

Santander Equity Income Unit Trust

Interim report for the six months ended 15 August 2023
(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") Report in accordance with the Collective Schemes Sourcebook.

Manager's report

for the six months ended 15 August 2023

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 Fund'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.

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.

Significant Information

Change to the application of swing pricing

The value of a Unitholder's investment can become diluted because of transaction costs linked to other Unitholders buying and selling units in the Schemes. To protect the value of Unitholders' holdings against such dilution, SAM UK applies a "dilution adjustment" (also known as "swing pricing") to the price of the Schemes. In practice, the intent of this adjustment is to cover transaction costs so that existing Unitholders 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 units in a Scheme is adjusted when net buy and sell trades exceed a pre-set threshold each day.

Manager's report (continued)

for the six months ended 15 August 2023

Significant Information (continued)

Change to the application of swing pricing (continued)

(2) Dynamic swing pricing (also known as full swing pricing), where the price of units in a Scheme is adjusted when net buy and sell trades exceed zero each day - i.e. there is no pre-set threshold.

For the period from 16 February 2023 to 21 May 2023, non-dynamic swing pricing applied.

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

(i) provides equal treatment of all Unitholders, irrespective of the size of their transactions; and

(ii) protects existing Unitholders 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 Manager recognises that applying dynamic swing pricing to the price of units in a Scheme at all times will mean that this unit price will swing more often which could cause more volatility. The Manager conducted volatility testing to assess this, which showed that this is unlikely to affect a Scheme's performance.

The Manager is keeping the impact on Scheme performance from the update to the Unit Pricing Policy under regular review, and the appropriateness of the policy in general.

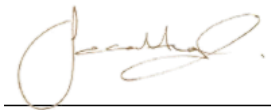
Manager's Statement

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.



Pak Chan
Director

For and on behalf of Santander Asset Management UK Limited
Manager of Santander Equity Income Unit Trust
13 October 2023



Jacqueline Hughes
Director

Investment commentary

for the six months ended 15 August 2023

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 2023

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 2023

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

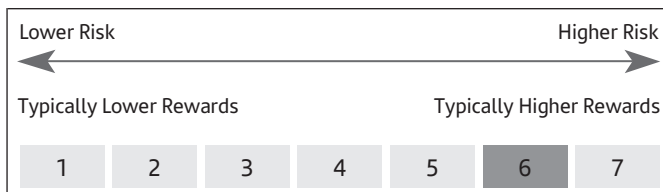
Schroder Investment Management Limited

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 risks within the portfolio relate to changes in the prices of securities held. Other risks include: Equity Risk, Investment Style & Management Risk, Liquidity Risk, Derivatives Risk, Counterparty Risk and Currency 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. 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 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 2023

Performance

Yield

1 year	
Santander Equity Income R Income Units	5.11%
Santander Equity Income R Accumulation Units	5.07%
FTSE All-Share Index TR	3.87%
3 years	
Santander Equity Income R Income Units	4.80%
Santander Equity Income R Accumulation Units	4.77%
FTSE All-Share Index TR	3.37%

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

All figures are to 15 August 2023.

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

Source FTSE Russell – Index dividend yield as at the end of the fund accounting year.

Capital Growth

Percentage price change from 15 February 2023 to 15 August 2023	
Santander Equity Income R Income Units	-4.07%
Santander Equity Income R Accumulation Units	-4.06%
Percentage price change from 15 August 2018 to 15 August 2023	
Santander Equity Income R Income Units	11.57%
Santander Equity Income R Accumulation Units	11.65%

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 2023

Market Review

Stubborn inflation and the expectation that interest rates will stay high for a long time caused UK shares¹ to fall over the period.² Global stock markets, on the other hand, rose³, fuelled by investor interest in technology companies that can potentially benefit from developments in artificial intelligence (AI).⁴

Prices in the UK are climbing faster than in other large, developed economies mainly because the country is heavily dependent on imported food, drink, and gas for electricity, which became more expensive after Russia invaded Ukraine.⁵

Its exit from the European Union (EU) in 2020 means the UK is also suffering the effects of the Ukraine war more than its neighbours due to trade barriers, skill shortages and increased wages.⁶

To tackle inflation, the Bank of England (BoE) raised interest rates four times over the reporting period to reach a 15-year high.⁷ When central banks hike rates, loans become more expensive, which is intended to reduce demand and slow the rate at which prices rise.

