Santander Equity Income Unit Trust

Annual report for the year ended 15 February 2024

Contents

* 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 year ended 15 February 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.

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

Remuneration Disclosure (unaudited)

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

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

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

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

Pillar 1 - Sound and Effective Risk Management
Pillar 2 - Long Term Sustainability
Pillar 3 - Competitiveness and Fairness
Pillar 4 - Adequate ratio between fixed and variable pay
Pillar 5 - Transparency

Salary and Benefits Structure

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

Variable Remuneration

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

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

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

SAM UK is required to identify individuals whose professional activities have a material impact on the risk profiles of the UK UCITS it manages (defined as ""Remuneration Code Staff"") and the UK UCITS Remuneration Code requires SAM UK to disclose

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

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

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

The remuneration disclosure has been provided by SAM UK in its capacity as authorised fund manager of UK UCITS as at 31 December 2023. Remuneration information at an individual UK AIF or UCITS level is not readily available. The remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December 2023 with respect to all UK AIFs and UK UCITs it manages. It excludes remuneration paid to Material Risk Takers under the MIFIDPRU Remuneration Code. No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

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

* The remuneration disclosed above is in relation to the remuneration awarded by the SAM UK during the financial year 1 January 2023 to 31 December 2023 and includes Remuneration Code Staff relating to SAM UK's Remuneration Code Staff identified under AIFMD and UK UCITS Remuneration Codes.

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

Assessment of Value

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

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

Manager's report (continued)

for the year ended 15 February 2024

Significant Information (continued)

Assessment of Value (continued)

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

Change to the application of swing pricing

The value of a 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.

(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 2023 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.

Statement of Authorised Unit Trust Manager's responsibilities

The Authorised Unit Trust Manager (the "Manager") of Santander Equity Income Unit Trust (the "Scheme" or the "Trust") is responsible for preparing the annual report and the financial statements in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") and the Scheme's Trust Deed.

COLL requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Scheme and the net revenue and the net capital gains or losses on the property of the Scheme for the period and to comply with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In preparing the financial statements, the Manager is required to:

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

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

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the board of directors of the Manager of the Scheme and authorised for issue on 13 June 2024.

Dr Jocelyn Dehnert
Director
For and on behalf of Santander Asset Management UK Limited
Manager of Santander Equity Income Unit Trust
13 June 2024

Jacqueline Hughes
Director

Report of the Trustee to the Unitholders of Santander Equity Income Unit Trust

Statement of the Trustee's Responsibilities

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Trustee must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

NatWest Trustee and Depositary Services Limited
Edinburgh
June 2024

Independent auditors' report to the Unitholders of Santander Equity Income Unit Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Santander Equity Income Unit Trust (the "Scheme"):

- give a true and fair view of the financial position of the Scheme as at 15 February 2024 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual report, which comprise: the Balance sheet as at 15 February 2024; the Statement of total return and the Statement of change in net assets attributable to Unitholders for the year then ended; the Distribution tables; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

Report on the audit of the financial statements (continued)

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

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

Manager’s Report
In our opinion, the information given in the Manager’s Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

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

In preparing the financial statements, the Manager is responsible for assessing the Scheme’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Scheme, or has no realistic alternative but to do so.

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

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

Based on our understanding of the Scheme/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)
directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Scheme.

Audit procedures performed included:

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

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

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

Use of this report
This report, including the opinions, has been prepared for and only for the Scheme's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Other required reporting (continued)

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
14 June 2024

Investment commentary

for the year ended 15 February 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 maybe 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 year ended 15 February 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 year ended 15 February 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

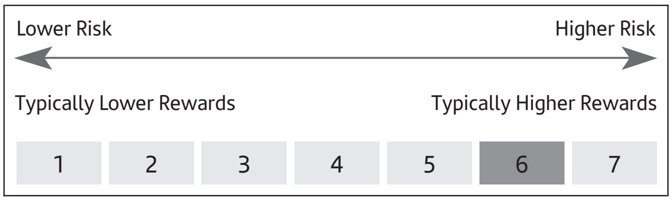
Schroder Investment Management Limited

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 year ended 15 February 2024

Performance

Yield

1 year	
Santander Equity Income R Income Units	4.74%
Santander Equity Income R Accumulation Units	4.64%
FTSE All-Share Index TR	3.89%
3 years	
Santander Equity Income R Income Units	4.91%
Santander Equity Income R Accumulation Units	4.82%
FTSE All-Share Index TR	3.40%

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

All figures are to 15 February 2024.

