Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Santander Asset Management

Santander Sterling Government Bond Fund (the "Fund")

A sub-fund of Santander Managed Investments OEIC 2
I Income Share Class (ISIN: GB00BSTLRC01). This Fund is managed by Santander Asset Management UK Limited.
This Fund is authorised in the UK and regulated by the Financial Conduct Authority.

Objectives and investment policy

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) its Target Benchmark (FTSE Actuaries UK Conventional Gilts All Stocks Index TR) measured over a rolling 3 year time period. It is expected that the average outperformance will typically not exceed 0.05% per annum (after fees) over a rolling 3 year period. No level of outperformance is guaranteed.

The Fund is actively managed (discretion is used) by the Sub Investment Manager (Sub-IM) and invests directly in developed markets at least 95% in bonds. At least 80% of the Fund will be in UK Government bonds and up to 20% can be in bonds issued by companies, non-UK governments, supranationals and other non-sovereign entities. At least 95% will be in assets denominated in or hedged to Sterling. The Fund invests in bonds which are, at purchase, investment grade, and up to 5% may be invested in unrated bonds (where the Sub-IM determines they are equivalent to investment grade). Up to 5% of the Fund can be in cash, cash like or other money market instruments. The Fund will regularly use derivatives for efficient portfolio management (including hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with its risk profile. Derivatives will be used less frequently for investment purposes (to help the Fund achieve its investment objective).

The Sub-IM aims to select bonds it views as attractively priced and, overall, will outperform the Target Benchmark. It considers how changing interest rates may impact a bond's value. It will also use tools to assess the impact of key economic and socio-political factors for a forward-looking view on the medium and long-term risk that the UK Government may be unable to meet its bond payment obligations.

The Fund will typically be managed with a Tracking Error (deviation from the Target Benchmark) of up to 1.5%, which may be higher (e. g. in volatile market conditions) if consistent with the investment strategy. The Sub-IM is also subject to some investment restrictions on the overall average time it takes for the Fund's bond income and capital to be paid compared to the Target Benchmark. The Sub-IM does not have to invest in the same assets as the Target Benchmark and the Fund may hold fewer assets than the Target Benchmark but deviation will be restricted. Some investments will reflect the Target Benchmark but the Fund may hold these in materially different amounts. The Authorised Corporate Director (ACD) may consider the Fund's performance against the Target Benchmark when setting remuneration for the individuals responsible for Sub-IM selection and oversight. The Target Benchmark has been selected as it is representative of the Fund's investment in bonds and broadly in line with the investment policy.
Income arising from your investment will be paid to you shortly after 15 February, 15 May, 15 August and 15 November. The level of income from your investment can fluctuate and is not guaranteed. You can buy and sell shares in the Fund on any business day.

Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**



- The lowest risk and reward indicator does not mean risk free. The Fund is rated at 4 due to the nature of the assets it invests in and the extent to which they are affected by the below risks. The value of your investment is not guaranteed and you may get back less than the original amount you invested.
- The following risks are materially relevant to the Fund but not adequately captured in the indicator above:
- Credit Risk: Changes in interest rates or rating of an issuer may affect the performance of fixed income securities.
- Interest Rate Risk: Fluctuating interest rates when a bond is not held until maturity. In a rising interest environment, the market value of a bond would decrease, and vice versa.
- Investment Style & Management Risk: The investment style chosen and the assets selected to deploy this style by the Sub-Investment Manager deliver returns that are inferior to alternative choices.
- Liquidity Risk: The event of an inability to sell assets within the Fund, without incurring a loss of capital, will directly impact the Fund's ability to meet short term financial demands.
- Derivatives Risk: Derivatives are highly sensitive to price movements in the underlying asset. Some derivatives can incur losses or gains that may generate additional volatility in the value of the Fund.
- Counterparty Risk: The insolvency of a derivative counterparty or counterparty providing services to the Fund, such as safekeeping of assets, may expose the Fund to financial losses.
- Biological viruses may cause major interruption to economic activity and significant decline in asset prices.
- The Fund Prospectus section "Risk Factors" contains more information.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

