Santander Multi-Manager OEIC

Annual report for the year ended 1 December 2023

Contents

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

Report of the Authorised Corporate Director

for the year ended 1 December 2023

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

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

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

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

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

The Company has no directors other than the ACD.

The ACD is authorised and regulated by the FCA.

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

Santander Atlas Portfolio 3
Santander Atlas Portfolio 4
Santander Atlas Portfolio 5
Santander Atlas Portfolio 7
International Multi-Index

In the future, the Company may launch other Funds.

Each Fund has a specific portfolio of assets and investments to which its assets and liabilities are attributable and potential investors should view each Fund as a separate investment entity.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

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

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

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

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

As at the year ended 1 December 2023 there were no Funds with holdings in a second Fund within the Santander Multi-Manager OEIC.

Financial details and the ACD's review of the individual Funds for the year ended 1 December 2023 are given in pages 17 to 151 of this report.

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

Significant Information

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

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

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

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

Salary and Benefits Structure
Salaries are designed based on the roles and responsibilities of the job and the knowledge and expertise required to carry them

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

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 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

Significant Information (continued)

Remuneration Disclosure (unaudited) (continued)

2023 with respect to all UK AIFs and UK UCITs it manages. It excludes remuneration paid to Material Risk Takers under the MIFIDPRU Remuneration Code. No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

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

* The remuneration disclosed above is in relation to the remuneration awarded by 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 Funds are Directors, Key Senior Management Roles and Investment Desk Heads, and are identified collectively as Remuneration Code Staff.

Assessment of Value

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

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

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

Significant Information

Change to the application of swing pricing

The value of a Shareholder's investment can become diluted because of transaction costs linked to other Shareholders buying and selling shares in the Funds. To protect the value of Shareholders' holdings against such dilution, SAM UK applies a "dilution adjustment" (also known as "swing pricing") to the price of the Funds. In practice, the intent of this adjustment is to cover transaction costs so that existing Shareholders are not disadvantaged by bearing any of these costs.

Swing pricing can be applied in two ways:

Significant Information (continued)

Change to the application of swing pricing (continued)

(1) Non-dynamic swing pricing (also known as partial swing pricing), where the price of shares in a fund is adjusted when net buy and sell trades exceed a pre-set threshold each day.

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

For the period from 02 December 2022 to 21 May 2023, non-dynamic swing pricing applied.

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

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

(ii) protects existing Shareholders from dilution in the case of a consistent trend of net buy and sell trades which in isolation would not meet the pre-set threshold to apply a dilution adjustment, but could mount over time and cause dilution.

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

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

Director's Statement

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

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is required to:

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

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

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 28 March 2024.

Pak Chan
Director
For and on behalf of Santander Asset Management UK Limited
Authorised Corporate Director of Santander Multi-Manager OEIC
28 March 2024

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Santander Multi-Manager OEIC

Statement of the Depositary’s Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together “the Regulations”), the Company's Instrument of Incorporation and Prospectus (together “the Scheme documents”) as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
Edinburgh
March 2024

Independent auditors' report to the Shareholders of Santander Multi-Manager OEIC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Santander Multi-Manager OEIC (the “Company”):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 1 December 2023 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Santander Multi-Manager OEIC is an Open Ended Investment Company (‘OEIC’) with five sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual report (the “Annual Report”), which comprise: the Balance sheets as at 1 December 2023; the Statements of total return and the Statements of change in net assets attributable to shareholders for the year then ended; the Distribution tables; the Accounting and distribution policies; and the Notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Authorised Corporate Director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company’s or any sub-funds' ability to continue as a going concern.

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

Independent auditors' report to the Shareholders of Santander Multi-Manager OEIC

Report on the audit of the financial statements (continued)

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

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

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

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

Responsibilities for the financial statements and the audit

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

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

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

Independent auditors' report to the Shareholders of Santander Multi-Manager OEIC

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

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

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

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

Use of this report
This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

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

Independent auditors' report to the Shareholders of Santander Multi-Manager OEIC

Other required reporting (continued)

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
28 March 2024

Accounting & distribution policies

for the year ended 1 December 2023

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.

The ACD continues to adopt the going concern basis in preparation of the financial statements.

b) Valuation of investments

Fair Value Hierarchy - Valuation techniques

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

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

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

All investments are valued at market value at close of business on 1 December 2023. Market value is defined by the SORP as fair value, which generally is the bid value of each security.

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

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

c) Foreign exchange

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

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

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

d) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less the book cost. Where realised gains or losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

Accounting & distribution policies (continued)

for the year ended 1 December 2023

Accounting policies (continued)

d) Realised and unrealised gains and losses (continued)

Unrealised gains/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

e) Revenue

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

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

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

Interest on bank deposits is recognised on an earned basis.

Management fee rebates in respect of holdings in other Collective Investment Schemes are recognised on an accruals basis. Where it is the policy of the underlying scheme to charge its fees to capital, the rebate is recognised as capital. Otherwise the rebate is recognised as revenue. If information is not available to determine if the policy of the underlying scheme is to charge its fees to revenue or capital, the rebate is recognised as revenue. The percentage rebate is included in the calculation of the Ongoing Charges Figure (OCF).

Option premiums received by the Company are amortised to revenue over the period to maturity, where the option is out of the money at the time the contract is written. Option premiums are taken to capital for options which are in the money at the time of writing.

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

f) Expenses

All expenses, other than those relating to the purchase and sale of investments, are paid out of the scheme property of the Fund's as they are incurred, as detailed in the Prospectus. These can be paid from revenue or capital dependent on the specific investment objective of the Fund. Expenses payable from the revenue of the Fund are included in the final distribution. Expenses payable from capital property of the Fund may constrain the capital growth of the Fund.

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

Santander Atlas Portfolio 3

Santander Atlas Portfolio 4

Santander Atlas Portfolio 5

Santander Atlas Portfolio 7

Accounting & distribution policies (continued)

for the year ended 1 December 2023

Accounting policies (continued)

f) Expenses (continued)

For International Multi-Index Fund: Depositary, Audit, custody, tax services and FCA fees are borne by the ACD. Expenses payable from the revenue of the Fund are included in the final distribution.

If expenses should be deducted from revenue but in the opinion of the ACD, there is insufficient revenue property for this purpose, the payment may be made from the capital property of the relevant Fund.

Audit fees relate to statutory audit of the Funds financial statements.

g) Taxation

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

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

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

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

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

h) Efficient portfolio management

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

The Funds write short dated covered call options on assets which are held in the portfolio of investments. This enables the Fund to enhance its revenue through the receipt of option premiums. Each call option provides the purchaser with any gain achieved on the underlying assets above an agreed price (strike price) at an agreed future date. This has the effect of limiting the potential return on the underlying equity portfolio as any gains above the strike price will be paid to the purchaser of the relevant option.

i) Cash flow statement

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

Accounting policies (continued)

j) Dilution Adjustment

The ACD may require a dilution adjustment on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. For the period from 2nd December 2022 to 21st May 2023 the dilution adjustment may have been charged in the following circumstances: where the Company property was in continual decline; on a Fund experiencing large levels of net sales relative to its size; where a Fund was experiencing net sales or net redemptions on a day equivalent to 3% or more of the size of that Fund on that day; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution adjustment. From 22nd May 2023 onwards, a dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Shares on an aggregated basis.

Distribution policies

a) Basis of distribution

The distribution policy of each Fund is to distribute all available revenue after deduction of expenses and taxation payable from revenue. Distributions attributable to income shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the Fund on behalf of the shareholders.

The Santander Atlas Portfolio 3 fund is known as a ‘bond fund’ and therefore pays interest distributions.

b) Revenue

All revenue is included in the final distribution of each Fund with reference to the Accounting policies for revenue disclosed in note e.

c) Expenses

Expenses payable from the revenue of each Fund are included in the final distribution, with reference to the Accounting policies for expenses in note f.

d) Allocation of revenue and expenses to multiple share classes

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

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary

Investment Objective

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

The Fund is managed with the aim of staying within a risk profile classification (with volatility parameters) of 3 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

Investment Policy

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

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

This Fund is managed with the aim of staying within a risk profile classification of 3, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

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

The Fund typically has: a lower level of volatility, a higher exposure to less volatile assets (such as bonds) and a lower exposure to more volatile assets (such as shares), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 4-7.

Additionally the Fund may obtain exposure globally:

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

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Policy (continued)

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

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

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

The Fund will typically be invested between 45% and 60% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in “Investment Strategy and Process” below.

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

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

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

Investment Strategy and Process

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

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

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Strategy and Process (continued)

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

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

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

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

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

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

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

Santander Atlas Portfolio 3
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

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

Further Information
The ACD uses the IA* Mixed Investment 0-35% Shares peer group as a Comparator Benchmark for the Fund.

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

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Lower in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Investment Manager
Santander Asset Management UK Limited

* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Risk Profile

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

Risk and Reward Indicator

Lower Risk ← → Higher Risk

Typically Lower Rewards — Typically Higher Rewards

1	2	3	**4**	5	6	7

The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4* due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification).Whilst the Fund is managed with the aim to stay within an RPC of 3 (as set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

*Santander Atlas Portfolio 3 has consistently remained at a higher volatility level in the 4 months preceding 20 January 2023, and therefore the risk and reward indicator has increased from 3 to 4 as at 20 January 2023.

Performance

Capital Growth

Percentage price change from 1 December 2018 to 1 December 2023 (5 years)	
Santander Atlas Portfolio 3 I Accumulation Shares*	4.23%
Santander Atlas Portfolio 3 I Income Shares*	4.29%
IA Mixed Investment 0-35% Shares**	6.43%
Percentage price change from 1 December 2022 to 1 December 2023 (1 year)	
Santander Atlas Portfolio 3 I Accumulation Shares*	1.76%
Santander Atlas Portfolio 3 I Income Shares*	1.80%
IA Mixed Investment 0-35% Shares**	1.13%

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

*** Source: FE fundinfo*

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

The Fund is not managed against a target, the comparator benchmark IA Mixed Investment 0-35% Shares is added to provide a comparison for indicative purposes only.

Santander Atlas Portfolio 3
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review
The reporting period was shaped by hopes that the global economy is headed for a "soft landing", in which central banks bring inflation under control without causing a recession, which is defined as two consecutive quarters of negative economic growth.

The period began near the end of a challenging year for financial markets, defined by soaring inflation and aggressive interest rate hikes by central banks.[1]

2023 proved more positive, although there were bumps in the road. Global shares rose by over 10% in the first half of the year[2], as investors' hopes mounted that interest rates were close to their peak.

This period coincided with increasing interest in artificial intelligence (AI) and a corresponding surge in the value of technology shares, which contributed to strong stock market performance.[3]

However, the third quarter of 2023 was disruptive. Amid investor concerns that interest rates would remain higher for longer than had been expected, yields on 10-year US government bonds soared to 16-year highs in October[4], while those offered by 30-year UK government bonds hit their highest levels since 1998.[5]As bond prices and yields move in opposite directions, bond prices fell.

This led to share prices also falling[6], as high bond yields made it more expensive for companies to borrow money and limited their ability to grow.

However, sentiment shifted around the beginning of November as the US Federal Reserve,[7] Bank of England[8] and European Central Bank[9]held interest rates steady rather than opting to raise them further.

These decisions restored investor optimism and prompted a dramatic U-turn in bond markets, with US bonds experiencing their best month since 1985 in November. This dragged their performance into positive territory for the year overall, despite the turbulence of October.[10]

An index of international bonds also enjoyed its most successful month since 2008[11], while November was the best month for global shares in three years.[12]

[1] *The Guardian, 30 December 2022*
[2] *MSCI World Index, 1 December 2023*
[3] *Reuters, 30 June 2023*
[4] *CNBC, 19 October 2023*
[5] *Reuters, 20 October 2023*
[6] *MSCI World Index, 1 December 2023*
[7] *Reuters, 1 November 2023*
[8] *Reuters, 2 November 2023*
[9] *Reuters, 26 October 2023*
[10] *Business Insider, 29 November 2023*
[11] *Business Insider, 29 November 2023*
[12] *Reuters, 30 November 2023*

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review (continued)

Both global shares[13] and bonds[14] rose over the course of the full reporting period. US[15], UK[16] and Eurozone[17] inflation continued to ease in the final months of the year, offering investors grounds for optimism in 2024.

Performance Review and Investment Activity (Reporting Period)

The Fund’s objective is to provide a combination of capital growth and income over a period of five or more years. The Fund aims to stay within a risk profile classification of 3, as set and monitored by an external risk rating company (although this isn't guaranteed).

The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund’s expected volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. Atlas Portfolio 3 is typically the least volatile of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the past five years, the Atlas Portfolio 3 I Accumulation Share Class delivered a cumulative return of 4.23% and the Atlas Portfolio 3 I Income Share Class delivered a cumulative return of 4.29%. Therefore, the Fund has achieved its objective to provide a combination of capital growth and income over a period of five or more years. For comparison, the comparator benchmark of the IA Mixed Investment 0-35% Shares returned 6.43% over the same period. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally.

In early 2020, the Fund was successfully positioned in a way to help it withstand the fallout from the impending COVID-19 pandemic. While the Fund outperformed in the down-market events, its risk-averse position meant that the Fund did not capture all of the market recovery that followed.

The abnormally strong correlation between shares and bonds in 2022, when the two markets moved almost in parallel with each other, also weighed negatively on the Fund since the diversification element was subdued. Typically, shares and bonds move in opposite directions from each other, so when one asset class rises, the other falls, allowing investors to diversify their portfolios.

Over the past twelve months through 1 December 2023, the Atlas Portfolio 3 I Accumulation Share Class delivered a return of 1.76% and the Atlas Portfolio 3 I Income Share Class delivered a return of 1.80%. The comparator of the IA Mixed Investment 0-35% Shares returned 1.13% over the same period. The Fund stayed within its Risk Profile Classification of 3 during the period.

At the beginning of the period, the Fund held as much cash as permitted because of uncertainty around the course of inflation, interest rates and economic growth, while the war in Ukraine created the potential for further instability.

[13] *MSCI World Index, 1 December 2023*
[14] *S&P Global Developed Sovereign Bond Index, 1 December 2023*
[15] *Yahoo! Finance, 30 November 2023*
[16] *The Guardian, 15 November 2023*
[17] *Bloomberg, 30 November 2023*

Santander Atlas Portfolio 3

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
At this time, we did not have a preference for shares or bonds, especially given the heightened correlation, meaning that diversification was lost.