Scheme Historical Yield sourced from Fund Accounting (BNYM).

Benchmark Yield sourced from FTSE Russell.

Capital Growth

Percentage price change from 15 February 2019 to 15 February 2024 (5 years)	
Santander Equity Income R Income Units	23.90%
Santander Equity Income R Accumulation Units	23.86%
Percentage price change from 15 February 2023 to 15 February 2024 (1 year)	
Santander Equity Income R Income Units	1.45%
Santander Equity Income R Accumulation Units	1.46%

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 year ended 15 February 2024

Market Review

UK shares were down in value over the period under review, although dividend growth was strong.[1] Smaller and medium-sized companies trailed the performance of larger companies for much of the period, driven by uncertainty about the UK economy.[2]

However, a strong finish to the period meant that medium-sized companies, as represented by the FTSE 250 Index, performed only slightly worse than the FTSE All Share Index over the 12 months. Meanwhile, smaller companies, as represented by the FTSE Small Cap Index, performed marginally better.[3]

Market sentiment continued to be dominated by the level of interest rates and inflation. In a bid to tackle persistently high inflation, the Bank of England (BoE) increased interest rates four times over the reporting period to reach a 15-year high of 5.25% in August 2023.[4] However, the central bank maintained interest rates at this level thereafter, with inflation falling to a two-year low in November. [5]

Central banks may increase interest rates as a means to lower inflation, making loans more expensive and savings rates more appealing. This is intended to reduce demand and slow the rate at which prices rise.

Lower-than-expected inflation and investors' hope that the BoE would begin to reduce interest rates[6] drove an improvement in UK shares towards the end of the period. The Sub-Investment Manager believes this helped 'quality' stocks (companies with strong fundamentals and outstanding quality) and 'growth' stocks (companies that are expected to experience substantial growth in the future, often outpacing the overall market) perform better than 'value' stocks (companies that are believed to be undervalued by the market and provide the potential for significant returns in the future).[7]

Meanwhile, despite showing relative resilience early in the period, the UK economy weakened in the latter half of 2023 and the country fell into a technical recession at the end of 2023.[8] This is defined as two consecutive quarters of negative Gross Domestic Product (GDP) growth.

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.

1 *Computershare, 25 January 2024*
2 *FT Adviser, 26 October 2023*
3 *Bloomberg, 15 February 2024*
4 *Reuters, 3 August 2023*
5 *CNBC, 20 December 2023*
6 *FT, 1 February 2024*
7 *Sub-Investment Manager, 15 February 2024*
8 *FT, 15 February 2024*

Investment commentary (continued)

for the year ended 15 February 2024

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

Over the 12 months to 15 February 2024, the Scheme met and exceeded its income goal of meeting at least 90% of the yield of its Target Benchmark – the FTSE All Share Index. Over this period, the R Income share class delivered a yield of 4.74%, the R Accumulation share class delivered a yield of 4.64% and the Target Benchmark delivered a yield of 3.89%.

The source of dividend income remained diversified across both sectors and companies for the portfolio. The top five dividend-paying companies over the period included Diversified Energy Company, Polar Capital, OSB Group, Aker BP and Legal & General.

Over the period, all portfolio holdings continued to pay dividends. While some of these were lower than the market average, the Sub-Investment Manager believes these companies are high-quality growth businesses that also have significant dividend growth potential, such as Rightmove, RELX, Kainos and Ashtead Group.

The portfolio's longstanding holdings in certain companies helped performance over the 12 months, including 3i Group, RELX and Softcat. Not owning shares in AstraZeneca and Prudential also proved beneficial, as the share prices of both companies fell. However, owning shares in Close Brothers Group and XP Power was negative for performance, as was not holding a position in Rolls-Royce, which performed well.

In terms of activity over the 12 months, the Sub-Investment Manager bought shares in B&M European Value Retail, Clarkson, ME Group, Shell, TBC Bank and Telecom Plus. On the other hand, the Sub-Investment Manager sold the holdings in Eurocell, Diageo, Headlam, Hilton Food Group, Polar Capital, RS Group, Secure Trust Bank, Strix, TotalEnergies and XP Power.

Over the three years to 15 February 2024, the Scheme met and exceeded 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 4.91%, the R Accumulation share class delivered an average annual yield of 4.82% and the Target Benchmark delivered an average annual yield of 3.40%.