While inflation has eased from a 41-year high reached in October last year, it is still above where the BoE needs it to be to ensure the spending power of consumers and businesses isn't further eroded.⁸

In August, the BoE said it expects rates to remain high for at least the next two years. It also warned that rising wages, due to strong demand for labour, and a gradual decline in food prices risk limiting further progress in reducing the pace of price increases. The economy has been able to withstand the higher interest rates, and the BoE predicts that GDP (Gross Domestic Product), a measure used by the government to analyse economic health, will grow in the next three years, albeit below 1%.⁹

A resilient UK economy has also facilitated stronger corporate earnings in the UK, allowing for increased dividend payouts in the period.¹⁰

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.

¹ Reuters, 15 August 2023

² S&P United Kingdom BMI, 15 August 2023

³ S&P Global BMI, 15 August 2023

⁴ The Guardian, 23 July 2023

⁵ Organisation for Economic Co-operation and Development, 3 August 2023

⁶ Reuters, 21 June 2023

⁷ Bank of England, 31 July 2023

⁸ Reuters, 19 July 2023

⁹ The Guardian, 3 August 2023

¹⁰ Trading Economics, 31 August 2023

Investment commentary (continued)

for the six months ended 15 August 2023

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

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.

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.

Over the 6 months to 15 August 2023, 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.

For the 12 month period to 15 August 2023, the R Income share class delivered a yield of 5.11%, the R accumulation share class delivered a yield of 5.07% whilst the FTSE All Share Index TR delivered a yield of 3.87%.

Over the period, all of the Scheme's investments paid a dividend, although mining company payments were lower than the previous year, mainly due to lower commodity prices. The stronger pound also reduced the value of dividends declared in overseas currencies, such as the US dollar.

Over the 3 Years to 15 August 2023, 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 4.77% and the Target Benchmark delivered an average annual yield of 3.37%

Over the past five years, the R Accumulation shares delivered a cumulative return of 11.65%. The R Income shares showed an 11.57% cumulative return.

The FTSE 250, which consists mainly of small- and mid-sized companies, suffered losses of more than 20% in 2022's market downturn. The FTSE 100, comprised of the largest companies on the London stock market, was one of the few indices worldwide to post gains.

For additional information, over the 6 months to 15 August 2023, the R Accumulation share class returned -4.06% and the R Income shares returned -4.07%. This performance period is not part of the Scheme Objective.

Market Outlook

The Scheme's performance is expected to be boosted by companies in the portfolio that have significant potential to increase their dividends.

British companies are among the world's cheapest as negative sentiment towards the UK has triggered sharp discounts on shares. Investors have been spooked by high inflation, Brexit and recent political turmoil – including last September's plans by former Prime Minister Liz Truss to push through tax cuts without the proper funding.¹¹

¹¹ *The Telegraph, 10 July 2023*

Investment commentary (continued)

for the six months ended 15 August 2023

Market Outlook (continued)

The UK's underperformance in 2023, relative to other stock markets, means that shares trade at a significant discount to its peers, which the Sub-Investment Manager believes provides local and international investors an opportunity to buy shares at attractive prices.

One of the main reasons the UK lagged other markets, such as the US, is that it is not home to many large tech firms, and those that are listed on the London Stock Exchange have not performed well.¹²

US stock markets soared after the rise of OpenAI's ChatGPT, a language-based software application that mimics human interaction via a computer or mobile phone¹³. Its arrival spurred interest in tech firms that would benefit from AI, such as chipmakers. The widespread adoption of AI could also help boost economic growth.¹⁴

The pound has been one of the best-performing currencies among the world's biggest economies this year¹⁵, which the sub-investment manager said indicates that the outlook for the UK economy is not all "doom and gloom."

In May, the International Monetary Fund (IMF) revised earlier forecasts that the UK economy will shrink in 2023, predicting instead that solid demand and lower energy prices will help the economy grow 0.4% this year¹⁶.