However, in early 2023, we started increasing the Fund's holdings of bonds – particularly bonds that take longer to reach maturity, which we preferred to shares. During the year, the Fund's holdings of bonds were diversified to include US government bonds. The Fund's holdings of highly rated UK company and government bonds were also increased.

Within the Fund's bond portfolio, we also looked for the opportunities for diversification that might be offered by bonds that take less time to reach maturity. Here, we sought bonds that offered higher yields but didn't present more risk than those we would typically include in the Fund.

During the year, we increased the Fund's holdings of shares, but we're still cautious about the outlook for stock markets. So, while holdings of shares at the end of the period were higher than they were a year earlier, we continue to favour bonds over shares.

All the bond and share purchases were funded by cash. By the end of the period, the Fund barely held any cash.

We also increased the Fund's holdings of gold, both to help diversify it and as a source of returns, as the price of gold rose 23% over the past 12 months.[18] Growing international tensions and a weaker dollar, which makes it cheaper for investors who hold other currencies to buy gold, boosted demand, with the gold price hitting a six-month high on 27 November.[19]

At the beginning of the period, the Fund's cautious positioning negatively impacted performance, as shares rallied in the first half of the year while bond yields kept rising. However, throughout the year, rallies in stock markets and the recent peak in bond yields have meant that the Fund's more aggressive positioning was able to deliver a positive return.

Market Outlook
In our view, the focus of investors will be on how central banks respond to economic growth, and what the impact of this will be on shares, bonds and cash.

Our expectation is that the global economy will grow, given that central banks appear willing to provide support. With high interest rates beginning to bite and growth slowing, governments may consider measures to stimulate growth in the coming year.

We maintain a slightly unfavourable view of shares, as an economic downturn would hurt company earnings and damage their share valuations.

Bonds remain our preferred asset class at this time.

[18] *Trading Economics Gold Price, 1 December 2023*
[19] *Mining Technology, 27 November 2023*

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Investment commentary (continued)

Market Outlook (continued)

We expect the yields of government bonds that take one to four years to reach maturity to fall. Our view is that the yields of longer-term bonds will probably remain near current levels.

In the US, UK and Europe, the yields of government bonds that take two years to reach maturity have been higher than those that take 10 years. This is an anomaly known as an inverted yield curve, and it has historically been considered a sign of an impending downturn. However, this may not be the case this time, as it has been proposed that this may indicate the slowdown in inflation that typically accompanies a recession, but not the recession itself.[20]

Multi Asset Solutions Team
For and on behalf of Santander Asset Management UK Limited
January 2024

[20] *Bloomberg, 1 September 2023*

Summary of material portfolio changes

for the year ended 1 December 2023

Purchases	Cost £	Note
Vanguard UK Short-Term Investment Grade Bond Index Fund	6,574,576	
Xtrackers USD Corporate Bond UCITS ETF	5,496,685	
iShares Core £ Corporate Bond UCITS ETF	4,389,411	
Vanguard Treasury Bond UCITS ETF USD	3,117,556	
Robeco High Yield Bonds	2,925,860	
iShares Global High Yield Bond UCITS ETF	2,867,545	
Insight UK All Maturities Bond Fund	2,773,992	
Invesco Physical Gold ETC	2,386,524	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	2,259,400	
Fidelity Sustainable MoneyBuilder Income Fund	1,663,635	
Xtrackers S&P 500 Swap UCITS ETF	1,601,548	
Xtrackers USD Corporate Bond UCITS ETF	1,470,910	
Vanguard FTSE All-World UCITS ETF	1,274,670	
HSBC European Index Fund I Inc	1,010,429	
HSBC European Index Fund C Inc	948,500	
iShares UK Gilts All Stocks Index Fund UK	794,562	
SPDR FTSE UK All Share UCITS ETF	649,567	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	489,870	
HSBC FTSE All-Share Index Fund	374,964	
Xtrackers Switzerland UCITS ETF	297,445	
Total cost of purchases for the year	44,020,429	14

Sales	Proceeds £	Note
Nordea 1 – Low Duration European Covered Bond Fund HAI	5,814,562	
iShares £ Corporate Bond 0-5 year UCITS ETF	5,121,614	
Nordea 1 - European Covered Bond Fund BI EUR	4,071,443	
Morgan Stanley Short Maturity Euro Bond Fund Z EUR	3,188,298	
Allianz Gilt Yield Fund	3,121,639	
Gold Bullion Securities Limited	2,572,130	
Vanguard Treasury Bond UCITS ETF USD	2,474,893	
Vanguard UK Short-Term Investment Grade Bond Index Fund	2,363,283	
Vanguard UK Government Bond Index Fund	2,318,124	
iShares Core £ Corporate Bond UCITS ETF	2,195,407	
Xtrackers S&P 500 Swap UCITS ETF 1C USD	2,017,693	
iShares UK Gilts All Stocks Index Fund UK	1,833,820	
HSBC UK Gilt Index Fund	1,715,014	
iShares Global High Yield Bond UCITS ETF	1,395,993	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	1,371,501	
Vanguard FTSE All-World UCITS ETF	1,326,086	
Insight Investment - UK All Maturities Bond Fund	1,235,288	
Vanguard UK Short-Term Investment Grade Bond Index Fund	1,000,457	
Invesco Physical Gold ETC	984,522	
HSBC European Index Fund I Inc	949,738	
Total proceeds from sales for the year	52,723,917	14

Portfolio statement

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Collective Investment Schemes 96.73% (97.50%)			
Allianz Gilt Yield Fund	1,181,213	1,678,622	2.26
Amundi Japan Topix UCITS ETF A JPY*	6,443	519,151	0.70
Amundi S&P 500 UCITS ETF C USD*	27,395	1,915,098	2.57
Fidelity Index UK Fund	1,195,376	1,923,360	2.59
Fidelity Sustainable MoneyBuilder Income Fund	25,228,227	7,212,750	9.70
HSBC European Index Fund C Inc	85,355	662,696	0.89
HSBC FTSE All-Share Index Fund	538,283	1,890,450	2.54
HSBC UK Gilt Index Fund	941,387	777,209	1.05
Insight UK All Maturities Bond Fund	3,351,107	7,264,195	9.77
Invesco Physical Gold ETC*	8,784	1,375,047	1.85
Invesco S&P 500 UCITS ETF*	3,159	2,226,029	2.99
iShares £ Corporate Bond 0-5yr UCITS ETF*	31,507	3,111,316	4.18
iShares Core £ Corporate Bond UCITS ETF*	79,645	9,629,081	12.95
iShares Global High Yield Bond UCITS ETF*	21,412	1,424,112	1.91
iShares UK Gilts All Stocks Index Fund UK	1,044,460	1,435,510	1.93
Robeco High Yield Bonds	24,460	3,028,882	4.07
SPDR FTSE UK All Share UCITS ETF*	19,868	1,197,246	1.61
UBS MSCI Japan UCITS ETF A JPY*	13,263	519,777	0.70
Vanguard Euro Investment Grade Bond Index Fund	-	2	0.00
Vanguard FTSE All-World UCITS ETF*	14,189	1,280,699	1.72
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	2,616	929,045	1.25
Vanguard FTSE UK All Share Index Unit Trust	3,374	827,899	1.11
Vanguard Treasury Bond UCITS ETF USD*	318,665	5,422,085	7.29
Vanguard UK Government Bond Index Fund	1	53	0.00
Vanguard UK Short-Term Investment Grade Bond Index Fund	50,730	5,751,326	7.73
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	52,301	2,089,059	2.81
Xtrackers S&P 500 Swap UCITS ETF*	176,973	1,401,719	1.88
Xtrackers Switzerland UCITS ETF*	2,942	298,578	0.40
Xtrackers USD Corporate Bond UCITS ETF*	616,303	6,161,567	8.28
		71,952,563	96.73
Futures 0.10% (-0.08%)			
Long Gilt Mar'24	23	21,390	0.03
S&P 500 E-Mini Dec'23	1	3,553	0.01
US 5 Year Note (CBT) Mar'24	42	44,675	0.06
		69,618	0.10
Options nil (0.05%)			
FTSE 100 Put Option Dec'23 6,900	(8)	(120)	0.00
FTSE 100 Put Option Dec'23 7,250	8	520	0.00
Long Gilt Call Option Dec'23 99.5	(5)	(1,700)	0.00

Portfolio statement (continued)

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Options (continued)			
S&P 500 Put Option Dec'23 4,250	2	649	0.00
S&P 500 Put Option Dec'23 4,050	(2)	(332)	0.00
		(983)	(0.00)

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.27% (0.60%)					
Buy GBP : Sell USD	09/02/2024	£15,157,490	US$(18,901,693)	203,140	0.27
Buy USD : Sell GBP	09/02/2024	US$1,230,000	£(973,253)	(121)	0.00
				203,019	0.27

Portfolio of investments	**72,224,217**	**97.10**
Net other assets	**2,160,487**	**2.90**
Total net assets	**74,384,704**	**100.00**

Figures in brackets represent sector distribution at 1 December 2022.

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

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

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

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

Comparative tables

Change in net asset value per share	I Income Shares			I Accumulation Shares		
	2023	2022	2021	2023	2022	2021
	p	p	p	p	p	p
Opening net asset value per share	101.32	114.80	112.74	182.02	203.28	197.64
Return before operating charges	2.57	(11.27)	3.96	4.70	(20.00)	6.98
Operating charges	(0.68)	(0.71)	(0.76)	(1.23)	(1.26)	(1.34)
Return after operating charges	1.89	(11.98)	3.20	3.47	(21.26)	5.64
Distributions	(2.70)	(1.50)	(1.14)	(4.88)	(2.67)	(2.00)
Retained distributions on accumulation shares	-	-	-	4.88	2.67	2.00
Closing net asset value per share	100.51	101.32	114.80	185.49	182.02	203.28
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Return after operating charges**	1.87%	(10.44)%	2.84%	1.91%	(10.46)%	2.85%
Closing net asset value (£'s)	1,490,842	1,801,444	2,208,933	72,893,862	81,051,418	96,549,608
Closing number of shares	1,483,309	1,778,015	1,924,133	39,298,361	44,528,443	47,495,821
Operating charges	0.68%	0.67%	0.66%	0.68%	0.67%	0.66%
Direct transaction costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	p	p	p	p	p	p
Highest share price	103.6	115.9	115.7	186.1	205.3	204.4
Lowest share price	96.6	96.1	111.0	176.5	171.7	194.6

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

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

Financial Statements - Santander Atlas Portfolio 3

Statement of total return

for the year ended 1 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Income					
Net capital losses	1		(798,934)		(11,630,804)
Revenue	2	2,472,358		1,667,156	
Expenses	3	(353,165)		(390,559)	
Interest payable and similar charges	4	(5,686)		(7,029)	
Net revenue before taxation		2,113,507		1,269,568	
Taxation	5	-		-	
Net revenue after taxation			2,113,507		1,269,568
Total return before distributions			1,314,573		(10,361,236)
Distributions	6		(2,113,507)		(1,269,568)
Change in net assets attributable to shareholders from investment activities			(798,934)		(11,630,804)

Statement of change in net assets attributable to shareholders

for the year ended 1 December 2023

	2023 £	2023 £	2022 £	2022 £
Opening net assets attributable to shareholders		82,852,862		98,758,541
Amounts receivable on issue of shares	1,882,106		4,552,566	
Amounts payable on cancellation of shares	(11,576,727)		(10,053,378)	
		(9,694,621)		(5,500,812)
Dilution adjustment		3,022		758
Change in net assets attributable to shareholders from investment activities		(798,934)		(11,630,804)
Retained distribution on accumulation shares		2,022,375		1,225,179
Closing net assets attributable to shareholders		74,384,704		82,852,862

Balance sheet

as at 1 December 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		72,226,490	81,478,471
Current assets:			
Debtors	7	135,363	110,835
Cash and bank balances	8	4,909,160	3,992,903
Total assets		77,271,013	85,582,209
Liabilities:			
Investment liabilities		(2,273)	(220,995)
Creditors			
Bank overdrafts	8	(2,640,708)	(2,175,442)
Distributions payable	6	(15,244)	(9,135)
Other creditors	9	(228,084)	(323,775)
Total liabilities		(2,886,309)	(2,729,347)
Net assets attributable to shareholders		74,384,704	82,852,862

Notes to the financial statements

for the year ended 1 December 2023

1. Net capital losses

	2023	2022
	£	£
Realised losses on non-derivative securities	(2,571,020)	(2,878,989)
Unrealised gains/(losses) on non-derivative securities	1,728,779	(9,988,189)
Realised (losses)/gains on derivative securities	(360,953)	1,805,723
Unrealised gains on derivative securities	150,670	10,023
Currency (losses)/gains	(121,565)	234,136
Realised gains/(losses) on forward currency contracts	681,794	(1,349,201)
Unrealised (losses)/gains on forward currency contracts	(294,907)	550,546
Transaction charges	(11,732)	(14,853)
Net capital losses	(798,934)	(11,630,804)

2. Revenue

	2023	2022
	£	£
UK dividends	150,374	154,174
Overseas UK tax exempt revenue	249,869	395,694
Overseas UK taxable revenue	1,141,035	507,254
Unfranked revenue	869,751	565,760
Bank interest	11,733	7,132
Margin interest	6,200	-
Rebates from holdings in Collective Investment Schemes	43,396	37,142
Total revenue	2,472,358	1,667,156

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	315,703	360,213
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9,471	10,806
Other expenses:		
Audit fees	13,760	13,684
Safe custody fees	12,696	4,412
FCA fee	59	152
Tax service fees	1,476	1,292
	27,991	19,540
Total expenses	353,165	390,559

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	3,184	880
Margin interest	2,502	6,149
Total interest payable and similar charges	5,686	7,029

Notes to the financial statements (continued)

for the year ended 1 December 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Total tax charge(note 5b)	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	2,113,507	1,269,568
Corporation tax @ 20% (2022 - 20%)	422,701	253,914
Effects of:		
Movement in excess management expenses	(342,652)	(143,940)
Revenue exempt from UK corporation tax	(80,049)	(109,974)
Total tax charge (note 5a)	-	-

c. Provision for deferred taxation

At the year end there is a potential deferred tax asset of £336,900 (2022 - £679,552) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

	2023	2022
	£	£
Interim income distribution paid	27,825	18,949
Interim accumulation distributions paid	1,285,621	816,854
Final income distribution payable	15,244	9,135
Final accumulation distributions payable	736,754	408,325
	2,065,444	1,253,263
Equalisation:		
Amounts deducted on cancellation of shares	54,507	25,467
Amounts added on issue of shares	(6,444)	(9,162)
Distributions	2,113,507	1,269,568

Details of the distribution per share are disclosed in the distribution table on page 43.