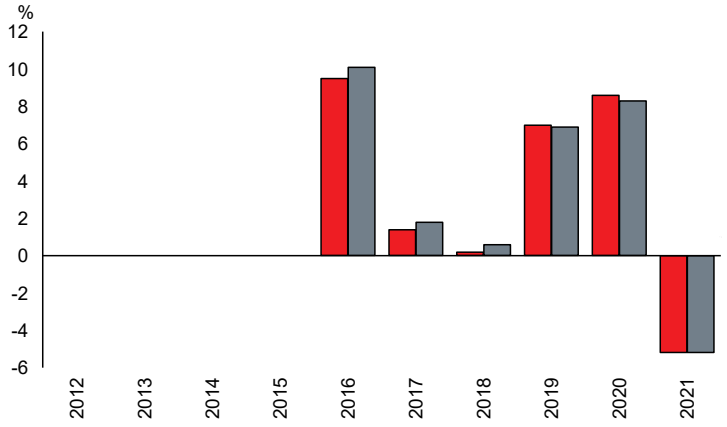
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.33%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The Ongoing Charge Figure (OCF) is based on expenses for the year ending 15 September 2021. This figure may vary from year to year.
- The costs of buying and selling securities are excluded from the OCF, except transaction charges paid to the Custodian of the Fund.
- Our current policy is to charge all fees and expenses to the income of the Fund, and not the capital, other than the costs of buying and selling securities, which are charged to the capital of the Fund.
- More information about charges can be found in the Fund Prospectus section "Fees and Expenses" and Appendix 1.

Past performance



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund					9.5	1.4	0.2	7.0	8.6	-5.2
Index*					10.1	1.8	0.6	6.9	8.3	-5.2

Source: FE fundinfo 2022

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 03/07/2009.
- Share/unit class launch date: 25/03/2015.
- Performance is calculated in GBP.
- The past performance calculation does not include any entry or exit charges if applicable, but does take into account the OCF and the costs of buying and selling securities.
- Whilst the Fund is managed with reference to the Target Benchmark, it does not track an index.
- Please note that the Benchmark was reclassified from Constraint to Target on 7 July 2021. Prior to this date the Fund was not aiming to outperform the Benchmark.
- * FTSE Actuaries UK Conventional Gilts All Stocks

Practical information

- The Depositary is NatWest Trustee & Depositary Services Limited.
- Further information about the Fund can be found in the Prospectus and latest Report and Accounts, which are available free of charge in English on https://toolkit.financialexpress.net/santanderam.
- The Prospectus and the Reports and Accounts are prepared for all of the sub-funds of Santander Managed Investments OEIC 2.
- Each sub-fund of an umbrella OEIC is responsible for meeting its own debts from the assets of that sub-fund. The assets of one sub-fund cannot be used to pay the debts of another sub-fund.
- The latest share price of the Fund is published each business day on https://toolkit.financialexpress.net/santanderam.
- The base currency of the Fund is UK Pound Sterling (GBP).
- The Fund is subject to UK tax laws, which may have an impact on your personal tax position. UK tax laws may be subject to change in the future.
- You can switch your investments from one fund to another within the range of funds offered by Santander Asset Management UK Limited (subject to meeting certain requirements as set out in the relevant prospectus). This may have tax consequences for you.
- For information about the index used in the Target Benchmark, please refer to the Fund Prospectus.
- Details of Santander Asset Management UK Limited's remuneration policy, describing how remuneration and benefits are calculated and the identities of persons responsible for awarding remuneration and benefits, as well as other documents are available on our website www.santanderassetmanagement.co.uk. A paper copy of the website information is available free of charge upon request.
- Santander Asset Management UK Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund Prospectus.