Robert McElvanney

Head of UK Front Office

For and on behalf of Santander Asset Management UK Limited

October 2023

¹² *CNBC, 8 May 2023*

¹³ *Markets Insider, 8 February 2023*

¹⁴ *Yahoo! Finance, 21 June 2023*

¹⁵ *The Conversation, 17 July 2023*

¹⁶ *Reuters, 25 July*

Summary of material portfolio changes (unaudited)

for the six months ended 15 August 2023

Purchases	Cost £	Sales	Proceeds £
Shell	3,445,405	TotalEnergies	3,970,710
HSBC	2,161,480	Hilton Food	1,324,133
Unilever	1,613,945	The Berkeley	1,075,981
Telecom Plus	1,113,893	Diageo	1,065,158
Rightmove	1,028,549	Drax	772,469
GSK	941,953	Headlam	736,033
Ashtead	775,016	Roche Holding	665,069
Domino's Pizza	632,169	Games Workshop	656,906
4imprint	516,660	Diversified Energy	652,929
Gamma Communications	438,625	Vertu Motors	636,403
Cranswick	400,969	Secure Trust Bank	628,771
Bloomsbury Publishing	329,284	Eurocell	616,185
QinetiQ	310,888	Strix	595,966
Bioventix	231,107	Barclays	580,332
Diversified Energy	82,221	Redrow	577,506
		Polar Capital Holdings	539,743
		Tyman	399,225
		RELX	321,193
		Domino's Pizza	230,137
		Admiral	167,844
Total cost of purchases for the period	<u>14,022,164</u>	Total proceeds from sales for the period	<u>16,678,382</u>

All purchases during the period are disclosed above.

Portfolio statement (unaudited)

as at 15 August 2023

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
Equities 100.53% (99.24%)			
Banks 7.44% (6.15%)			
DNB Bank	217,958	3,432,037	3.20
HSBC	758,070	4,550,694	4.24
		<hr/>	
		7,982,731	7.44
Beverages nil (0.90%)			
Biotechnology 0.97% (0.75%)			
Bioventix	27,803	1,042,612	0.97
		<hr/>	
		1,042,612	0.97
Building Materials nil (1.53%)			
Commercial Services 10.67% (8.64%)			
4imprint	26,012	1,324,011	1.24
Ashthead	49,193	2,717,421	2.53
QinetiQ	472,199	1,446,818	1.35
RELX	186,216	4,748,508	4.42
SThree	341,376	1,215,298	1.13
		<hr/>	
		11,452,056	10.67
Computers 4.53% (4.00%)			
FDM	101,117	585,467	0.55
Kainos	44,918	563,272	0.52
Softcat	248,851	3,715,346	3.46
		<hr/>	
		4,864,085	4.53
Cosmetics & Personal Care 4.82% (3.23%)			
Unilever	127,728	5,171,707	4.82
		<hr/>	
		5,171,707	4.82
Distribution & Wholesale 1.90% (1.92%)			
Bunzl	74,113	2,043,295	1.90
		<hr/>	
		2,043,295	1.90
Diversified Financial Services 5.61% (7.16%)			
Close Brothers	193,480	1,572,025	1.46
Hargreaves Lansdown	191,082	1,497,701	1.39

Portfolio statement (continued)

as at 15 August 2023

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
Diversified Financial Services (continued)			
OSB	647,312	2,454,607	2.29
Polar Capital Holdings	108,919	502,661	0.47
		6,026,994	5.61
Electricity 8.10% (7.92%)			
Drax	368,060	2,075,122	1.93
National Grid	226,212	2,171,183	2.02
SSE	142,820	2,278,693	2.12
Telecom Plus	65,267	1,057,325	0.99
XP Power	48,862	1,109,168	1.04
		8,691,491	8.10
Electronics 0.84% (1.04%)			
RS Group	122,513	903,656	0.84
		903,656	0.84
Engineering & Construction 0.54% (0.45%)			
Severfield	839,447	582,576	0.54
		582,576	0.54
Food & Beverages 1.77% (2.31%)			
Cranswick	51,021	1,657,162	1.55
Hilton Food	34,712	238,124	0.22
		1,895,286	1.77
Home Builders 3.06% (4.23%)			
Redrow	217,000	1,066,772	1.00
The Berkeley	52,606	2,214,713	2.06
		3,281,485	3.06
Home Furnishings 0.87% (0.75%)			
Howden Joinery	123,595	937,344	0.87
		937,344	0.87
Insurance 4.26% (4.48%)			
Admiral	25,447	559,325	0.52
Legal & General	1,777,319	4,018,518	3.74
		4,577,843	4.26