Notes to the financial statements (continued)

for the year ended 1 December 2023

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	70	1,207
Sales awaiting settlement	15,104	-
Accrued revenue	69,756	92,079
Income tax recoverable	257	88
Rebates from holdings in Collective Investment Schemes	50,176	17,461
Total debtors	135,363	110,835

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	83,046	434,023
Cash and bank balances	4,826,114	3,558,880
Total cash and bank balances	4,909,160	3,992,903
Bank overdraft*	2,640,708	2,175,442

As at 1 December 2023, the weighted average of the floating interest rate on bank balances was 0.24% (2022 - 0.18%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	182,903	277,176
Accrued expenses	45,181	46,599
Total other creditors	228,084	323,775

10. Risk disclosures

The main risks from the Fund’s holding of financial instruments, together with the Authorised Corporate Director's (ACD’s) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, at least 85% of the Fund’s investments will be accessed indirectly by purchasing units in Collective Investment Schemes. The Fund will generally be invested in bonds to a greater extent than shares. The main risk arising from each fund’s financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £7,222,422 (2022 - £8,125,748). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Interest risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 1 December 2023, 3.05% of the Fund's assets were interest bearing (2022 - 2.19%).

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

c) Currency risk

The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The value of the collectives can therefore be significantly affected by currency movements. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by nil* (2022 - £934,157). A 5% weakening in GBP would increase the value by nil* (2022 - £1,032,490).

For numerical disclosure see note 15.

*The Fund did not hold any significant currency balances in the current year so no sensitivity analysis has been presented.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

d) Credit risk

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

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

Sub-investment grade & emerging markets bonds

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

Asset-backed (“ABS”) and Mortgage-backed (“MBS”) Securities

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

h) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

i) Country risk

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

j) Derivatives risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

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

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

j) Derivatives risk (continued)

might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

k) Non-developed market risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

l) Passively Managed CIS Risk

A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:

a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

Notes to the financial statements (continued)

for the year ended 1 December 2023

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £207,875 (2022 - £304,069) was due to the ACD at the year end date.

Material shareholders

As at 1 December 2023, 86.01% (2022 - 76.47%) of the shares in issue in the Santander Atlas Portfolio 3 Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has two share classes; I Accumulation Shares and I Income Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
I Income Shares	**No of shares**	**No of shares**
Opening shares in issue	1,778,015	1,924,133
Shares issued in the year	18,609	92,732
Shares cancelled in the year	(313,315)	(238,850)
Closing shares in issue	1,483,309	1,778,015

	2023	2022
I Accumulation Shares	**No of shares**	**No of shares**
Opening shares in issue	44,528,443	47,495,821
Shares issued in the year	1,026,245	2,333,756
Shares cancelled in the year	(6,256,327)	(5,301,134)
Closing shares in issue	39,298,361	44,528,443

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	38,641,351	2,152
Observable inputs using market data*	33,585,139	121
	72,226,490	2,273

Notes to the financial statements (continued)

for the year ended 1 December 2023

13. Fair value disclosure (continued)

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	34,400,088	97,577
Observable inputs using market data*	47,078,383	123,418
	81,478,471	220,995

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 1 December 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	44,020,429	-	-	44,020,429	-	-
Total purchases	44,020,429	-	-	44,020,429		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	81,613,658	-	-	81,613,658	-	-
Total purchases	81,613,658	-	-	81,613,658		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	52,723,917	-	-	52,723,917	-	-
Total sales	52,723,917	-	-	52,723,917		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	78,836,932	-	-	78,836,932	-	-
Total sales	78,836,932	-	-	78,836,932		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.13% (2022 - 0.05%) of the transaction value.

15. Currency risk

The analysis and tables provided below refer to the narrative disclosure on Risk disclosures in note 10. The Fund does not hold any significant currency balances as at the balance sheet date in the current year.

Notes to the financial statements (continued)

for the year ended 1 December 2023

15. Currency risk (continued)

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2022			
UK Sterling	15,455,090	65,647,156	81,102,246
Euro	(7,219,752)	7,142,128	(77,624)
Japanese Yen	–	415,971	415,971
US Dollar	(6,179,254)	7,579,424	1,400,170
Australian Dollar	12,099	–	12,099

16. Derivatives and Counterparty Exposure

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

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	203,140	203,140	203,140
2022			
Goldman Sachs	19,488	19,488	19,488
JP Morgan	478,438	478,438	478,438

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Income Shares class has increased from 100.51p to 104.78p and the I Accumulation Share class has increased from 185.49p to 194.15p as at 21st March 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 1 December 2023

Gross interest distributions on I Income Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.05.23	quarter 1	0.2183	-	0.2183	0.1856
	01.08.23	interim	1.0346	-	1.0346	0.3837
	01.11.23	quarter 3	0.4144	-	0.4144	0.4175
	01.02.24	final	1.0277	-	1.0277	0.5138
Group 2						
	01.05.23	quarter 1	0.0978	0.1205	0.2183	0.1856
	01.08.23	interim	0.3045	0.7301	1.0346	0.3837
	01.11.23	quarter 3	0.2368	0.1776	0.4144	0.4175
	01.02.24	final	0.2895	0.7382	1.0277	0.5138

Gross interest distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Gross revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.05.23	quarter 1	0.3921	-	0.3921	0.3286
	01.08.23	interim	1.8612	-	1.8612	0.6799
	01.11.23	quarter 3	0.7536	-	0.7536	0.7430
	01.02.24	final	1.8748	-	1.8748	0.9170
Group 2						
	01.05.23	quarter 1	0.1659	0.2262	0.3921	0.3286
	01.08.23	interim	0.7518	1.1094	1.8612	0.6799
	01.11.23	quarter 3	0.3694	0.3842	0.7536	0.7430
	01.02.24	final	0.0000	1.8748	1.8748	0.9170

Equalisation

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

Accumulation distributions

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

Santander Atlas Portfolio 4

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary

Investment Objective

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

The Fund is managed with the aim of staying within a risk profile classification (with volatility parameters) of 4 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

Investment Policy

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

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

This Fund is managed with the aim of staying within a risk profile classification of 4, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

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

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

Additionally the Fund may obtain exposure globally:

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

Santander Atlas Portfolio 4

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Policy (continued)

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

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

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

The Fund will typically be invested between 50% and 65% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in “Investment Strategy and Process” below.

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

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

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

Investment Strategy and Process

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

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

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Investment commentary (continued)

Investment Strategy and Process (continued)

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

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

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

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

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

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

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

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

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

Further Information
The ACD uses the IA*Mixed Investment 20-60% Shares peer group as a Comparator Benchmark for the Fund.

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

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Lower Medium in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Investment Manager
Santander Asset Management UK Limited

* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

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Investment commentary (continued)

Risk Profile

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

Risk and Reward Indicator

Lower Risk						Higher Risk
Typically Lower Rewards						Typically Higher Rewards
1	2	3	**4**	5	6	7

The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC (set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

Performance

Capital Growth

Percentage price change from 1 December 2018 to 1 December 2023 (5 years)	
Santander Atlas Portfolio 4 I Accumulation Shares	10.94%
Santander Atlas Portfolio 4 I Income Shares*	10.90%
IA Mixed Investment 20-60% Shares**	13.39%
Percentage price change from 1 December 2022 to 1 December 2023 (1 year)	
Santander Atlas Portfolio 4 I Accumulation Shares	2.15%
Santander Atlas Portfolio 4 I Income Shares*	2.11%
IA Mixed Investment 20-60% Shares**	1.45%

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

*** Source: FE fundinfo*

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

The Fund is not managed against a target, the comparator benchmark IA Mixed Investment 20-60% Shares is added to provide a comparison for indicative purposes only.

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review
The reporting period was shaped by hopes that the global economy is headed for a "soft landing", in which central banks bring inflation under control without causing a recession, which is defined as two consecutive quarters of negative economic growth.

The period began near the end of a challenging year for financial markets, defined by soaring inflation and aggressive interest rate hikes by central banks.[21]

2023 proved more positive, although there were bumps in the road. Global shares rose by over 10% in the first half of the year[22], as investors' hopes mounted that interest rates were close to their peak.

This period coincided with increasing interest in artificial intelligence (AI) and a corresponding surge in the value of technology shares, which contributed to strong stock market performance.[23]

However, the third quarter of 2023 was disruptive. Amid investor concerns that interest rates would remain higher for longer than had been expected, yields on 10-year US government bonds soared to 16-year highs in October[24], while those offered by 30-year UK government bonds hit their highest levels since 1998.[25] As bond prices and yields move in opposite directions, bond prices fell.

This led to share prices also falling[26], as high bond yields made it more expensive for companies to borrow money and limited their ability to grow.

However, sentiment shifted around the beginning of November as the US Federal Reserve[27], Bank of England[28] and European Central Bank[29] held interest rates steady rather than opting to raise them further.

These decisions restored investor optimism and prompted a dramatic U-turn in bond markets, with US bonds experiencing their best month since 1985 in November. This dragged their performance into positive territory for the year overall, despite the turbulence of October.[30]

An index of international bonds also enjoyed its most successful month since 2008[31], while November was the best month for global shares in three years.[32]

[21] *The Guardian, 30 December 2022*
[22] *MSCI World Index, 1 December 2023*
[23] *Reuters, 30 June2023*
[24] *CNBC, 19 October 2023*
[25] *Reuters, 20 October 2023*
[26] *MSCI World Index, 1 December 2023*
[27] *Reuters, 1 November 2023*
[28] *Reuters, 2 November 2023*
[29] *Reuters, 26 October 2023*
[30] *Business Insider, 29 November 2023*
[31] *Business Insider, 29 November 2023*
[32] *Reuters, 30 November 2023*

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review (continued)

Both global shares[33] and bonds[34] rose over the course of the full reporting period. US[35] UK[36] and Eurozone[37] inflation continued to ease in the final months of the year, offering investors grounds for optimism in 2024.

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund aims to stay within a risk profile classification of 4, as set and monitored by an external risk rating company (although this isn't guaranteed).

The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's expected volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. Atlas Portfolio 4 is typically the second-least volatile of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the past five years, the Atlas Portfolio 4 I Accumulation Share Class delivered a cumulative return of 10.94% and the Atlas Portfolio 4 I Income Share Class delivered a cumulative return of 10.90%. Therefore, the Fund has achieved its objective to provide a combination of capital growth and income over a period of five or more years. For comparison, the comparator benchmark of the IA Mixed Investment 20-60% Shares returned 13.39% over the same period. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally.

In early 2020, the Fund was successfully positioned in a way to help it withstand the fallout from the impending COVID-19 pandemic. While the Fund outperformed in the down-market events, its risk-averse position meant that the Fund did not capture all of the market recovery that followed.

The abnormally strong correlation between shares and bonds in 2022, when the two markets moved almost in parallel with each other, also weighed negatively on the Fund since the diversification element was subdued. Typically, shares and bonds move in opposite directions from each other, so when one asset class rises, the other falls, allowing investors to diversify their portfolios.

Over the twelve months through 1 December 2023, the Atlas Portfolio 4 I Accumulation Share Class delivered a return of 2.15% and the Atlas Portfolio 4 I Income Share Class delivered a return of 2.11%. The comparator of the IA Mixed Investment 20-60% Shares returned 1.45%. The Fund stayed within its Risk Profile Classification of 4 during the period.

At the beginning of the period, the Fund held as much cash as permitted because of uncertainty around the course of inflation, interest rates and economic growth, while the war in Ukraine created the potential for further instability.

[33] *MSCI World Index, 1 December 2023*
[34] *S&P Global Developed Sovereign Bond Index, 1 December 2023*
[35] *Yahoo! Finance, 30 November 2023*
[36] *The Guardian, 15 November 2023*
[37] *Bloomberg 30 November 2023*

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
At this time, we did not have a preference for shares or bonds, especially given the heightened correlation, meaning that diversification was lost.

However, in early 2023, we started increasing the Fund's holdings of bonds – particularly bonds that take longer to reach maturity, which we preferred to shares. During the year, the Fund's holdings of bonds were diversified to include US government bonds. The Fund's holdings of highly rated UK company and government bonds were also increased.

Within the Fund's bond portfolio, we also looked for the opportunities for diversification that might be offered by bonds that take less time to reach maturity. Here, we sought bonds that offered higher yields but didn't present more risk than those we would typically include in the Fund.

During the year, we increased the Fund's holdings of shares, but we're still cautious about the outlook for stock markets. So, while holdings of shares at the end of the period were higher than they were a year earlier, we continue to favour bonds over shares.

All the bond and share purchases were funded by cash. By the end of the period, the Fund barely held any cash.

We also increased the Fund's holdings of gold, both to help diversify it and as a source of returns, as the price of gold rose 23% over the past 12 months.[38] Growing international tensions and a weaker dollar, which makes it cheaper for investors who hold other currencies to buy gold, boosted demand, with the gold price hitting a six-month high on 27 November.[39]

At the beginning of the period, the Fund's cautious positioning negatively impacted performance, as shares rallied in the first half of the year while bond yields kept rising. However, throughout the year, rallies in stock markets and the recent peak in bond yields have meant that the Fund's more aggressive positioning was able to deliver a positive return.

Market Outlook
In our view, the focus of investors will be on how central banks respond to economic growth, and what the impact of this will be on shares, bonds and cash.

Our expectation is that the global economy will grow, given that central banks appear willing to provide support. With high interest rates beginning to bite and growth slowing, governments may consider measures to stimulate growth in the coming year.

We maintain a slightly unfavourable view of shares, as an economic downturn would hurt company earnings and damage their share valuations.

Bonds remain our preferred asset class.

[38] *Trading Economics Gold Price, 1 December 2023*
[39] *Mining Technology, 27 November 2023*

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Investment commentary (continued)

Market Outlook (continued)

We expect the yields of government bonds that take one to four years to reach maturity to fall. Our view is that the yields of longer-term bonds will probably remain near current levels.