Over the past five years to 15 February 2024, the R Accumulation share class delivered a cumulative return of 23.86% and the R Income share class delivered a cumulative return of 23.90%.

Over the past year to 15 February 2024, the R Accumulation share class delivered a return of 1.46% and the R Income share class delivered a return of 1.45%.

Market Outlook

The Sub-Investment Manager remains positive regarding the prospect for UK shares given that they appear relatively cheaper compared to other stock markets.[9] A recent survey from PwC revealed that current low valuations may lead to larger-scale

[9] FT, 26 December 2023

Investment commentary (continued)

for the year ended 15 February 2024

Market Outlook (continued)

merger and acquisition activity.[10] This was evidenced in the first few days of February 2024, with an agreed merger by FTSE 100 constituent Barratt Developments for its smaller peer Redrow[11] and the start of merger talks between FTSE 100 paper and packaging companies Mondi and DS Smith.[12]

Shares in the UK are expected to deliver subdued underlying dividend growth of just 2% in 2024 due to lower dividend payments from the mining sector. However, the Sub-Investment Manager believes interest rates are set to fall and UK shares will remain attractive to investors.[13]

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

Robert McElvanney
Head of UK Front Office
For and on behalf of Santander Asset Management UK Limited
March 2024

[10] *PwC, 23 January 2024*
[11] *Reuters, 7 February 2024*
[12] *Reuters, 8 February 2024*
[13] *Computershare, 25 January 2024*

Summary of material portfolio changes

for the year ended 15 February 2024

Purchases	Cost £	Note	Sales	Proceeds £	Note
Shell	3,903,327		TotalEnergies	3,970,710	
HSBC	3,388,942		Drax	1,769,790	
Unilever	1,613,945		The Berkeley	1,671,684	
GSK	1,451,876		Hilton Food	1,560,918	
B&M European Value Retail	1,119,833		RELX	1,335,452	
Telecom Plus	1,113,893		Bunzl	1,249,516	
Rightmove	1,028,549		Diageo	1,065,158	
4imprint	970,378		Polar Capital Holdings	1,022,104	
ME International	846,027		RS	1,002,643	
Ashtead	775,016		Games Workshop	922,577	
Domino's Pizza	632,169		Redrow	867,033	
Clarkson	561,611		Headlam	736,033	
TBC Bank	558,609		Diversified Energy	708,051	
Bioventix	554,927		Roche Holding	665,069	
Gamma Communications	438,625		Vertu Motors	636,403	
QinetiQ	413,407		Secure Trust Bank	628,771	
Cranswick	400,969		XP Power	623,643	
Bloomsbury Publishing	329,284		Eurocell	616,184	
Hollywood Bowl	221,758		Anglo American	615,630	
Sirius Real Estate	221,178		Strix	595,966	
Total cost of purchases for the year	20,814,150	16	Total proceeds from sales for the year	26,919,050	16

Portfolio statement

as at 15 February 2024

Investment	Holding or nominal value of positions at 15 February	Market value £	Percentage of total net assets %
Equities 99.95% (99.24%)			
Aerospace & Defence 1.73% (1.12%)			
QinetiQ	504,304	1,892,149	1.73
		1,892,149	1.73
Banks 8.79% (6.15%)			
DNB Bank	199,081	3,052,412	2.79
HSBC	956,778	5,994,214	5.49
TBC Bank	19,760	560,196	0.51
		9,606,822	8.79
Beverages nil (0.90%)			
Biotechnology 1.57% (0.75%)			
Bioventix	36,452	1,713,244	1.57
		1,713,244	1.57
Building Materials nil (1.53%)			
Commercial Services 9.75% (7.52%)			
4imprint	35,715	1,925,039	1.76
Ashtead	47,894	2,513,477	2.30
RELX	152,893	5,066,874	4.64
Sthree	272,701	1,148,071	1.05
		10,653,461	9.75
Computers 4.27% (4.00%)			
FDM	101,117	424,186	0.39
Kainos	44,918	494,547	0.45
Softcat	248,851	3,742,719	3.43
		4,661,452	4.27
Cosmetics & Personal Care 4.65% (3.23%)			
Unilever	127,728	5,084,852	4.65
		5,084,852	4.65
Distribution & Wholesale 1.01% (1.92%)			
Bunzl	34,787	1,106,574	1.01
		1,106,574	1.01

