24	interim	1.8778	4.7695	6.6473	6.5122

### Equalisation

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

### Accumulation distributions

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

## Further information

### Report and Accounts

Copies of annual and half-yearly long reports may be requested from the Manager or inspected at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom.

The annual accounting period for the Scheme ends each year on 15 February, and the interim reporting period ends on 15 August.

The annual reports of the Scheme are published on or before 15 June and half yearly reports by 15 October each year.

### Unit Classes

Unit Classes	Manager's annual management charge
R Accumulation Units	0.50%
R Income Units	0.50%

Both accumulation Units (where the investment income is retained) and income Units (where distributions are made to Unitholders) are available.

Income attributable to accumulation Units is automatically added to the capital assets of the Scheme at the end of each interim and annual accounting period and is reflected in the relevant Unit price. Income attributable to income Units will be paid on the distribution dates.

Units go ex-distribution at the close of business on 15 February and 15 August and details of the distribution are issued to all Unitholders on 15 April and 15 October each year. Where accumulation Units are held, no additional Units will be allocated in respect of the distribution, but the price of Units reflects the net distribution re-invested.

Each Unit 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 Scheme will be adjusted accordingly.

Further Classes may be established from time to time by the Manager with the agreement of the Trustee, and where relevant the approval of the FCA, and in accordance with the Trust Deed. On the introduction of any new Class, a revised prospectus will be prepared setting out the details of such new Class.

### Minimum Investment

The minimum initial investment for all Unit Classes is £500.

The minimum subsequent investment for all Unit Classes is £250.

The minimum withdrawal for all Unit Classes is £250.

The minimum holding for all Unit Classes is £500.

## Further information (continued)

### Voting Rights

At any meeting of Unitholders in the Scheme, an extraordinary resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of a show of hands) demanded by the chairman, the Trustee or at least two Unitholders.

On a show of hands every Unitholder who (being an individual) is present in person, or (being a corporation) is present by its representative properly authorised in that regard, will have one vote.

On a poll:

- (a) votes may be given personally or by proxy or in another manner permitted by the relevant Trust Deed;
- (b) the voting rights for each Unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Unit bears to the aggregate price or prices of all of the Units in issue:
  - (i) if any Unit is a participating security, at the time determined in accordance with the FCA Regulations;
  - (ii) otherwise at the date specified in the FCA Regulations; and
- (c) a Unitholder need not use all his votes or cast all his votes in the same way.

In the case of joint Unitholders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint Unitholders and for this purpose seniority will be determined by the order in which the names stand in the Register of the Scheme.

Neither the Manager nor any associate of the Manager will be entitled to vote at any such meeting except in respect of Units which it holds on behalf of, or jointly with, a person who, if himself a registered Unitholder, would be entitled to vote, and from whom it has received voting instructions.

### Winding Up of the Scheme

The Trustee will proceed to wind up the Scheme on the occurrence of any of the following events:

- (a) the order declaring the Scheme to be an authorised unit trust scheme is revoked;
- (b) the FCA has agreed to a request by either the Manager or the Trustee for the revocation of the order declaring the Scheme to be an authorised unit trust scheme, on conclusion of the winding-up of the Scheme;
- (c) the expiration of any period specified in the Trust Deed as the period at the end of which the Scheme concerned is to terminate; or
- (d) the effective date of a duly approved scheme of arrangement which is to result in the Scheme that is subject to the scheme of arrangement being left with no property.

In the event that the Scheme is to be wound up, the procedure for winding up will be as follows:

- In a case falling within (d) above, the Trustee will wind up the Scheme in accordance with the approved scheme of arrangement;
- In any other case, the Trustee must, as soon as practicable after the Scheme falls to be wound up, realise the property of the Scheme and, after paying out, or retaining, adequate provisions for all liabilities properly so payable of such property

## Further information (continued)

### Winding Up of the Scheme (continued)

and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Scheme as at the date of the relevant event specified in (a) (b) or (c) above;

- Any unclaimed net proceeds or other cash held by the Trustee in respect of the Scheme after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court, or as the court may direct, subject to the Trustee having a right to retain any expenses incurred by it in making and relating to that payment into court;
- Where the Trustee and one or more Unitholders in the Scheme agree, the requirement above to realise the Scheme property does not apply to that part of the Scheme property proportionate to the entitlement of that or those Unitholders. The Trustee may distribute that part in the form of property, after making adjustments or retaining provisions as appears to the Trustee appropriate for ensuring that or those Unitholders bear a proportional share of the relevant liabilities and costs;
- On completion of the winding-up, in respect of the events referred to in (b) or (c) above, the Trustee will notify the FCA in writing of that fact and at the same time the Manager or Trustee will request the FCA to revoke the order of authorisation under section 256(1) of the Act.