In the US, UK and Europe, the yields of government bonds that take two years to reach maturity have been lower than those that take 10 years. This is an anomaly known as an inverted yield curve, and it has historically been considered a sign of an impending downturn. However, this may not be the case this time, as it has been proposed that this may indicate the slowdown in inflation that typically accompanies a recession, but not the recession itself.[40]

Multi Asset Solutions Team
For and on behalf of Santander Asset Management UK Limited
January 2024

[40] *Bloomberg, 1 September 2023*

Summary of material portfolio changes

for the year ended 1 December 2023

Purchases	Cost £	Note
Vanguard UK Short-Term Investment Grade Bond Index Fund	18,110,210	
Vanguard Treasury Bond UCITS ETF USD	13,456,639	
Xtrackers USD Corporate Bond UCITS ETF	12,631,163	
iShares Core £ Corporate Bond UCITS ETF	12,259,568	
Xtrackers S&P 500 Swap UCITS ETF	8,527,837	
Invesco Physical Gold ETC	7,911,817	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	6,708,477	
Vanguard FTSE All-World UCITS ETF	6,279,633	
HSBC European Index Fund I Inc	5,594,609	
Robeco High Yield Bonds	5,497,609	
HSBC European Index Fund C Inc	5,311,600	
iShares Global High Yield Bond UCITS ETF	5,240,263	
iShares UK Gilts All Stocks Index Fund UK	4,242,647	
Xtrackers USD Corporate Bond UCITS ETF	4,182,097	
SPDR FTSE UK All Share UCITS ETF	3,827,127	
HSBC UK Gilt Index Fund	3,468,706	
iShares £ Corporate Bond 0-5yr UCITS ETF	3,021,085	
UBS MSCI Japan UCITS ETF A JPY	2,630,419	
Amundi Japan Topix UCITS ETF A JPY	1,502,090	
Xtrackers Switzerland UCITS ETF	1,487,530	
Total cost of purchases for the year	136,909,334	14

Sales	Proceeds £	Note
Nordea 1 – Low Duration European Covered Bond Fund HAI	22,531,366	
iShares £ Corporate Bond 0-5 year UCITS ETF	13,663,402	
Nordea 1 - European Covered Bond Fund BI EUR	13,266,161	
Xtrackers S&P 500 Swap UCITS ETF 1C USD	11,950,808	
Morgan Stanley Short Maturity Euro Bond Fund Z EUR	10,279,254	
Gold Bullion Securities Limited	8,283,342	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	7,433,203	
Vanguard Treasury Bond UCITS ETF USD	6,704,920	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	6,307,898	
Allianz Gilt Yield Fund	5,381,541	
HSBC European Index Fund I Inc	5,290,271	
iShares Core £ Corporate Bond UCITS ETF	4,872,269	
Invesco S&P 500 UCITS ETF	4,179,798	
HSBC UK Gilt Index Fund	3,966,188	
iShares Core FTSE 100 UCITS ETF	3,897,772	
Vanguard UK Government Bond Index Fund	3,797,858	
Vanguard FTSE All-World UCITS ETF	3,612,655	
iShares UK Gilts All Stocks Index Fund UK	3,158,214	
Amundi S&P 500 UCITS ETF C USD	2,973,082	
Fidelity Sustainable MoneyBuilder Income Fund	2,815,751	
Total proceeds from sales for the year	159,394,197	14

Portfolio statement

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Collective Investment Schemes 98.55% (97.82%)			
Allianz Gilt Yield Fund	3,952,743	5,617,243	2.21
Amundi Japan Topix UCITS ETF A JPY*	39,952	3,219,168	1.27
Amundi S&P 500 UCITS ETF C USD*	169,397	11,842,008	4.67
Fidelity Index UK Fund	6,767,880	10,889,519	4.29
Fidelity Sustainable MoneyBuilder Income Fund	55,404,856	15,840,248	6.24
HSBC European Index Fund C Inc	501,771	3,895,750	1.54
HSBC FTSE All-Share Index Fund	3,016,823	10,595,082	4.17
HSBC UK Gilt Index Fund	2,446,685	2,019,983	0.80
Insight UK All Maturities Bond Fund	7,250,043	15,715,919	6.19
Invesco Physical Gold ETC*	40,765	6,381,353	2.51
Invesco S&P 500 UCITS ETF*	18,799	13,246,948	5.22
iShares £ Corporate Bond 0-5yr UCITS ETF*	95,898	9,469,928	3.73
iShares Core £ Corporate Bond UCITS ETF*	238,288	28,809,019	11.35
iShares Global High Yield Bond UCITS ETF*	69,512	4,623,243	1.82
iShares UK Gilts All Stocks Index Fund UK	2,674,855	3,676,331	1.45
Robeco High Yield Bonds	46,094	5,707,820	2.25
SPDR FTSE UK All Share UCITS ETF*	111,490	6,718,387	2.65
UBS MSCI Japan UCITS ETF A JPY*	81,975	3,212,600	1.27
Vanguard Euro Investment Grade Bond Index Fund	-	1	-
Vanguard FTSE All-World UCITS ETF*	93,741	8,461,063	3.33
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	15,016	5,332,894	2.10
Vanguard FTSE UK All Share Index Unit Trust	19,078	4,681,287	1.84
Vanguard Treasury Bond UCITS ETF USD*	979,340	16,663,470	6.57
Vanguard UK Short-Term Investment Grade Bond Index Fund	154,720	17,540,808	6.91
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	296,955	11,861,276	4.67
Xtrackers S&P 500 Swap UCITS ETF*	1,040,811	8,243,770	3.25
Xtrackers Switzerland UCITS ETF*	14,713	1,493,196	0.59
Xtrackers USD Corporate Bond UCITS ETF*	1,436,669	14,363,278	5.66
		250,121,592	98.55
Futures 0.09% (-0.14%)			
Long Gilt Mar'24	83	77,190	0.03
S&P 500 E-Mini Dec'23	4	14,212	0.00
US 5 Year Note (CBT) Mar'24	147	156,363	0.06
		247,765	0.09
Options nil (0.05%)			
FTSE 100 Put Option Dec'23 6,900	(21)	(315)	0.00
FTSE 100 Put Option Dec'23 7,250	21	1,365	0.00
Long Gilt Call Option Dec'23 99.5	(13)	(4,420)	0.00

Portfolio statement (continued)

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Options (continued)			
S&P 500 Put Option Dec'23 4,250	9	2,921	0.00
S&P 500 Put Option Dec'23 4,050	(9)	(1,496)	0.00
		(1,945)	(0.00)

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.21% (0.45%)					
Buy GBP : Sell USD	09/02/2024	£39,546,225	US$(49,314,934)	529,996	0.21
				529,996	0.21
Portfolio of investments				**250,897,408**	**98.85**
Net other assets				**2,914,104**	**1.15**
Total net assets				**253,811,512**	**100.00**

Figures in brackets represent sector distribution at 1 December 2022.

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

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

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

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

Comparative tables

Change in net asset value per share	I Income Shares			I Accumulation Shares		
	2023	2022	2021	2023	2022	2021
	p	p	p	p	p	p
Opening net asset value per share	143.22	160.53	152.07	204.40	225.85	212.11
Return before operating charges	4.31	(14.27)	10.86	6.21	(20.08)	15.21
Operating charges	(0.90)	(0.97)	(1.03)	(1.29)	(1.37)	(1.47)
Return after operating charges	3.41	(15.24)	9.83	4.92	(21.45)	13.74
Distributions	(3.04)	(2.07)	(1.37)	(4.36)	(2.93)	(1.91)
Retained distributions on accumulation shares	-	-	-	4.36	2.93	1.91
Closing net asset value per share	143.59	143.22	160.53	209.32	204.40	225.85
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Return after operating charges**	2.38%	(9.49)%	6.46%	2.41%	(9.50)%	6.48%
Closing net asset value (£'s)	2,840,261	3,075,215	3,647,535	250,971,251	272,029,294	314,176,666
Closing number of shares	1,977,997	2,147,125	2,272,208	119,896,040	133,086,558	139,107,646
Operating charges	0.63%	0.65%	0.64%	0.63%	0.65%	0.64%
Direct transaction costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	p	p	p	p	p	p
Highest share price	147.0	162.6	162.7	209.8	228.7	228.4
Lowest share price	138.1	135.5	151.4	199.7	192.5	211.4

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

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

Financial Statements - Santander Atlas Portfolio 4

Statement of total return

for the year ended 1 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Income					
Net capital gains/(losses)	1		478,748		(34,289,618)
Revenue	2	7,540,279		5,600,972	
Expenses	3	(1,141,351)		(1,235,297)	
Interest payable and similar charges	4	(11,998)		(19,167)	
Net revenue before taxation		6,386,930		4,346,508	
Taxation	5	(818,003)		(301,810)	
Net revenue after taxation			5,568,927		4,044,698
Total return before distributions			6,047,675		(30,244,912)
Distributions	6		(5,568,927)		(4,044,698)
Change in net assets attributable to shareholders from investment activities			478,748		(34,289,618)

Statement of change in net assets attributable to shareholders

for the year ended 1 December 2023

	2023 £	2023 £	2022 £	2022 £
Opening net assets attributable to shareholders		275,104,509		317,824,201
Amounts receivable on issue of shares	3,016,300		7,915,025	
Amounts payable on cancellation of shares	(30,208,836)		(20,315,081)	
		(27,192,536)		(12,400,056)
Dilution adjustment		7,803		1,425
Change in net assets attributable to shareholders from investment activities		478,748		(34,289,618)
Retained distribution on accumulation shares		5,412,988		3,968,557
Closing net assets attributable to shareholders		253,811,512		275,104,509

Balance sheet

as at 1 December 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		250,903,639	271,096,501
Current assets:			
Debtors	7	455,168	888,537
Cash and bank balances	8	12,301,936	11,513,613
Total assets		263,660,743	283,498,651
Liabilities:			
Investment liabilities		(6,231)	(995,524)
Creditors			
Bank overdrafts	8	(8,771,993)	(6,895,487)
Distributions payable	6	(22,235)	(14,524)
Other creditors	9	(1,048,772)	(488,607)
Total liabilities		(9,849,231)	(8,394,142)
Net assets attributable to shareholders		253,811,512	275,104,509

Notes to the financial statements

for the year ended 1 December 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Realised losses on non-derivative securities	(2,706,681)	(4,812,428)
Unrealised gains/(losses) on non-derivative securities	3,606,178	(28,632,447)
Realised (losses)/gains on derivative securities	(1,569,507)	3,008,145
Unrealised gains/(losses) on derivative securities	670,558	(1,475,537)
Currency (losses)/gains	(283,145)	877,147
Realised gains/(losses) on forward currency contracts	1,475,112	(4,570,150)
Unrealised (losses)/gains on forward currency contracts	(697,807)	1,356,647
Transaction charges	(15,960)	(40,995)
Net capital gains/(losses)	478,748	(34,289,618)

2. Revenue

	2023	2022
	£	£
UK dividends	1,104,807	895,390
Overseas UK tax exempt revenue	1,192,110	1,942,067
Overseas UK taxable revenue	3,221,443	1,508,547
Unfranked revenue	1,854,875	1,144,472
Bank interest	69,407	21,370
Rebates from holdings in Collective Investment Schemes	97,637	89,126
Total revenue	7,540,279	5,600,972

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	1,053,804	1,169,355
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	31,206	33,811
Other expenses:		
Audit fees	13,760	13,684
Safe custody fees	41,046	17,002
FCA fee	59	153
Tax service fees	1,476	1,292
	56,341	32,131
Total expenses	1,141,351	1,235,297

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	4,005	6,162
Margin interest	7,993	13,005
Total interest payable and similar charges	11,998	19,167

Notes to the financial statements (continued)

for the year ended 1 December 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	818,003	301,810
Total tax charge(note 5b)	818,003	301,810

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	6,386,930	4,346,508
Corporation tax @ 20% (2022 - 20%)	1,277,386	869,302
Effects of:		
Revenue exempt from UK corporation tax	(459,383)	(567,492)
Total tax charge (note 5a)	818,003	301,810

6. Distributions

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

	2023	2022
	£	£
Interim income distribution paid	40,167	31,040
Interim accumulation distributions paid	3,465,320	2,691,524
Final income distribution payable	22,235	14,524
Final accumulation distributions payable	1,947,668	1,277,033
	5,475,390	4,014,124
Equalisation:		
Amounts deducted on cancellation of shares	100,866	48,588
Amounts added on issue of shares	(7,329)	(18,011)
Distributions	5,568,927	4,044,698

Details of the distribution per share are disclosed in the distribution table on page 71.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	75,319	64,395
Sales awaiting settlement	-	507,024
Accrued revenue	264,991	274,428
Income tax recoverable	943	496
Rebates from holdings in Collective Investment Schemes	113,915	42,194
Total debtors	455,168	888,537

Notes to the financial statements (continued)

for the year ended 1 December 2023

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	305,059	789,728
Cash and bank balances	11,996,877	10,723,885
Total cash and bank balances	12,301,936	11,513,613
Bank overdraft*	8,771,993	6,895,487

As at 1 December 2023, the weighted average of the floating interest rate on bank balances was 0.58% (2022 - 0.20%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	431,141	190,189
Accrued expenses	112,350	117,871
Corporation tax	505,281	180,547
Total other creditors	1,048,772	488,607

10. Risk disclosures

The main risks from the Fund’s holding of financial instruments, together with the Authorised Corporate Director's (ACD’s) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, at least 85% of the Fund’s investments will be accessed indirectly by purchasing units in Collective Investment Schemes. The main risk arising from each fund’s financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £25,089,741 (2022 - £27,010,098). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

b) Interest rate risk (continued)
Interest risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 1 December 2023, 1.39% of the Fund's assets were interest bearing (2022 - 1.68%).

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

c) Currency risk
The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The value of the collectives can therefore be significantly affected by currency movements. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £3,522,224 (2022 - £4,559,340). A 5% weakening in GBP would increase the value by £3,892,985 (£5,039,271).

For numerical disclosure see note 15.

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

d) Credit risk (continued)

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

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

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

h) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

i) Country risk

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

j) Derivatives risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

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

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

j) Derivatives risk (continued)

to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

k) Non-developed market risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as “emerging markets” in a Fund’s investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund’s Shareholders bear the risks of investing in such markets.

l) Passively Managed CIS Risk

A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:

a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

11. Related party transactions

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

11. Related party transactions (continued)

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £441,288 (2022 - £218,374) was due to the ACD at the year end date.