Portfolio statement (continued)

as at 15 February 2024

Investment	Holding or nominal value of positions at 15 February	Market value £	Percentage of total net assets %
Diversified Financial Services 4.05% (7.16%)			
Close Brothers	193,480	596,692	0.54
Hargreaves Lansdown	137,373	1,144,042	1.05
OSB	647,312	2,686,345	2.46
		4,427,079	4.05
Electricity 5.80% (7.92%)			
Drax	187,053	815,738	0.75
National Grid	230,533	2,326,078	2.13
SSE	142,820	2,264,411	2.07
Telecom Plus	65,267	929,402	0.85
		6,335,629	5.80
Electronics nil (1.04%)			
Engineering & Construction 0.41% (0.45%)			
Severfield	839,447	448,265	0.41
		448,265	0.41
Food & Beverages 1.84% (2.31%)			
Cranswick	51,021	2,014,309	1.84
		2,014,309	1.84
Home Builders 2.74% (4.23%)			
Redrow	167,772	1,116,523	1.02
The Berkeley	40,239	1,878,356	1.72
		2,994,879	2.74
Home Furnishings 0.91% (0.75%)			
Howden Joinery	123,595	988,266	0.91
		988,266	0.91
Insurance 4.09% (4.48%)			
Admiral	25,447	656,787	0.60
Legal & General	1,605,253	3,810,871	3.49
		4,467,658	4.09
Internet 1.47% (0.55%)			
Rightmove	293,339	1,610,431	1.47
		1,610,431	1.47

Portfolio statement (continued)

as at 15 February 2024

Investment	Holding or nominal value of positions at 15 February	Market value £	Percentage of total net assets %
Leisure Time 2.20% (1.39%)			
Hollywood Bowl	776,658	2,407,640	2.20
		2,407,640	2.20
Machinery Construction & Mining 1.04% (1.23%)			
Somero Enterprises	334,280	1,129,866	1.04
		1,129,866	1.04
Machinery Diversified 0.77% (0.65%)			
IMI	49,053	835,373	0.77
		835,373	0.77
Media 1.26% (0.65%)			
Bloomsbury Publishing	251,959	1,378,216	1.26
		1,378,216	1.26
Mining 4.61% (6.48%)			
Anglo American	59,417	1,049,898	0.96
Rio Tinto	74,882	3,988,964	3.65
		5,038,862	4.61
Miscellaneous Manufacturing 0.82% (nil)			
ME International	664,019	892,442	0.82
		892,442	0.82
Oil & Gas 6.37% (8.00%)			
Aker	125,103	2,425,250	2.22
Diversified Energy	58,476	546,458	0.50
Shell	161,988	3,990,574	3.65
		6,962,282	6.37
Pharmaceuticals & Biotechnology 6.46% (5.10%)			
GSK	311,829	5,185,092	4.75
Roche Holding	9,147	1,873,482	1.71
		7,058,574	6.46
Private Equity 4.65% (3.12%)			
3i	208,986	5,074,180	4.65
		5,074,180	4.65

Portfolio statement (continued)

as at 15 February 2024

Investment	Holding or nominal value of positions at 15 February	Market value £	Percentage of total net assets %
Real Estate 1.56% (1.48%)			
Sirius Real Estate	2,053,636	1,707,598	1.56
		1,707,598	1.56
Real Estate Investment Trusts 1.90% (1.71%)			
LondonMetric Property	399,861	754,537	0.69
Tritax Big Box REIT	843,832	1,317,222	1.21
		2,071,759	1.90
Retailers 9.33% (8.23%)			
Associated British Foods	79,471	1,815,912	1.66
B&M European Value Retail	198,761	1,009,308	0.93
Domino's Pizza	267,964	943,233	0.86
Dunelm	251,960	2,733,766	2.50
Next	32,570	2,735,229	2.51
Vertu Motors	1,480,597	953,505	0.87
		10,190,953	9.33
Telecommunications 1.12% (0.60%)			
Gamma Communications	100,783	1,223,506	1.12
		1,223,506	1.12
Toys, Games & Hobbies 3.30% (3.60%)			
Games Workshop	37,273	3,609,890	3.30
		3,609,890	3.30
Transportation 0.51% (nil)			
Clarkson	16,071	558,467	0.51
		558,467	0.51
Water 0.97% (0.99%)			
United Utilities	102,224	1,063,641	0.97
		1,063,641	0.97
Total Equities		109,208,319	99.95
Investment Trusts 0.68% (nil)			
Greencoat UK Wind	573,557	737,021	0.68
		737,021	0.68

Portfolio statement (continued)

as at 15 February 2024

Portfolio of investments	**109,945,340**	**100.63**
Net other assets	**(684,791)**	**(0.63)**
Total net assets	**109,260,549**	**100.00**

Figures in brackets represent sector distribution at 15 February 2023.