Portfolio statement (continued)

as at 15 August 2023

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
Internet 1.57% (0.55%)			
Rightmove	293,339	1,683,179	1.57
		<hr/> 1,683,179	<hr/> 1.57
Leisure Time 1.44% (1.39%)			
Hollywood Bowl	698,347	1,543,347	1.44
		<hr/> 1,543,347	<hr/> 1.44
Machinery Construction & Mining 1.02% (1.23%)			
Somero Enterprises	360,173	1,098,528	1.02
		<hr/> 1,098,528	<hr/> 1.02
Machinery Diversified 0.70% (0.65%)			
IMI	49,053	755,907	0.70
		<hr/> 755,907	<hr/> 0.70
Media 0.99% (0.65%)			
Bloomsbury Publishing	251,959	1,065,787	0.99
		<hr/> 1,065,787	<hr/> 0.99
Mining 5.01% (6.48%)			
Anglo American	85,734	1,736,114	1.62
Rio Tinto	79,383	3,641,298	3.39
		<hr/> 5,377,412	<hr/> 5.01
Oil & Gas 6.86% (8.00%)			
Aker	134,489	2,852,114	2.66
Diversified Energy	1,233,315	1,116,767	1.04
Shell	143,255	3,391,562	3.16
		<hr/> 7,360,443	<hr/> 6.86
Pharmaceuticals & Biotechnology 5.55% (5.10%)			
GSK	276,517	3,808,192	3.55
Roche Holding	9,147	2,148,597	2.00
		<hr/> 5,956,789	<hr/> 5.55
Private Equity 3.83% (3.12%)			
3i	215,059	4,109,777	3.83
		<hr/> 4,109,777	<hr/> 3.83

Portfolio statement (continued)

as at 15 August 2023

Investment	Holding or nominal value of positions at 15 August	Market value £	Percentage of total net assets %
Real Estate 1.56% (1.48%)			
Sirius Real Estate	2,001,664	1,679,396	1.56
		<hr/> 1,679,396	<hr/> 1.56
Real Estate Investment Trusts 1.76% (1.71%)			
LondonMetric Property	394,751	702,657	0.66
Tritax Big Box REIT	843,832	1,181,365	1.10
		<hr/> 1,884,022	<hr/> 1.76
Retailers 8.74% (8.23%)			
Associated British Foods	79,471	1,563,195	1.46
Domino's Pizza	350,253	1,407,316	1.31
Dunelm	235,154	2,800,684	2.61
Next	36,778	2,558,278	2.38
Vertu Motors	1,480,597	1,055,666	0.98
		<hr/> 9,385,139	<hr/> 8.74
Telecommunications 1.00% (0.60%)			
Gamma Communications	100,783	1,078,378	1.00
		<hr/> 1,078,378	<hr/> 1.00
Toys, Games & Hobbies 4.23% (3.60%)			
Games Workshop	39,655	4,536,532	4.23
		<hr/> 4,536,532	<hr/> 4.23
Water 0.89% (0.99%)			
United Utilities	102,224	956,408	0.89
		<hr/> 956,408	<hr/> 0.89
Total Equities		<hr/> 107,924,205	<hr/> 100.53
Investment Trusts 0.73% (0.79%)			
Greencoat UK Wind	573,557	789,214	0.73
		<hr/> 789,214	<hr/> 0.73

Portfolio statement (continued)

as at 15 August 2023

Portfolio of investments	108,713,419	101.26
Net other assets	(1,355,037)	(1.26)
Total net assets	107,358,382	100.00

Figures in brackets represent sector distribution at 15 February 2023.

All equity shares are listed ordinary shares unless otherwise stated.

Statistical information (unaudited)

as at 15 August 2023

		R Income Units		
	15.08.2023	15.02.2023	15.02.2022	15.02.2021
Other information				
Closing net asset value (£)	104,427,740	115,289,762	127,133,300	126,278,813
Closing number of units	54,077,726	55,779,462	57,552,387	59,420,628
Net asset value per units(p)	193.11	206.69	220.90	212.52
Prices				
Highest share price (p)	215.5	227.8	242.5	227.6
Lowest share price (p)	172.0	172.0	208.3	141.9
		R Accumulation Units		
	15.08.2023	15.02.2023	15.02.2022	15.02.2021
Other information				
Closing net asset value (£)	2,930,642	3,446,349	2,787,065	1,446,696
Closing number of units	1,439,443	1,633,633	1,297,650	735,804
Net asset value per units(p)	203.60	210.96	214.78	196.61
Prices				
Highest share price (p)	214.2	221.5	228.1	202.5
Lowest share price (p)	172.4	172.4	192.7	126.3