Material shareholders

As at 1 December 2023, 89.57% (2022 - 88.11%) of the shares in issue in the Santander Atlas Portfolio 4 Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has two share classes; I Accumulation Shares and I Income Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
I Income Shares	**No of shares**	**No of shares**
Opening shares in issue	2,147,125	2,272,208
Shares issued in the year	97,347	188,113
Shares cancelled in the year	(266,475)	(313,196)
Closing shares in issue	1,977,997	2,147,125

	2023	2022
I Accumulation Shares	**No of shares**	**No of shares**
Opening shares in issue	133,086,558	139,107,646
Shares issued in the year	1,405,503	3,566,382
Shares cancelled in the year	(14,596,021)	(9,587,470)
Closing shares in issue	119,896,040	133,086,558

13. Fair value disclosure

	2023	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	148,860,758	6,231
Observable inputs using market data*	102,042,881	-
	250,903,639	6,231

Notes to the financial statements (continued)

for the year ended 1 December 2023

13. Fair value disclosure (continued)

	2022	
	Investment Assets	Investment Liabilities
	£	£
Quoted prices for identical instruments in active markets*	130,120,184	461,995
Observable inputs using market data*	140,976,317	533,529
	271,096,501	995,524

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 1 December 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	136,909,334	-	-	136,909,334	-	-
Total purchases	136,909,334	-	-	136,909,334		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	258,297,867	-	-	258,297,867	-	-
Total purchases	258,297,867	-	-	258,297,867		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	159,394,197	-	-	159,394,197	-	-
Total sales	159,394,197	-	-	159,394,197		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	250,687,898	-	-	250,687,898	-	-
Total sales	250,687,898	-	-	250,687,898		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.16% (2022 - 0.06%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 1 December 2023

15. Currency risk

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

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
Australian Dollar	25,016	-	25,016
Euro	11,479	10,677,706	10,689,185
Japanese Yen	-	6,422,751	6,422,751
UK Sterling	2,812,642	177,032,161	179,844,803
US Dollar	64,967	56,764,790	56,829,757
2022			
UK Sterling	42,320,171	190,457,871	232,778,042
Euro	(22,796,285)	23,138,827	342,542
US Dollar	(13,548,095)	53,047,950	39,499,855
Japanese Yen	–	2,457,630	2,457,630
Australian Dollar	26,440	–	26,440

16. Derivatives and Counterparty Exposure

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

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	529,996	529,996	529,996
2022			
Goldman Sachs	498,576	498,576	498,576
JP Morgan	1,262,756	1,262,756	1,262,756

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

Notes to the financial statements (continued)

for the year ended 1 December 2023

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Income Shares class has increased from 143.59p to 151.73p and the I Accumulation Share class increased from 209.32p to 221.73p as at 21st March 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 1 December 2023

Distributions on I Income Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.05.23	quarter 1	0.1511	-	0.1511	0.0286
	01.08.23	interim	1.2178	-	1.2178	0.5042
	01.11.23	quarter 3	0.5423	-	0.5423	0.8623
	01.02.24	final	1.1241	-	1.1241	0.6764
Group 2						
	01.05.23	quarter 1	0.0148	0.1363	0.1511	0.0286
	01.08.23	interim	0.5142	0.7036	1.2178	0.5042
	01.11.23	quarter 3	0.3060	0.2363	0.5423	0.8623
	01.02.24	final	0.4868	0.6373	1.1241	0.6764

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.05.23	quarter 1	0.2156	-	0.2156	0.0402
	01.08.23	interim	1.7392	-	1.7392	0.7094
	01.11.23	quarter 3	0.7829	-	0.7829	1.2176
	01.02.24	final	1.6245	-	1.6245	0.9596
Group 2						
	01.05.23	quarter 1	0.0873	0.1283	0.2156	0.0402
	01.08.23	interim	0.7423	0.9969	1.7392	0.7094
	01.11.23	quarter 3	0.4982	0.2847	0.7829	1.2176
	01.02.24	final	0.6014	1.0231	1.6245	0.9596

Equalisation

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

Accumulation distributions

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

Santander Atlas Portfolio 5

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary

Investment Objective

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

The Fund is managed with the aim of staying within a risk profile classification (with volatility parameters) of 5 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

Investment Policy

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

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

This Fund is managed with the aim of staying within a risk profile classification of 5, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

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

The Fund typically has: a higher level of volatility, a lower exposure to less volatile assets (such as bonds) and a higher exposure to more volatile assets (such as shares), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 3-4; and a lower level of volatility, a higher exposure to less volatile assets and a lower exposure to more volatile assets, compared to other funds within the Santander Atlas Portfolio growth range that are numbered 6-7.

Additionally the Fund may obtain exposure globally:

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

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Investment commentary (continued)

Investment Policy (continued)

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

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

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

The Fund will typically be invested between 65% and 80% in Passively Managed Collective Investment Schemes although this could be higher and the Fund is permitted to invest up to 100% in this way for a sustained period. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in “Investment Strategy and Process” below.

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

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

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

Investment Strategy and Process

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

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

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Investment commentary (continued)

Investment Strategy and Process (continued)

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

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

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

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

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

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

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

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Investment commentary (continued)

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

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

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

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of Medium in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Investment Manager
Santander Asset Management UK Limited

* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

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Investment commentary (continued)

Risk Profile

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

Risk and Reward Indicator

Lower Risk ← → Higher Risk

Typically Lower Rewards — Typically Higher Rewards

1	2	3	**4**	5	6	7

The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 4 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested. The RRI is different from the RPC (Risk Profile Classification). Whilst the Fund is managed with the aim to stay within an RPC (set and monitored by Distribution Technology), it is not managed to maintain its RRI, which may change over time.

Performance

Capital Growth

Percentage price change from 1 December 2018 to 1 December 2023 (5 years)	
Santander Atlas Portfolio 5 I Accumulation Shares*	17.31%
IA Mixed Investment 40-85% Shares**	23.77%
Percentage price change from 1 December 2022 to 1 December 2023 (1 year)	
Santander Atlas Portfolio 5 I Accumulation Shares*	3.10%
IA Mixed Investment 40-85% Shares**	2.40%

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

*** Source: FE fundinfo*

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

The Fund is not managed against a target, the comparator benchmark IA Mixed Investment 40-85% Shares is added to provide a comparison for indicative purposes only.

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Investment commentary (continued)

Market Review

The reporting period was shaped by hopes that the global economy is headed for a "soft landing", in which central banks bring inflation under control without causing a recession, which is defined as two consecutive quarters of negative economic growth.

The period began near the end of a challenging year for financial markets, defined by soaring inflation and aggressive interest rate hikes by central banks.[41]

2023 proved more positive, although there were bumps in the road. Global shares rose by over 10% in the first half of the year[42], as investors' hopes mounted that interest rates were close to their peak.

This period coincided with increasing interest in artificial intelligence (AI) and a corresponding surge in the value of technology shares, which contributed to strong stock market performance.[43]

However, the third quarter of 2023 was disruptive. Amid investor concerns that interest rates would remain higher for longer than had been expected, yields on 10-year US government bonds soared to 16-year highs in October[44], while those offered by 30-year UK government bonds hit their highest levels since 1998.[45] As bond prices and yields move in opposite directions, bond prices fell.

This led to share prices also falling[46], as high bond yields made it more expensive for companies to borrow money and limited their ability to grow.

However, sentiment shifted around the beginning of November as the US Federal Reserve[47], Bank of England[48] and European Central Bank[49] held interest rates steady rather than opting to raise them further.

These decisions restored investor optimism and prompted a dramatic U-turn in bond markets, with US bonds experiencing their best month since 1985 in November. This dragged their performance into positive territory for the year overall, despite the turbulence of October.[50]

An index of international bonds also enjoyed its most successful month since 2008[51], while November was the best month for global shares in three years.[52]

[41] *The Guardian, 30 December 2022*
[42] *MSCI World Index, 1 December 2023*
[43] *Reuters, 30 June 2023*
[44] *CNBC, 19 October 2023*
[45] *Reuters, 20 October 2023*
[46] *MSCI World Index, 1 December 2023*
[47] *Reuters, 1 November 2023*
[48] *Reuters, 2 November 2023*
[49] *Reuters, 26 October 2023*
[50] *Business Insider, 29 November 2023*
[51] *Business Insider, 29 November 2023*
[52] *Reuters, 30 November 2023*

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review (continued)

Both global shares[53] and bonds[54] rose over the course of the full reporting period. US[55], UK[56] and Eurozone[57] inflation continued to ease in the final months of the year, offering investors grounds for optimism in 2024.

Performance Review and Investment Activity (Reporting Period)

The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund aims to stay within a risk profile classification of 5, as set and monitored by an external risk rating company (although this isn't guaranteed).

The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's expected volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. Atlas Portfolio 5 falls in the middle of the range. Typically, it will be at least 70% invested in shares and bonds.

Over the last five years, the Atlas Portfolio 5 I Accumulation Share Class produced a cumulative return of 17.31%, achieving its objective to provide a combination of capital growth and income over a period of five or more years. For comparison, the comparator benchmark of the IA Mixed Investment 40-85% Shares returned 23.77% over the same period. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally.

In early 2020, the Fund was successfully positioned in a way to help it withstand the fallout from the impending COVID-19 pandemic. While the Fund outperformed in the down-market events, its risk-averse position meant that the Fund did not capture all of the market recovery that followed.

The abnormally strong correlation between shares and bonds in 2022, when the two markets moved almost in parallel with each other, also weighed negatively on the Fund since the diversification element was subdued. Typically, shares and bonds move in opposite directions from each other, so when one asset class rises, the other falls, allowing investors to diversify their portfolios.

The Atlas Portfolio 5 I Accumulation Share Class delivered a return of 3.10% in the twelve months through 1 December 2023, while the comparator of the IA Mixed Investment 40-85% Shares returned 2.40%. The Fund stayed within its Risk Profile Classification of 5 during the period.

At the beginning of the period, the Fund held as much cash as permitted because of uncertainty around the course of inflation, interest rates and economic growth, while the war in Ukraine created the potential for further instability.

At this time, we did not have a preference for shares or bonds, especially given the heightened correlation, meaning that diversification was lost.

[53] *MSCI World Index, 1 December 2023*
[54] *S&P Global Developed Sovereign Bond Index, 1 December 2023*
[55] *Yahoo! Finance, 30 November 2023*
[56] *The Guardian, 15 November 2023*
[57] *Bloomberg, 30 November 2023*

Santander Atlas Portfolio 5

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

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

However, in early 2023, we started increasing the Fund's holdings of bonds – particularly bonds that take longer to reach maturity, which we preferred to shares. During the year, the Fund's holdings of bonds were diversified to include US government bonds. The Fund's holdings of highly rated UK company and government bonds were also increased.

Within the Fund's bond portfolio, we also looked for the opportunities for diversification that might be offered by bonds that take less time to reach maturity. Here, we sought bonds that offered higher yields but didn't present more risk than those we would typically include in the Fund.

During the year, we increased the Fund's holdings of shares, but we're still cautious about the outlook for stock markets. So, while holdings of shares at the end of the period were higher than they were in a year earlier, we continue to favour bonds over shares.

All the bond and share purchases were funded by cash. By the end of the period, the Fund barely held any cash.

We also increased the Fund's holdings of gold, both to help diversify it and as a source of returns, as the price of gold rose 23% over the 12 months.[58] Growing international tensions and a weaker dollar, which makes it cheaper for investors who hold other currencies to buy gold, boosted demand, with the gold price hitting a six-month high on 27 November.[59]

At the beginning of the period, the Fund's cautious positioning negatively impacted performance, as shares rallied in the first half of the year while bond yields kept rising. However, throughout the year, rallies in stock markets and the recent peak in bond yields have meant that the Fund's more aggressive positioning was able to deliver a positive return.

Market Outlook

In our view, the focus of investors will be on how central banks respond to economic growth, and what the impact of this will be on shares, bonds and cash.

Our expectation is that the global economy will grow, given that central banks appear willing to provide support. With high interest rates beginning to bite and growth slowing, governments may consider measures to stimulate growth in the coming year.

We maintain a slightly unfavourable view of shares, as an economic downturn would hurt company earnings and damage their share valuations.

Bonds remain our preferred asset class at this time.

We expect the yields of government bonds that take one to four years to reach maturity to fall. Our view is that the yields of longer-term bonds will probably remain near current levels.

[58] *Trading Economics Gold Price, 1 December 2023*
[59] *Mining Technology, 27 November 2023*

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Outlook (continued)

In the US, UK and Europe, the yields of government bonds that take two years to reach maturity have been higher than those that take 10 years. This is an anomaly known as an inverted yield curve, and it has historically been considered a sign of an impending downturn. However, this may not be the case this time, as it has been proposed that this may indicate the slowdown in inflation that typically accompanies a recession, but not the recession itself.[60]

Multi Asset Solutions Team
For and on behalf of Santander Asset Management UK Limited
January 2024

[60] *Bloomberg, 1 September 2023*

Summary of material portfolio changes

for the year ended 1 December 2023

Purchases	Cost £	Note
Vanguard UK Short-Term Investment Grade Bond Index Fund	9,878,796	
Xtrackers S&P 500 Swap UCITS ETF	5,602,323	
iShares £ Corporate Bond 0-5yr UCITS ETF	5,527,900	
Vanguard Treasury Bond UCITS ETF USD	4,443,944	
iShares Core £ Corporate Bond UCITS ETF	3,559,435	
Invesco Physical Gold ETC	2,627,996	
HSBC European Index Fund I Inc	2,592,844	
HSBC European Index Fund C Inc	2,543,863	
Vanguard FTSE All-World UCITS ETF	2,422,220	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	1,766,757	
SPDR FTSE UK All Share UCITS ETF	1,611,406	
Robeco High Yield Bonds	1,469,135	
HSBC UK Gilt Index Fund	1,399,048	
iShares Global High Yield Bond UCITS ETF	1,271,570	
iShares UK Gilts All Stocks Index Fund UK	1,236,259	
UBS MSCI Japan UCITS ETF A JPY	1,000,786	
Vanguard UK Government Bond Index Fund	992,299	
Xtrackers USD Corporate Bond UCITS ETF	831,713	
Xtrackers Switzerland UCITS ETF	694,174	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	656,496	
Total cost of purchases for the year	53,756,290	14