All equity shares are listed ordinary shares unless otherwise stated.

Comparative tables

Change in net asset value per Unit	R Income Units			R Accumulation Units		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
	p	**p**	**p**	**p**	**p**	**p**
Opening net asset value per Unit	206.69	220.90	212.52	210.96	214.78	196.61
Return before operating charges	5.08	(2.89)	21.21	5.58	(2.73)	19.30
Operating charges	(1.07)	(1.10)	(1.25)	(1.11)	(1.09)	(1.13)
Return after operating charges	4.01	(3.99)	19.96	4.47	(3.82)	18.17
Distributions	(9.66)	(10.22)	(11.58)	(9.97)	(10.05)	(10.84)
Retained distributions on accumulation Units	-	-	-	9.97	10.05	10.84
Closing net asset value per Unit	201.04	206.69	220.90	215.43	210.96	214.78
*after direct transaction costs of	0.21	0.17	0.30	0.21	0.17	0.28
Performance	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
Return after operating charges**	1.94%	(1.81)%	9.39%	2.12%	(1.78)%	9.24%
Closing net asset value (£'s)	106,774,240	115,289,762	127,133,300	2,486,309	3,446,349	2,787,065
Closing number of Units	53,110,078	55,779,462	57,552,387	1,154,130	1,633,633	1,297,650
Operating charges	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%
Direct transaction costs*	0.10%	0.08%	0.13%	0.10%	0.08%	0.13%
	p	**p**	**p**	**p**	**p**	**p**
Highest Unit price	208.2	227.8	242.5	219.5	221.5	228.1
Lowest Unit price	186.8	172.0	208.3	194.5	172.4	192.7

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

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

Financial Statements - Santander Equity Income Unit Trust

Statement of total return

for the year ended 15 February 2024

	Note	2024		2023	
		£	£	£	£
Income					
Net capital losses	3		(2,840,538)		(7,672,063)
Revenue	4	5,626,937		6,160,581	
Expenses	5	(587,142)		(628,605)	
Interest payable and similar charges	6	(26)		(1,526)	
Net revenue before taxation		5,039,769		5,530,450	
Taxation	7	(158,086)		(175,952)	
Net revenue after taxation			4,881,683		5,354,498
Total return before distributions			2,041,145		(2,317,565)
Distributions	8		(5,439,359)		(5,949,238)
Change in net assets attributable to Unitholders from investment activities			(3,398,214)		(8,266,803)

Statement of change in net assets attributable to Unitholders

for the year ended 15 February 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to Unitholders		118,736,111		129,920,365
Amounts receivable on issue of Units	4,851,325		6,127,045	
Amounts payable on cancellation of Units	(11,087,785)		(9,197,374)	
		(6,236,460)		(3,070,329)
Dilution adjustment		25,437		(6,795)
Change in net assets attributable to Unitholders from investment activities		(3,398,214)		(8,266,803)
Retained distribution on accumulation Units		133,675		159,673
Closing net assets attributable to Unitholders		109,260,549		118,736,111

Balance sheet

as at 15 February 2024

	Note	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		109,945,340	118,769,977
Current assets:			
Debtors	9	314,298	1,153,826
Cash and bank balances	10	1,511,633	1,497,143
Total assets		111,771,271	121,420,946
Liabilities:			
Creditors			
Bank overdrafts	10	(499,706)	-
Distributions payable	8	(1,743,039)	(2,114,080)
Other creditors	11	(267,977)	(570,755)
Total liabilities		(2,510,722)	(2,684,835)
Net assets attributable to Unitholders		109,260,549	118,736,111

Notes to the financial statements

for the year ended 15 February 2024

1. Accounting policies

a) Basis of preparation

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

As described in the Manager's Report on page 2, the Manager continues to adopt the going concern basis in preparation of the financial statements.

b) Valuation of investments

Fair Value Hierarchy - Valuation techniques

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

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

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

All investments are valued at market value at close of business on 15 February 2024. Market value is defined by the SORP as fair value, which generally is the bid value of each security.

c) Foreign exchange

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

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

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

d) Revenue

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

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

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

1. Accounting policies (continued)

d) Revenue (continued)

Interest on bank deposits is recognised on an earned basis.