Once the Scheme falls to be wound up, any unclaimed net proceeds or other cash (including unclaimed distributions) held by the Trustee after the expiration of twelve months from the date on which the same became payable is to be paid by the Trustee into court or as the court may direct, subject to the Trustee having a right to retain from those net proceeds or other cash any expenses incurred in so making the payment.

### Dealing

The Scheme is intended for both retail and institutional investors. Retail investors may only invest in a Scheme through authorised intermediaries such as fund platforms, nominees or a financial advisor (i.e., institutional investors).

The Manager's delegate, FNZ TA Services Limited, is available to deal with requests from institutional investors to buy, redeem (sell) or switch Units between 9am and 5pm on each Business Day.

Such applications and instructions may be made by post or electronic means where available. The Units are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Scheme after the receipt by FNZ TA Services Limited of the investor's instructions.

Subject to the Manager'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 Scheme has been deferred or suspended.

Please refer to the Prospectus for further information.

### Pricing and dilution adjustment

Units are priced on a single mid-market pricing basis in accordance with the FCA Regulations.

The price of a Unit is the Net Asset Value attributable to the relevant Class divided by the number of Units of that Class in issue.



## Further information (continued)

### Pricing and dilution adjustment (continued)

The Net Asset Values attributable to each Class of each Scheme will normally be calculated at 12 noon UK time on each Business Day.

The Manager reserves the right to revalue a Class or Scheme at any time at its discretion.

For the purpose of calculating the price at which Units in a Scheme 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 Scheme's investments may be higher or lower than the mid-market values used in calculating the Unit 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 Unitholders in a Scheme. This effect is called "dilution".

For the purpose of reducing dilution in a Scheme, the Manager may make a dilution adjustment to the price of a Unit so that it is above or below that which would have resulted from a mid-market valuation of the Scheme's investments. This will give a more accurate value of the actual price paid or received.

A dilution adjustment will be applied where a Scheme 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 Scheme, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of Units in a Scheme, 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 Manager expects to make a dilution adjustment on most occasions when Units 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 Units.

Please refer to the Prospectus for further information.

### Taxation

The Schemes pay corporation tax at 20% on their taxable income less expenses and are generally exempt from capital gains tax.

Where a Scheme pays dividend distributions, these are paid without any deduction of tax. The first £1,000 of dividends, including dividend distributions from a Scheme, paid to an individual (or, in the case of accumulation, retained in a Scheme and reinvested) in any tax year are tax-free (the dividend allowance). Where an individual's total dividends from all sources paid or treated as paid to an individual are more than the dividend allowance in a tax year, then the amount over the allowance is taxable at dividend tax rates which depend on the individual's circumstance.

Please refer to the Prospectus for further information.

### Corporation tax

A unit trust distribution received by a Unitholder liable to corporation tax is received as franked revenue to the extent that the revenue of the Scheme consists of franked revenue. The balance of the distribution is received as an annual payment from which tax has been deducted at the basic rate.

## Further information (continued)

### Capital gains tax

Authorised unit trusts are not subject to capital gains tax. A Unitholder is liable to capital gains tax on gains arising on the disposal of Units unless his chargeable gains from all sources in the tax year are less than the annual capital gains tax exemption.

### 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 Scheme should generally be viewed as a long-term investment. **Please refer to the Key Investor Information Document for a fuller explanation of the risk warnings.** The most recent Key Investor Information Document may be obtained by visiting [www.santanderassetmanagement.co.uk](http://www.santanderassetmanagement.co.uk). Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

## Appointments

### Manager and Registrar

Santander Asset Management UK Limited  
287 St Vincent Street  
Glasgow G2 5NB, United Kingdom  
Authorised and regulated by the Financial Conduct Authority

### Directors

Richard Royds  
Miguel Angel Sanchez Lozano  
Dr Jocelyn Dehnert  
Lazaro de Lazaro Torres  
Jacqueline Hughes  
Pak Chan (resigned 10 June 2024)  
Cassandra Waller (appointed 15 May 2024)

### Sub-Investment Manager

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU, United Kingdom  
Authorised and regulated by the Financial Conduct Authority

### Trustee

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  
141 Bothwell St,  
Glasgow G2 7EQ, United Kingdom

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