Sales	Proceeds £	Note
iShares £ Corporate Bond 0-5 year UCITS ETF	9,375,672	
Nordea 1 – Low Duration European Covered Bond Fund HAI	5,921,468	
Xtrackers S&P 500 Swap UCITS ETF 1C USD	5,632,613	
Lyxor S&P 500 UCITS ETF D USD	4,278,975	
Nordea 1 - European Covered Bond Fund BI EUR	3,719,645	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	3,442,590	
Gold Bullion Securities Limited	2,898,658	
HSBC European Index Fund I Inc	2,450,699	
Vanguard Treasury Bond UCITS ETF USD	2,430,449	
Vanguard UK Short-Term Investment Grade Bond Index Fund	2,127,382	
Vanguard FTSE All-World UCITS ETF	2,013,551	
Morgan Stanley Short Maturity Euro Bond Fund Z EUR	1,856,035	
iShares Core FTSE 100 UCITS ETF	1,844,874	
Invesco S&P 500 UCITS ETF	1,620,679	
Allianz Gilt Yield Fund	1,476,942	
Fidelity Index UK Fund	1,187,206	
iShares Core £ Corporate Bond UCITS ETF	1,087,728	
Vanguard UK Government Bond Index Fund	1,007,362	
HSBC FTSE All-Share Index Fund	991,061	
HSBC UK Gilt Index Fund	937,749	
Total proceeds from sales for the year	61,551,686	14

Portfolio statement

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Collective Investment Schemes 98.59% (96.56%)			
Allianz Gilt Yield Fund	1,843,009	2,619,100	3.12
Amundi Japan Topix UCITS ETF A JPY*	19,755	1,591,777	1.89
Amundi S&P 500 UCITS ETF C USD*	37,913	2,650,378	3.15
Fidelity Index UK Fund	3,147,683	5,064,621	6.03
Fidelity Sustainable MoneyBuilder Income Fund	5,523,855	1,579,270	1.88
HSBC European Index Fund C Inc	242,753	1,884,734	2.24
HSBC FTSE All-Share Index Fund	1,421,437	4,992,087	5.94
HSBC UK Gilt Index Fund	446,410	368,556	0.44
Insight UK All Maturities Bond Fund	556,735	1,206,834	1.44
Invesco Physical Gold ETC*	14,904	2,333,072	2.78
Invesco S&P 500 UCITS ETF*	10,335	7,282,686	8.67
iShares £ Corporate Bond 0-5yr UCITS ETF*	43,633	4,308,759	5.13
iShares Core £ Corporate Bond UCITS ETF*	38,570	4,663,113	5.55
iShares Emerging Markets Equity Index Fund UK	1,243,961	2,239,269	2.66
iShares Global High Yield Bond UCITS ETF*	15,255	1,014,610	1.21
iShares UK Gilts All Stocks Index Fund UK	504,497	693,383	0.83
Robeco High Yield Bonds	12,302	1,523,356	1.81
SPDR FTSE UK All Share UCITS ETF*	52,078	3,138,220	3.73
UBS MSCI Japan UCITS ETF A JPY*	40,557	1,589,429	1.89
Vanguard FTSE All-World UCITS ETF*	41,569	3,752,018	4.47
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	7,004	2,487,542	2.96
Vanguard FTSE UK All Share Index Unit Trust	7,949	1,950,578	2.32
Vanguard Treasury Bond UCITS ETF USD*	302,402	5,145,370	6.12
Vanguard UK Short-Term Investment Grade Bond Index Fund	70,576	8,001,293	9.52
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	92,798	3,706,631	4.41
Xtrackers S&P 500 Swap UCITS ETF*	695,876	5,511,704	6.56
Xtrackers Switzerland UCITS ETF*	6,866	696,818	0.83
Xtrackers USD Corporate Bond UCITS ETF*	84,614	845,939	1.01
		82,841,147	98.59
Futures 0.10% (-0.09%)			
Long Gilt Mar'24	27	25,110	0.03
S&P 500 E-Mini Dec'23	2	7,106	0.01
US 5 Year Note (CBT) Mar'24	50	53,185	0.06
		85,401	0.10
Options nil (0.06%)			
FTSE 100 Put Option Dec'23 6,900	(10)	(150)	0.00
FTSE 100 Put Option Dec'23 7,250	10	650	0.00
Long Gilt Call Option Dec'23 99.5	(3)	(1,020)	0.00

Portfolio statement (continued)

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Options (continued)			
S&P 500 Put Option Dec'23 4,250	4	1,298	0.00
S&P 500 Put Option Dec'23 4,050	(4)	(665)	0.00
		113	0.00

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.14% (0.34%)					
Buy GBP : Sell USD	09/02/2024	£8,391,327	US$(10,464,152)	112,460	0.14
				112,460	0.14

Portfolio of investments	**83,039,121**	**98.83**
Net other assets	**982,235**	**1.17**
Total net assets	**84,021,356**	**100.00**

Figures in brackets represent sector distribution at 1 December 2022.

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

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

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

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

Comparative tables

Change in net asset value per share	I Accumulation Shares		
	2023	2022	2021
	p	p	p
Opening net asset value per share	219.20	236.58	214.40
Return before operating charges	9.07	(15.98)	23.70
Operating charges	(1.37)	(1.40)	(1.52)
Return after operating charges	7.70	(17.38)	22.18
Distributions	(4.23)	(3.49)	(1.82)
Retained distributions on accumulation shares	4.23	3.49	1.82
Closing net asset value per share	226.90	219.20	236.58
*after direct transaction costs of	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**
Return after operating charges**	3.51%	(7.35)%	10.35%
Closing net asset value (£'s)	84,021,356	91,265,580	104,952,538
Closing number of shares	37,030,333	41,634,982	44,362,707
Operating charges	0.62%	0.63%	0.64%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	p	p
Highest share price	226.6	240.5	240.6
Lowest share price	214.1	207.1	214.3

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

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

Financial Statements - Santander Atlas Portfolio 5

Statement of total return

for the year ended 1 December 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital gains/(losses)	1		1,330,657		(9,177,615)
Revenue	2	2,192,712		1,950,241	
Expenses	3	(389,240)		(418,314)	
Interest payable and similar charges	4	(9,223)		(6,987)	
Net revenue before taxation		1,794,249		1,524,940	
Taxation	5	(140,363)		(27,934)	
Net revenue after taxation			1,653,886		1,497,006
Total return before distributions			2,984,543		(7,680,606)
Distributions	6		(1,653,886)		(1,497,006)
Change in net assets attributable to shareholders from investment activities			1,330,657		(9,177,615)

Statement of change in net assets attributable to shareholders

for the year ended 1 December 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		91,265,580		104,952,538
Amounts receivable on issue of shares	1,022,956		2,437,275	
Amounts payable on cancellation of shares	(11,218,723)		(8,423,396)	
		(10,195,767)		(5,986,121)
Dilution adjustment		2,618		3,601
Change in net assets attributable to shareholders from investment activities		1,330,657		(9,177,615)
Retained distribution on accumulation shares		1,618,268		1,473,177
Closing net assets attributable to shareholders		84,021,356		91,265,580

Balance sheet

as at 1 December 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		83,040,956	88,732,453
Current assets:			
Debtors	7	123,567	1,672,349
Cash and bank balances	8	6,000,228	5,112,608
Total assets		89,164,751	95,517,410
Liabilities:			
Investment liabilities		(1,835)	(320,993)
Creditors			
Bank overdrafts	8	(4,828,618)	(3,806,364)
Other creditors	9	(312,942)	(124,473)
Total liabilities		(5,143,395)	(4,251,830)
Net assets attributable to shareholders		84,021,356	91,265,580

Notes to the financial statements

for the year ended 1 December 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Realised gains/(losses) on non-derivative securities	1,492,961	(258,279)
Unrealised gains/(losses) on non-derivative securities	261,919	(8,292,539)
Realised (losses)/gains on derivative securities	(517,317)	726,954
Unrealised gains/(losses) on derivative securities	166,651	(314,577)
Currency (losses)/gains	(81,908)	270,793
Realised gains/(losses) on forward currency contracts	336,095	(1,641,980)
Unrealised (losses)/gains on forward currency contracts	(314,092)	355,635
Transaction charges	(13,652)	(23,622)
Net capital gains/(losses)	1,330,657	(9,177,615)

2. Revenue

	2023	2022
	£	£
UK dividends	557,899	532,109
Overseas UK tax exempt revenue	534,538	825,604
Overseas UK taxable revenue	828,022	344,962
Unfranked revenue	232,080	223,247
Bank interest	26,874	5,439
Rebates from holdings in Collective Investment Schemes	13,299	18,880
Total revenue	2,192,712	1,950,241

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	349,241	385,414
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	10,477	11,562
Other expenses:		
Audit fees	13,760	13,684
Safe custody fees	14,227	6,209
FCA fee	59	153
Tax service fees	1,476	1,292
	29,522	21,338
Total expenses	389,240	418,314

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	6,533	2,596
Margin interest	2,690	4,391
Total interest payable and similar charges	9,223	6,987

Notes to the financial statements (continued)

for the year ended 1 December 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
UK Corporation tax	140,363	27,934
Total tax charge(note 5b)	140,363	27,934

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	1,794,249	1,524,940
Corporation tax @ 20% (2022 - 20%)	358,850	304,988
Effects of:		
Movement in excess management expenses	-	(5,499)
Revenue exempt from UK corporation tax	(218,487)	(271,555)
Total tax charge (note 5a)	140,363	27,934

6. Distributions

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

	2023	2022
	£	£
Interim accumulation distributions paid	794,675	448,798
Final accumulation distributions payable	823,593	1,024,379
	1,618,268	1,473,177
Equalisation:		
Amounts deducted on cancellation of shares	40,531	33,311
Amounts added on issue of shares	(4,913)	(9,482)
Distributions	1,653,886	1,497,006

Details of the distribution per share are disclosed in the distribution table on page 98.

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	11,063	37,310
Sales awaiting settlement	-	1,309,071
Accrued revenue	94,945	315,961
Income tax recoverable	974	395
Rebates from holdings in Collective Investment Schemes	16,585	9,612
Total debtors	123,567	1,672,349

Notes to the financial statements (continued)

for the year ended 1 December 2023

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	105,942	150,966
Cash and bank balances	5,894,286	4,961,642
Total cash and bank balances	6,000,228	5,112,608
Bank overdraft*	4,828,618	3,806,364

As at 1 December 2023, the weighted average of the floating interest rate on bank balances was 0.46% (2022 - 0.11%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	122,930	66,360
Accrued expenses	49,649	50,574
Corporation tax	140,363	7,539
Total other creditors	312,942	124,473

10. Risk disclosures

The main risks from the Fund's holding of financial instruments, together with the Authorised Corporate Director's (ACD's) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, at least 85% of the Fund's investments will be accessed indirectly by purchasing units in Collective Investment Schemes. The main risk arising from each fund's financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £8,303,912 (2022 - £8,841,146). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

b) Interest rate risk (continued)

Interest risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 1 December 2023, 1.39% of the Fund's assets were interest bearing (2022 - 1.43%).

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

c) Currency risk

The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The value of the collectives can therefore be significantly affected by currency movements. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £1,643,065 (2022 - £1,881,479). A 5% weakening in GBP would increase the value by £1,816,019 (2022 - £2,079,530).

For numerical disclosure see note 15.

d) Credit risk

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

d) Credit risk (continued)

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

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

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

Asset-backed (“ABS”) and Mortgage-backed (“MBS”) Securities

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

h) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

i) Country risk

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

j) Derivatives risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

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

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty’s own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund’s obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty

Notes to the financial statements (continued)
for the year ended 1 December 2023

10. Risk disclosures (continued)

j) Derivatives risk (continued)
to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

k) Non-developed market risk
Investors considering an investment in Funds covering non-developed markets (sometimes referred to as “emerging markets” in a Fund’s investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund’s Shareholders bear the risks of investing in such markets.

l) Passively Managed CIS Risk
A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:
a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

11. Related party transactions
The following are considered by the Directors of the Authorised Corporate Director (ACD) to be related parties:

Notes to the financial statements (continued)

for the year ended 1 December 2023

11. Related party transactions (continued)

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £140,256 (2022 - £59,785) was due to the ACD at the year end date.

Material shareholders

As at 1 December 2023, 62.77% (2022 - 45.46%) of the shares in issue in the Santander Atlas Portfolio 5 Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has one share class; I Accumulation Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
I Accumulation Shares	**No of shares**	**No of shares**
Opening shares in issue	41,634,982	44,362,707
Shares issued in the year	466,781	1,081,940
Shares cancelled in the year	(5,071,430)	(3,809,665)
Closing shares in issue	37,030,333	41,634,982

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	48,317,873	1,835
Observable inputs using market data*	34,723,083	-
	83,040,956	1,835

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	45,004,566	113,393
Observable inputs using market data*	43,727,887	207,600
	88,732,453	320,993

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 1 December 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	53,756,290	-	-	53,756,290	-	-
Total purchases	53,756,290	-	-	53,756,290		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	88,968,064	-	-	88,968,064	-	-
Total purchases	88,968,064	-	-	88,968,064		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	61,551,686	-	-	61,551,686	-	-
Total sales	61,551,686	-	-	61,551,686		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	91,982,756	-	-	91,982,756	-	-
Total sales	91,982,756	-	-	91,982,756		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The only broker commissions paid were in relation to the purchase and sale of exchange traded funds. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.14% (2022 - 0.05%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 1 December 2023

15. Currency risk

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

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
Australian Dollar	11,696	-	11,696
Euro	2,958	5,048,055	5,051,013
Japanese Yen	-	3,176,745	3,176,745
UK Sterling	941,133	48,575,861	49,516,994
US Dollar	26,448	26,238,460	26,264,908
2022			
UK Sterling	13,169,069	58,817,693	71,986,762
Euro	(5,560,610)	5,479,667	(80,943)
US Dollar	(4,480,747)	22,572,373	18,091,626
Japanese Yen	–	1,255,773	1,255,773
Australian Dollar	12,362	–	12,362

16. Derivatives and Counterparty Exposure

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

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	112,460	112,460	112,460
2022			
Goldman Sachs	194,427	194,427	194,427
JP Morgan	327,265	327,265	327,265

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

Notes to the financial statements (continued)

for the year ended 1 December 2023

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Accumulation Shares class has increased from 226.90p to 242.20p as at 21st March 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 1 December 2023

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.08.23	interim	2.0104	-	2.0104	1.0320
	01.02.24	final	2.2241	-	2.2241	2.4604
Group 2						
	01.08.23	interim	1.2596	0.7508	2.0104	1.0320
	01.02.24	final	0.0000	2.2241	2.2241	2.4604

Equalisation

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

Accumulation distributions

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

Santander Atlas Portfolio 7

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary

Investment Objective

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

The Fund is managed with the aim of staying within a risk profile classification (with volatility parameters) of 7 as set and monitored by an external third party risk rating company. It is not guaranteed that the Fund will stay within this risk profile classification at all times.