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

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

e) Expenses

All expenses are paid out of the property of the Scheme as they are incurred. These can be paid from revenue or capital dependent on the specific investment objective of the Scheme. Expenses payable from the revenue of the Scheme are included in the final distribution. Expenses payable from capital property of the Scheme may constrain the capital growth of the Scheme.

Management fees are charged to the relevant unit class against revenue and are then reallocated to capital. All other expenses are charged against capital property in the relevant unit class (from 27 September 2021 - previously paid from income).

Audit fees relate to audit of the Scheme's financial statements.

f) Taxation

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

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

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

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

g) Efficient portfolio management

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

Notes to the financial statements (continued)

for the year ended 15 February 2024

1. Accounting policies (continued)

h) Cash flow statement

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

i) Dilution Adjustment

The Manager may require a dilution adjustment on the sale and redemption of units if, in its opinion, the existing unitholders (for sales) or remaining unitholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the Company property is in continual decline where a Scheme is experiencing large levels of net sales relative to its size; where a Scheme is experiencing net sales or net redemptions on a day equivalent to 3% or more of the size of that Scheme on that day; in any case where the Manager is of the opinion that the interests of remaining unitholders require the imposition of a dilution adjustment.

2. Distribution policies

a) Basis of distribution

The distribution policy of the Scheme is to distribute all available revenue after deduction of expenses and taxation payable from revenue. Currently all expenses are payable from capital. Distributions attributable to income units are paid to unitholders. Distributions attributable to accumulation units are re-invested in the Scheme on behalf of the unitholders.

b) Revenue

All revenue is included in the final distribution of the Scheme, with reference to the Accounting policies for revenue disclosed in note 1d.

c) Expenses

Expenses payable from the revenue of the Scheme are included in the final distribution, with reference to the Accounting policies for expenses in note 1e.

d) Allocation of revenue and expenses to multiple unit classes

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

3. Net capital losses

	2024	2023
	£	£
Non-derivative securities	(2,816,709)	(7,647,658)
Currency losses	(10,955)	(15,140)
Transaction charges	(12,874)	(9,265)
Net capital losses	(2,840,538)	(7,672,063)

Notes to the financial statements (continued)

for the year ended 15 February 2024

4. Revenue

	2024	2023
	£	£
UK dividends	4,415,817	4,372,372
Overseas UK tax exempt revenue	971,350	1,520,800
Unfranked revenue	126,774	148,682
Bank interest	20,584	4,167
Scrip dividends	92,412	114,560
Total revenue	5,626,937	6,160,581

5. Expenses

	2024	2023
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Management charge	556,616	592,733
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fees	13,359	14,226
Other expenses:		
Audit fees*	12,695	17,193
Safe custody fees	2,732	3,299
FCA fee	59	129
Tax service fees	1,681	1,025
	17,167	21,646
Total expenses	587,142	628,605

*The prior year audit fees include a non-recurring element of £4,500 relating to the change of administrator.

6. Interest payable and similar charges

	2024	2023
	£	£
Overdraft interest	26	1,526
Total interest payable and similar charges	26	1,526

7. Taxation

	2024	2023
	£	£
a) Analysis of the tax charge for the year		
Overseas withholding tax	158,086	175,952
Total tax charge(note 7b)	158,086	175,952

7. Taxation (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023 - lower) than the standard rate of UK corporation tax for a unit trust of 20% (2023 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	5,039,769	5,530,450
Corporation tax @ 20% (2023 - 20%)	1,007,954	1,106,090
Effects of:		
Movement in excess management expenses	87,962	95,457
Overseas withholding tax	158,086	175,952
Revenue exempt from UK corporation tax	(1,095,916)	(1,201,547)
Total tax charge (note 7a)	158,086	175,952

At the year end there is a potential deferred tax asset of £9,182,394 (2023 - £9,094,432) in relation to surplus management expenses. It is unlikely that the Scheme will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

8. Distributions

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

	2024	2023
	£	£
Interim income distribution paid	3,450,561	3,623,248
Interim accumulation distributions paid	93,739	97,658
Final income distribution payable	1,743,039	2,114,080
Final accumulation distributions payable	39,936	62,015
	5,327,275	5,897,001
Equalisation:		
Amounts deducted on cancellation of units	151,036	122,841
Amounts added on issue of units	(38,952)	(70,604)
Distributions	5,439,359	5,949,238

Reconciliation between net revenue and distributions:	2024	2023
	£	£
Net revenue after taxation per Statement of total return	4,881,683	5,354,498
Add:		
Expenses paid from capital	587,142	624,105
Deduct:		
Tax relief on expenses paid from capital	(29,466)	(29,365)
Distributions	5,439,359	5,949,238

Details of the distribution per share are disclosed in the distribution table on page 41.