Statistical information (continued)

as at 15 August 2023

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 15.08.2023	Year to 15.02.2023
R Income Units		
Manager's periodic charge	0.50%	0.50%
Other expenses	0.04%	0.04%
Ongoing charges figure*	0.54%	0.54%
R Accumulation Units		
Manager's periodic charge	0.50%	0.50%
Other expenses	0.04%	0.04%
Ongoing charges figure*	0.54%	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 2023

	2023		2022	
	£	£	£	£
Income				
Net capital losses		(7,460,415)		(7,666,093)
Revenue	3,750,171		3,869,839	
Expenses	(296,318)		(327,884)	
Interest payable and similar charges	(21)		(949)	
Net revenue before taxation	<u>3,453,832</u>		<u>3,541,006</u>	
Taxation	<u>(117,155)</u>		<u>(98,870)</u>	
Net revenue after taxation		<u>3,336,677</u>		<u>3,442,136</u>
Total return before distributions		<u>(4,123,738)</u>		<u>(4,223,957)</u>
Distributions		<u>(3,622,847)</u>		<u>(3,751,347)</u>
Change in net assets attributable to Unitholders from investment activities		<u><u>(7,746,585)</u></u>		<u><u>(7,975,304)</u></u>

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

for the six months ended 15 August 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to Unitholders		118,736,111*		129,920,365
Amounts receivable on issue of Units	2,156,766		2,717,292	
Amounts payable on cancellation of Units	<u>(5,879,932)</u>		<u>(4,604,519)</u>	
		(3,723,166)		(1,887,227)
Dilution adjustment		(1,717)		3,187
Change in net assets attributable to Unitholders from investment activities		(7,746,585)		(7,975,304)
Retained distribution on accumulation Units		93,739		97,658
Closing net assets attributable to Unitholders		<u><u>107,358,382</u></u>		<u><u>120,158,679*</u></u>

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

Balance sheet (unaudited)

as at 15 August 2023

	15 August 2023 £	15 February 2023 £
Assets:		
Fixed assets:		
Investments	108,713,419	118,769,977
Current assets:		
Debtors	786,143	1,153,826
Cash and bank balances	1,810,668	1,497,143
Total assets	<u>111,310,230</u>	<u>121,420,946</u>
Liabilities:		
Creditors		
Bank overdrafts	(301,210)	-
Distributions payable	(3,450,561)	(2,114,080)
Other creditors	(200,077)	(570,755)
Total liabilities	<u>(3,951,848)</u>	<u>(2,684,835)</u>
Net assets attributable to Unitholders	<u>107,358,382</u>	<u>118,736,111</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 2023 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 2023 and are described in those financial statements.

Distribution tables (unaudited)

for the six months ended 15 August 2023

Distributions on R Income Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
Group 1	15.10.23	interim	6.3807	-	6.3807	6.4295
Group 2	15.10.23	interim	3.9652	2.4155	6.3807	6.4295

Distributions on R Accumulation Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
Group 1	15.10.23	interim	6.5122	-	6.5122	6.2514
Group 2	15.10.23	interim	4.0744	2.4378	6.5122	6.2514

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 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.

The net asset values attributable to each class of the Scheme will normally be calculated at 12 noon UK time on each Business Day.

Further information (continued)

Pricing and dilution adjustment (continued)

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 maybe 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 may be applied where a Scheme is experiencing large levels or trends of issues and sales relative to its size, or in any other circumstances where the Manager is of the opinion that the interests of Unitholders require the imposition of a dilution adjustment.

The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant 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 Shares, 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 revenue from them can fall as well as rise and you may not get back the amount you originally invested. Significant changes in interest rates could also affect the value of your investment and any foreign investments will be affected by fluctuations in rates of currency exchange. Investment in a 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. 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

Robert Noach (resigned 8 May 2023)
Richard Royds (appointed 8 May 2023)
Miguel Angel Sanchez Lozano (appointed 6 February 2023)
Dr Jocelyn Dehnert
Lazaro de Lazaro Torres
Jacqueline Hughes
Pak Chan

Sub-Investment 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
Atria One, 144 Morrison Street
Edinburgh EH3 8EX, United Kingdom

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