Investment Policy

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

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

This Fund is managed with the aim of staying within a risk profile classification of 7, which is different from the Synthetic Risk and Reward Indicator (SRRI) published in its NURS Key Investor Information. The Fund will not be managed to maintain the SRRI, which may change over time.

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

The Fund typically has: a higher level of volatility, a higher exposure to more volatile assets (such as shares) and a lower exposure to less volatile assets (such as bonds), compared to other funds within the Santander Atlas Portfolio growth range that are numbered 3-6.

Additionally the Fund may obtain exposure globally:

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

Santander Atlas Portfolio 7

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Investment commentary (continued)

Investment Policy (continued)

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

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

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

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

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

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

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

Investment Strategy and Process

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

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

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Strategy and Process (continued)

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

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

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

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

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

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

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

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

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

Further Information
The ACD uses the IA*Flexible Investment peer group as a Comparator Benchmark for the Fund.

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

The risk profile classification which the Fund is managed to stay within is set and monitored by Distribution Technology. The ACD may change the risk profiling service provider to another independent company in the future, which will be communicated in any future publications of the Prospectus.

The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.

The Fund has a Risk Category of High in accordance with Santander UK plc's Risk Categorisation Process. An explanation of what this means can be found in the Prospectus.

Variable remuneration of individual fund managers employed by the ACD who are responsible for managing the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

The base currency of the Fund is UK Sterling.

Investment Manager
Santander Asset Management UK Limited

* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in each sector and investors can use this to compare the Fund's performance.

Santander Atlas Portfolio 7
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Risk Profile

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

Risk and Reward Indicator

Lower Risk ⟷ Higher Risk

Typically Lower Rewards — Typically Higher Rewards

1	2	3	4	**5**	6	7

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

Performance

Capital Growth

Percentage price change from 1 December 2018 to 1 December 2023 (5 years)	
Santander Atlas Portfolio 7 I Accumulation Shares*	35.69%
IA Flexible Investment**	23.58%
Percentage price change from 1 December 2022 to 1 December 2023 (1 year)	
Santander Atlas Portfolio 7 I Accumulation Shares*	4.47%
IA Flexible Investment**	2.12%

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

*** Source: FE fundinfo*

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

The Fund is not managed against a target, the comparator benchmark IA Flexible Investment is added to provide a comparison for indicative purposes only.

Santander Atlas Portfolio 7

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review

The reporting period was shaped by hopes that the global economy is headed for a "soft landing", in which central banks bring inflation under control without causing a recession, which is defined as two consecutive quarters of negative economic growth.

The period began near the end of a challenging year for financial markets, defined by soaring inflation and aggressive interest rate hikes by central banks.[61]

2023 proved more positive, although there were bumps in the road. Global shares rose by over 10% in the first half of the year[62], as investors' hopes mounted that interest rates were close to their peak.

This period coincided with increasing interest in artificial intelligence (AI) and a corresponding surge in the value of technology shares, which contributed to strong stock market performance.[63]

However, the third quarter of 2023 was disruptive. Amid investor concerns that interest rates would remain higher for longer than had been expected, yields on 10-year US government bonds soared to 16-year highs in October[64], while those offered by 30-year UK government bonds hit their highest levels since 1998.[65] As bond prices and yields move in opposite directions, bond prices fell.

This led to share prices also falling[66], as high bond yields made it more expensive for companies to borrow money and limited their ability to grow.

However, sentiment shifted around the beginning of November as the US Federal Reserve[67], Bank of England[68] and European Central Bank[69] held interest rates steady rather than opting to raise them further.

These decisions restored investor optimism and prompted a dramatic U-turn in bond markets, with US bonds experiencing their best month since 1985 in November. This dragged their performance into positive territory for the year overall, despite the turbulence of October.[70]

An index of international bonds also enjoyed its most successful month since 2008[71], while November was the best month for global shares in three years.[72]

61 *The Guardian, 30 December 2022*
62 *MSCI World Index, 1 December 2023*
63 *Reuters, 30 June 2023*
64 *CNBC, 19 October 2023*
65 *Reuters, 20 October 2023*
66 *MSCI World Index, 1 December 2023*
67 *Reuters, 1 November 2023*
68 *Reuters, 2 November 2023*
69 *Reuters, 26 October 2023*
70 *Business Insider, 29 November 2023*
71 *Business Insider, 29 November 2023*
72 *Reuters, 30 November 2023*

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Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review (continued)
Both global shares[73] and bonds[74] rose over the course of the full reporting period. US[75], UK[76] and Eurozone[77] inflation continued to ease in the final months of the year, offering investors grounds for optimism in 2024.

Performance Review and Investment Activity (Reporting Period)
The Fund's objective is to provide a combination of capital growth and income over a period of five or more years. The Fund aims to stay within a risk profile classification of 7, as set and monitored by an external risk rating company (although this isn't guaranteed).

The Fund is in the Santander Atlas Portfolio range, which is comprised of funds that are numbered 3-7. The lower this number, the lower the fund's expected volatility – for example, it is likely to contain smaller quantities of more volatile assets, such as shares. Atlas Portfolio 7 typically has the highest volatility among those in the range. Typically, it will be at least 70% invested in shares and bonds.

Over the last five years, the Atlas Portfolio 7 I Accumulation Share Class produced a cumulative return of 35.69%, achieving its objective to provide a combination of capital growth and income over a period of five or more years. For comparison, the comparator benchmark of the IA Flexible Investment returned 23.58% over the same period. The comparator benchmark has been chosen as it shows performance against other multi asset funds which have the ability to invest globally.

In early 2020, the Fund successfully positioned itself in a risk-averse way to help it withstand the fallout from the impending COVID-19 pandemic. The fund outperformed, especially in down-market events.

The abnormally strong correlation between shares and bonds in 2022, when the two markets moved almost in parallel with each other, reduced diversification potential in the Fund. However, through a combination of gold, cash and a focus on bonds that take less time to reach maturity, the fund was able to navigate volatile market environments.

The Atlas Portfolio 7 I Accumulation Share Class delivered a return of 4.47% in the twelve months through 1 December 2023, while the comparator of the IA Flexible Investment returned 2.12%. The Fund stayed within its Risk Profile Classification of 7 during the period.

At the beginning of the period, the Fund held as much cash as permitted because of uncertainty around the course of inflation, interest rates and economic growth, while the war in Ukraine created the potential for further instability.

At this time, we did not have a preference for shares or bonds, especially given the heightened correlation, meaning that diversification was lost.

[73] *MSCI World Index, 1 December 2023*
[74] *S&P Global Developed Sovereign Bond Index, 1 December 2023*
[75] *Yahoo! Finance, 30 November 2023*
[76] *The Guardian, 15 November 2023*
[77] *Bloomberg, 30 November 2023*

Santander Atlas Portfolio 7
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
However, in early 2023, we started increasing the Fund's holdings of bonds – particularly bonds that take longer to reach maturity, which we preferred to shares. During the year, the Fund's holdings of bonds were diversified to include US government bonds. The Fund's holdings of highly rated UK company and government bonds were also increased.

Within the Fund's bond portfolio, we also looked for the opportunities for diversification that might be offered by bonds that take less time to reach maturity. Here, we sought bonds that offered higher yields but didn't present more risk than those we would typically include in the Fund.

During the year, we increased the Fund's holdings of shares, but we're still cautious about the outlook for stock markets. So, while holdings of shares at the end of the period were higher than they were a year earlier, we continue to favour bonds over shares.

All the bond and share purchases were funded by cash. By the end of the period, the Fund barely held any cash.

We've also increased the Fund's holdings of gold, both to help diversify it and as a source of returns, as the price of gold rose 23% over the past 12 months.[78] Growing international tensions and a weaker dollar, which makes it cheaper for investors who hold other currencies to buy gold, boosted demand, with the gold price hitting a six-month high on 27 November.[79]

At the beginning of the period, the Fund's performance was negatively impacted by its risk-averse positioning, as shares rallied in the first half of the year while bond yields kept rising. However, throughout the year, rallies in stock markets and the recent peak in bond yields have meant that the Fund was able to deliver a positive return.

Market Outlook
In our view, the focus of investors will be on how central banks respond to economic growth, and what the impact of this will be on shares, bonds and cash.

Our expectation is that the global economy will grow, given that central banks appear willing to provide support. With high interest rates beginning to bite and growth slowing, governments may consider measures to stimulate growth in the coming year.

We maintain a slightly unfavourable view of shares, as an economic downturn would hurt company earnings and damage their share valuations.

Bonds remain our preferred asset class at this time.

We expect the yields of government bonds that take one to four years to reach maturity to fall. Our view is that the yields of longer-term bonds will probably remain near current levels.

78 *Trading Economics Gold Price, 1 December 2023*
79 *Mining Technology, 27 November 2023*

Santander Atlas Portfolio 7

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Investment commentary (continued)

Market Outlook (continued)

In the US, UK and Europe, the yields of government bonds that take two years to reach maturity have been higher than those that take 10 years. This is an anomaly known as an inverted yield curve, and it has historically been considered a sign of an impending downturn. However, this may not be the case this time, as it has been proposed that this may indicate the slowdown in inflation that typically accompanies a recession, but not the recession itself.[80]

Multi Asset Solutions Team
For and on behalf of Santander Asset Management UK Limited
January 2024

[80] *Bloomberg, 1 September 2023*

Summary of material portfolio changes

for the year ended 1 December 2023

Purchases	Cost £	Note
Xtrackers S&P 500 Swap UCITS ETF	16,554,729	
Vanguard FTSE All-World UCITS ETF	8,476,851	
HSBC European Index Fund C Inc	8,032,476	
HSBC European Index Fund I Inc	7,388,890	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	5,753,534	
SPDR FTSE UK All Share UCITS ETF	5,347,552	
Invesco Physical Gold ETC	5,245,212	
Vanguard Treasury Bond UCITS ETF USD	4,574,347	
Robeco High Yield Bonds	3,389,718	
UBS MSCI Japan UCITS ETF A JPY	2,758,278	
Amundi S&P 500 UCITS ETF USD	2,387,404	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	2,020,510	
Xtrackers Switzerland UCITS ETF	1,983,339	
iShares Core £ Corporate Bond UCITS ETF	1,703,119	
Amundi Japan Topix UCITS ETF A JPY	1,213,289	
HSBC FTSE All-Share Index Fund	509,505	
Fidelity Index UK Fund	350,043	
Total cost of purchases for the year	77,688,796	14

Sales	Proceeds £	Note
Xtrackers S&P 500 Swap UCITS ETF 1C USD	16,644,192	
Lyxor S&P 500 UCITS ETF D USD	10,154,647	
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	9,409,568	
HSBC European Index Fund I Inc	7,019,776	
Vanguard FTSE All-World UCITS ETF	5,982,272	
iShares Core FTSE 100 UCITS ETF	5,527,468	
Gold Bullion Securities Limited	4,622,637	
iShares Emerging Markets Equity Index Fund UK	4,154,690	
Invesco S&P 500 UCITS ETF	3,522,384	
Xtrackers S&P 500 Swap UCITS ETF	2,067,375	
HSBC European Index Fund C Inc	1,974,094	
Fidelity Index UK Fund	1,803,607	
HSBC FTSE All-Share Index Fund	1,386,962	
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD	986,365	
Vanguard FTSE UK All Share Index Unit Trust	949,817	
SPDR FTSE UK All Share UCITS ETF	846,666	
Vanguard Treasury Bond UCITS ETF USD	726,853	
UBS MSCI Japan UCITS ETF A JPY	630,167	
Amundi Japan Topix UCITS ETF A JPY	141,153	
Total proceeds from sales for the year	78,550,693	14

All purchase and sales during the year are disclosed above.

Portfolio statement

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Collective Investment Schemes 99.19% (92.32%)			
Amundi Japan Topix UCITS ETF A JPY*	65,229	5,255,885	3.06
Amundi S&P 500 UCITS ETF C USD*	186,035	13,005,117	7.57
Fidelity Index UK Fund	10,053,897	16,176,720	9.42
HSBC European Index Fund C Inc	794,746	6,170,408	3.59
HSBC FTSE All-Share Index Fund	4,529,255	15,906,744	9.26
Invesco Physical Gold ETC*	33,876	5,302,949	3.09
Invesco S&P 500 UCITS ETF*	29,405	20,720,598	12.07
iShares Core £ Corporate Bond UCITS ETF*	14,757	1,784,121	1.04
iShares Emerging Markets Equity Index Fund UK	3,932,021	7,078,078	4.12
Robeco High Yield Bonds	28,318	3,506,618	2.04
SPDR FTSE UK All Share UCITS ETF*	163,871	9,874,866	5.75
UBS MSCI Japan UCITS ETF A JPY*	138,161	5,414,530	3.15
Vanguard FTSE All-World UCITS ETF*	122,533	11,059,829	6.44
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	22,303	7,920,759	4.61
Vanguard FTSE UK All Share Index Unit Trust	28,012	6,873,478	4.00
Vanguard Treasury Bond UCITS ETF USD*	208,303	3,544,276	2.06
Xtrackers MSCI Emerging Markets UCITS ETF 1C USD*	327,936	13,098,750	7.63
Xtrackers S&P 500 Swap UCITS ETF*	1,979,893	15,681,793	9.13
Xtrackers Switzerland UCITS ETF*	19,617	1,990,894	1.16
		170,366,413	99.19
Futures 0.07% (-0.06%)			
Long Gilt Mar'24	35	32,550	0.02
S&P 500 E-Mini Dec'23	3	10,659	0.01
US 5 Year Note (CBT) Mar'24	61	64,885	0.04
		108,094	0.07
Options nil (0.07%)			
FTSE 100 Put Option Dec'23 6,900	(32)	(480)	0.00
FTSE 100 Put Option Dec'23 7,250	32	2,080	0.00
Long Gilt Call Option Dec'23 99.5	(4)	(1,360)	0.00
S&P 500 Put Option Dec'23 4,250	14	4,543	0.00
S&P 500 Put Option Dec'23 4,050	(14)	(2,327)	0.00
		2,456	0.00

Portfolio statement (continued)

as at 1 December 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.04% (0.02%)					
Buy GBP : Sell USD	09/02/2024	£4,922,616	US$(6,138,600)	65,973	0.04
				65,973	0.04
Portfolio of investments				**170,542,936**	**99.30**
Net other assets				**1,209,920**	**0.70**
Total net assets				**171,752,856**	**100.00**

Figures in brackets represent sector distribution at 1 December 2022.