9. Debtors

	2024	2023
	£	£
Amounts receivable on issue of units	2,816	1,609
Sales awaiting settlement	-	779,777
Accrued revenue	275,864	256,495
Overseas withholding tax	35,618	115,945
Total debtors	314,298	1,153,826

10. Cash and bank balances

	2024	2023
	£	£
Cash and bank balances	1,511,633	1,497,143
Total cash and bank balances	1,511,633	1,497,143
Bank overdraft*	499,706	-

As at 15 February 2024, the weighted average of the floating interest rate on bank balances was 1.36% (2023 - 0.28%).

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

11. Other creditors

	2024	2023
	£	£
Amounts payable on cancellation of units	176,147	214,309
Purchases awaiting settlement	-	262,092
Accrued expenses	91,830	94,354
Total other creditors	267,977	570,755

12. Risk disclosures

The main risks from the Scheme's holding of financial instruments, together with the Manager's policy for managing these risks, are disclosed below:

a) Market price risk

The Scheme invests at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK, generally comprised within the Target Benchmark FTSE All Share Index. The main risk arising from the Scheme's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities held or may be due to general market factors (such as government policy or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

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

12. Risk disclosures (continued)

a) Market price risk (continued)
A 10% increase in the value of the Scheme's portfolio would have the effect of increasing the return and net assets by £10,994,534 (2023 - £11,876,998). A 10% decrease in the value of the Scheme's portfolio would have an equal and opposite effect.

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

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

As at 15 February 2024, 0.93% of the Scheme's assets were interest bearing (2023 - 1.26%).

As the only interest bearing assets held by the Scheme are bank balances and no significant interest was received for the bank balances in note 10, changes in interest rates would have no material impact on assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £356,301 (2023 - £673,931). A 5% weakening in GBP would increase the value by £393,807 (2023 - £744,871).

For numerical disclosure see note 17.

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

12. Risk disclosures (continued)

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

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

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

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

g) Investment style and Investment Management Risk
Unitholders in a Scheme face a risk that the investment choices made by the Manager and Sub-Investment Manager for that Scheme on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Scheme with one investment style may outperform or underperform other Schemes that employ different investment styles.

Further, each Scheme is subject to the risk that the Manager and Sub-Investment Manager appointed for that Scheme may not select instruments which optimally achieve the implementation of an investment style for that Scheme.

h) Derivatives Risk
The Scheme may use derivative strategies for the purposes of efficient portfolio management where derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of a Scheme. Derivatives may also be used to hedge and manage risk in relation to the Schemes.

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

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

12. Risk disclosures (continued)

h) Derivatives Risk (continued)

counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Scheme may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

i) Capital erosion risk

Where the investment objective of a Scheme is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the Manager's fees and expenses and / or other fees and expenses, may be charged against capital instead of against income and may constrain the capital growth of the Scheme. This may result in capital erosion or constrain the capital growth of the Scheme. See Section 20.8 of the main body of the Prospectus for further details.

j) Country risk

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

k) Smaller and medium sized companies risk

Securities of smaller and medium sized companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in these companies may involve higher risk than investment in larger companies. The securities of smaller and medium sized companies may trade less frequently and be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group, and full development of them takes time. These factors may result in above-average fluctuations in the price of Units in a Scheme which invests in smaller companies.

l) Income risk

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

Notes to the financial statements (continued)

for the year ended 15 February 2024

12. Risk disclosures (continued)

l) Income risk (continued)

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

m) Stock market risk

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

13. Related party transactions

The following are considered by Santander Asset Management UK Limited (the Manager) to be related parties:

The Manager

The fees received by the Manager are set out in note 5. The Manager is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to Unitholders. Amounts outstanding at the year end date are disclosed in notes 9 & 11. £246,923 (2023 - £287,933) was due to the Manager at the year end date.

Material unitholders

As at 15 February 2024, 91.05% (2023 - 94.82%) of the units in issue were held by All Funds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material unitholder.

14. Unitholders' funds

The Scheme currently has two Unit classes; R Accumulation Units and R Income Units. The following is a reconciliation of the opening units in issue to the closing units in issue for each Unit class during the year:

	2024	**2023**
R Income Units	**No of Units**	**No of Units**
Opening Units in issue	55,779,462	57,552,387
Units issued in the year	2,192,475	2,494,675
Units cancelled in the year	(4,861,859)	(4,267,600)
Closing Units in issue	53,110,078	55,779,462

	2024	**2023**
R Accumulation Units	**No of Units**	**No of Units**
Opening Units in issue	1,633,633	1,297,650
Units issued in the year	276,014	642,369
Units cancelled in the year	(755,517)	(306,386)
Closing Units in issue	1,154,130	1,633,633

Notes to the financial statements (continued)

for the year ended 15 February 2024

15. Fair value disclosure

	2024	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	109,945,340	-
	109,945,340	-

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	118,769,977	-
	118,769,977	-

* Details of the securities included within the fair value hierarchy are detailed on page 28 accounting policy (b) valuation of investments.

16. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2024	**£**	**£**	**£**	**£**	**%**	**%**
Equities	20,712,476	10,076	91,598	20,814,150	0.05	0.44
Total purchases	20,712,476	10,076	91,598	20,814,150		
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	888,393	533	4,446	893,372	0.06	0.50
Equities	18,827,328	9,374	73,638	18,910,340	0.05	0.39
Total purchases	19,715,721	9,907	78,084	19,803,712		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2024	**£**	**£**	**£**	**£**	**%**	**%**
Equities	26,932,131	(12,910)	(171)	26,919,050	0.05	-
Total sales	26,932,131	(12,910)	(171)	26,919,050		
2023	**£**	**£**	**£**	**£**	**%**	**%**
Equities	25,184,391	(9,782)	(110)	25,174,499	0.04	-
Total sales	25,184,391	(9,782)	(110)	25,174,499		

	Broker Commission	Transfer Taxes
2024	**£**	**£**
Total costs from purchases & sales	22,986	91,769
Total costs as % of Average NAV	0.02%	0.08%
2023	**£**	**£**
Total costs from purchases & sales	19,689	78,195
Total costs as % of Average NAV	0.01%	0.07%

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

In the case of equity securities broker commissions and transfer taxes are paid by the Scheme on each purchase or sale transaction and are a necessary part of buying and selling the Scheme's underlying investments in order to achieve the investment objective. The estimated average dealing spread including the effects of foreign exchange for this Scheme is 0.18% (2023 - 0.29%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 15 February 2024

17. Currency risk

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 12.

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2024			
Euro	18,800	-	18,800
Norwegian Krone	50,874	5,477,661	5,528,535
Swedish Krona	16,870	-	16,870
Swiss Franc	-	1,873,482	1,873,482
UK Sterling	(815,976)	102,594,197	101,778,221
US Dollar	44,641	-	44,641
2023			
Euro	19,741	4,395,460	4,415,201
Norwegian Krone	104,702	6,591,688	6,696,390
Swedish Krona	43,586	-	43,586
Swiss Franc	-	2,997,375	2,997,375
UK Sterling	(201,901)	104,785,454	104,583,553
US Dollar	6	-	6

18. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the R Income unit class has increased from 201.04p to 221.84p and the R Accumulation unit class has increased from 215.43p to 237.68p as at 6 June 2024. The units in issue of R Accumulation decreased from 1,154,130 units to 823,683 units due to net redemptions as at 6 June 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 15 February 2024

Distributions on R Income Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	15.10.23	interim	6.3807	-	6.3807	6.4295
	15.04.24	final	3.2819	-	3.2819	3.7901
Group 2						
	15.10.23	interim	3.9652	2.4155	6.3807	6.4295
	15.04.24	final	2.2040	1.0779	3.2819	3.7901

Distributions on R Accumulation Units in pence per Unit

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	15.10.23	interim	6.5122	-	6.5122	6.2514
	15.04.24	final	3.4603	-	3.4603	3.7962
Group 2						
	15.10.23	interim	4.0744	2.4378	6.5122	6.2514
	15.04.24	final	2.1101	1.3502	3.4603	3.7962

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

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 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 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 Units, 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. 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
Dr Jocelyn Dehnert
Lazaro de Lazaro Torres
Jacqueline Hughes
Pak Chan (resigned 10 June 2024)
Cassandra Waller (appointed 15 May 2024 subject to FCA approval)

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