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

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

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

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

Comparative tables

Change in net asset value per share	**I Accumulation Shares**		
	2023	**2022**	**2021**
	p	**p**	**p**
Opening net asset value per share	267.64	278.96	239.71
Return before operating charges	15.44	(9.82)	40.97
Operating charges	(1.59)	(1.50)	(1.72)
Return after operating charges	13.85	(11.32)	39.25
Distributions	(4.98)	(3.26)	(2.05)
Retained distributions on accumulation shares	4.98	3.26	2.05
Closing net asset value per share	281.49	267.64	278.96
*after direct transaction costs of	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**
Return after operating charges**	5.17%	(4.06)%	16.37%
Closing net asset value (£'s)	171,752,856	176,060,660	189,769,264
Closing number of shares	61,016,256	65,782,286	68,026,973
Operating charges	0.58%	0.56%	0.61%
Direct transaction costs*	0.00%	0.00%	0.00%
	p	**p**	**p**
Highest share price	282.7	285.4	286.1
Lowest share price	258.9	251.4	239.9

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

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

Financial Statements - Santander Atlas Portfolio 7

Statement of total return

for the year ended 1 December 2023

	Note	2023		2022	
		£	£	£	£
Income					
Net capital gains/(losses)	1		5,619,109		(10,468,736)
Revenue	2	3,907,421		3,507,728	
Expenses	3	(758,762)		(767,355)	
Interest payable and similar charges	4	(8,140)		(9,355)	
Net revenue before taxation		3,140,519		2,731,018	
Taxation	5	-		-	
Net revenue after taxation			3,140,519		2,731,018
Total return before distributions			8,759,628		(7,737,718)
Distributions	6		(3,140,519)		(2,731,018)
Change in net assets attributable to shareholders from investment activities			5,619,109		(10,468,736)

Statement of change in net assets attributable to shareholders

for the year ended 1 December 2023

	2023		2022	
	£	£	£	£
Opening net assets attributable to shareholders		176,060,660		189,769,264
Amounts receivable on issue of shares	1,433,801		3,501,417	
Amounts payable on cancellation of shares	(14,464,684)		(9,450,112)	
		(13,030,883)		(5,948,695)
Dilution adjustment		3,232		4,123
Change in net assets attributable to shareholders from investment activities		5,619,109		(10,468,736)
Retained distribution on accumulation shares		3,100,738		2,704,704
Closing net assets attributable to shareholders		171,752,856		176,060,660

Balance sheet

as at 1 December 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		170,547,103	163,089,963
Current assets:			
Debtors	7	289,367	1,088,702
Cash and bank balances	8	8,452,749	17,363,859
Total assets		179,289,219	181,542,524
Liabilities:			
Investment liabilities		(4,167)	(498,273)
Creditors			
Bank overdrafts	8	(7,220,805)	(4,292,450)
Other creditors	9	(311,391)	(691,141)
Total liabilities		(7,536,363)	(5,481,864)
Net assets attributable to shareholders		171,752,856	176,060,660

Notes to the financial statements

for the year ended 1 December 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Realised gains on non-derivative securities	6,330,400	12,687,388
Unrealised gains/(losses) on non-derivative securities	84,375	(21,624,351)
Realised (losses)/gains on derivative securities	(1,031,715)	397,711
Unrealised gains/(losses) on derivative securities	206,112	(471,765)
Currency (losses)/gains	(228,333)	237,098
Realised gains/(losses) on forward currency contracts	243,058	(1,719,628)
Unrealised gains on forward currency contracts	34,528	63,402
Transaction charges	(19,316)	(38,591)
Net capital gains/(losses)	5,619,109	(10,468,736)

2. Revenue

	2023	2022
	£	£
UK dividends	1,739,503	1,608,482
Overseas UK tax exempt revenue	1,961,010	1,853,602
Overseas UK taxable revenue	109,804	-
Unfranked revenue	15,351	6,209
Bank interest	66,510	17,440
Margin interest	4,776	-
Rebates from holdings in Collective Investment Schemes	10,467	21,995
Total revenue	3,907,421	3,507,728

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	696,256	717,802
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	20,888	21,534
Other expenses:		
Audit fees	13,760	13,684
Safe custody fees	26,323	12,890
FCA fee	59	153
Tax service fees	1,476	1,292
	41,618	28,019
Total expenses	758,762	767,355

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	3,263	1,608
Margin interest	4,877	7,747
Total interest payable and similar charges	8,140	9,355

Notes to the financial statements (continued)

for the year ended 1 December 2023

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Total tax charge(note 5b)	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	3,140,519	2,731,018
Corporation tax @ 20% (2022 - 20%)	628,104	546,204
Effects of:		
Movement in excess management expenses	389,471	-
Management expenses not relieved	-	(131,264)
Prior year adjustment	(277,472)	277,477
Revenue exempt from UK corporation tax	(740,103)	(692,417)
Total tax charge (note 5a)	-	-

c. Provision for deferred taxation

At the year end there is a potential deferred tax asset of £1,645,594 (2022 - £1,256,123) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

	2023	2022
	£	£
Interim accumulation distributions paid	1,405,904	557,776
Final accumulation distributions payable	1,694,834	2,146,928
	3,100,738	2,704,704
Equalisation:		
Amounts deducted on cancellation of shares	43,219	37,481
Amounts added on issue of shares	(3,438)	(11,167)
Distributions	3,140,519	2,731,018

Details of the distribution per share are disclosed in the distribution table on page 125.

Notes to the financial statements (continued)

for the year ended 1 December 2023

7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	-	188,502
Accrued revenue	272,229	892,963
Income tax recoverable	4,312	1,242
Rebates from holdings in Collective Investment Schemes	12,826	5,995
Total debtors	289,367	1,088,702

8. Cash and bank balances

	2023	2022
	£	£
Amount held at futures clearing houses and brokers	139,685	201,267
Cash and bank balances	8,313,064	17,162,592
Total cash and bank balances	8,452,749	17,363,859
Bank overdraft*	7,220,805	4,292,450

As at 1 December 2023, the weighted average of the floating interest rate on bank balances was 0.80% (2022 - 0.10%).

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

9. Other creditors

	2023	2022
	£	£
Amounts payable on cancellation of shares	226,736	-
Purchases awaiting settlement	-	607,905
Accrued expenses	84,655	83,236
Total other creditors	311,391	691,141

10. Risk disclosures

The main risks from the Fund’s holding of financial instruments, together with the Authorised Corporate Director's (ACD’s) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, at least 85% of the Fund’s investments will be accessed indirectly by purchasing units in Collective Investment Schemes. The main risk arising from each fund’s financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

a) Market price risk (continued)

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £17,054,294(2022: £16,259,170). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

b) Interest rate risk

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

Interest risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 1 December 2023, 0.72% of the Fund's assets were interest bearing (2022 - 7.42%).

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

c) Currency risk

The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The value of the collectives can therefore be significantly affected by currency movements. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £5,304,804 (2022 - £4,820,366). A 5% weakening in GBP would increase the value by £5,863,205 (2022 - £5,327,773).

For numerical disclosure see note 15.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

d) Credit risk

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

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

Sub-investment grade & emerging markets bonds

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

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

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

h) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

i) Country risk

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

j) Derivatives risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

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

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

j) Derivatives risk (continued)

might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

k) Non-developed market risk

Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

l) Passively Managed CIS Risk

A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:

a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

Notes to the financial statements (continued)

for the year ended 1 December 2023

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £284,683 (2022 - £129,348) was due to the ACD at the year end date.

Material shareholders

As at 1 December 2023, 90.81% (2022 - 90.57%) of the shares in issue in the Santander Atlas Portfolio 7 Fund were held by Allfunds Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has one share class; I Accumulation Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
I Accumulation Shares	**No of shares**	**No of shares**
Opening shares in issue	65,782,286	68,026,973
Shares issued in the year	524,262	1,304,343
Shares cancelled in the year	(5,290,292)	(3,549,030)
Closing shares in issue	61,016,256	65,782,286

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	106,848,325	4,167
Observable inputs using market data*	63,698,778	-
	170,547,103	4,167

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	95,705,043	193,165
Observable inputs using market data*	67,384,920	305,108
	163,089,963	498,273

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 1 December 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	77,688,796	-	-	77,688,796	-	-
Total purchases	77,688,796	-	-	77,688,796		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	112,635,400	-	-	112,635,400	-	-
Total purchases	112,635,400	-	-	112,635,400		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	78,550,693	-	-	78,550,693	-	-
Total sales	78,550,693	-	-	78,550,693		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	122,528,636	-	-	122,528,636	-	-
Total sales	122,528,636	-	-	122,528,636		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.17% (2022 - 0.06%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 1 December 2023

15. Currency risk

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

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
Australian Dollar	18,082	-	18,082
Euro	4,085	16,013,937	16,018,022
Japanese Yen	-	10,655,217	10,655,217
UK Sterling	1,149,298	59,202,671	60,351,969
US Dollar	38,455	84,671,111	84,709,566
2022			
UK Sterling	14,830,098	92,251,213	107,081,311
Euro	155,277	–	155,277
Japanese Yen	–	3,773,845	3,773,845
US Dollar	(1,485,012)	66,516,128	65,031,116
Australian Dollar	19,111	–	19,111

16. Derivatives and Counterparty Exposure

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

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	65,973	65,973	65,973
2022			
Goldman Sachs	336,553	336,553	336,553

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

Notes to the financial statements (continued)

for the year ended 1 December 2023

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the I Accumulation Shares class has increased from 281.49p to 307.09p as 21st March 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 1 December 2023

Distributions on I Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.08.23	interim	2.2061	-	2.2061	0.8301
	01.02.24	final	2.7777	-	2.7777	3.2637
Group 2						
	01.08.23	interim	1.5545	0.6516	2.2061	0.8301
	01.02.24	final	1.7174	1.0603	2.7777	3.2637

Equalisation

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

Accumulation distributions

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

International Multi-Index

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary

Investment Objective

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

The Fund will aim to outperform (before the deduction of fees) the following composite Target Benchmark measured over a rolling 3 year time period: 37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR.

It is expected that average outperformance for the Fund will typically not be greater than 0.75% per annum (before the deduction of fees) in excess of the Target Benchmark over a rolling 3 year period, although no level of outperformance is guaranteed.

Investment Policy

The Fund is actively managed and aims to achieve its objectives by obtaining exposure globally through investment in Collective Investment Schemes:

- between 70% and 85% to shares in companies;
- between 15% and 30% to bonds issued by companies, governments, government bodies and supranationals. These bonds can be investment grade or sub-investment grade but a maximum of 10% of the Fund can be exposed to sub-investment grade bonds. Although the Fund will invest globally, typically it will have a higher exposure to bonds denominated in or Hedged to Pounds Sterling; and
- up to 5% in cash, cash like and other money market instruments.

Between 80% and 100% of the Fund will obtain exposure to the above asset classes through investment in Passively Managed Collective Investment Schemes. These will be managed by other companies (not the ACD or other companies within the Santander Group), and may have different investment restrictions or strategies when compared to the Fund, for example they will seek to track a specific Index or Indices. As these will each seek to track an Index or Indices, the Fund will have exposure to multiple Indices and these will generally differ to the Indices in the Target Benchmark. Further information on the holding of Passively Managed Collective Investment Schemes is detailed in "Investment Strategy and Process" below.

The Fund may also seek exposure to the above asset classes through investing up to 5% in Actively Managed Collective Investment Schemes (which can be managed by the ACD or other companies including within the Santander Group). The Fund can also invest directly in the above asset classes, although this will not be a key part of its investment strategy because of the level of investment in Collective Investment Schemes described above.

Up to 30% of the Fund can have exposure to non-developed markets, however it is not a key part of the Fund's investment strategy to invest in these markets and so typically the level of exposure will be less than 30%.

International Multi-Index

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Policy (continued)

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

In implementing this asset or sub-asset class, geography and sector led strategy, the Fund is permitted to invest up to 100% in Passively Managed Collective Investment Schemes for a sustained period.

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

Investment Strategy and Process

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

The ACD seeks exposure to asset or sub-asset classes, geographies and sectors which it believes will outperform the Target Benchmark. It is expected that average outperformance by the Fund of the Target Benchmark will typically not be greater than 0.75% per annum (before the deduction of fees) over a rolling 3 year period (although any such outperformance is a target only and is not guaranteed). Additional detail is included in the "Further Information" section below.

As part of its investment process the ACD will consider the composition of the Target Benchmark but it is not constrained by reference to, nor does it track, the Target Benchmark. This means that it does not have to seek exposure to the same constituents that make up the Target Benchmark or in the same amounts, although there may be times when the Fund's investment exposures are similar to those of the Target Benchmark.

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

- Developing an investment strategy based on market and economic outlook and geopolitical considerations to determine which asset or sub-asset classes, geographies and sectors to invest in, both on a longer term (strategic) and shorter term (tactical) basis.
- Observing an internally approved list of Passively Managed Collective Investment Schemes available for investment when implementing the asset or sub-asset class, geographical and sector led investment strategy.
- Performing investment and operational due diligence on Passively Managed Collective Investment Schemes, by either the ACD and/or other companies within the Santander Group, to inform the approved list.
- Selecting Passively Managed Collective Investment Schemes from the approved list for investment which, although they may have different overall investment strategies and restrictions than the Fund, have an investment policy and strategy that is consistent with the asset or sub-asset class, geographical and sector investment strategy decision.

International Multi-Index

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Strategy and Process (continued)

The ACD will favour Passively Managed Collective Investment Schemes which offer attractive returns and therefore generate capital growth and income for the Fund, relative to other Passively Managed Collective Investment Schemes on the approved list. As the Fund's fees will be deducted from its income, the Fund may not always provide an income return.

In implementing the ACD's investment strategy there may be times when up to 100% of the Fund may be held in Passively Managed Collective Investment Schemes for a sustained period.

The ACD will operate limits to ensure that the Fund does not have excessive exposure to any one: individual Passively Managed Collective Investment Scheme; or Derivative counterparty.

To help monitor the Fund, the ACD will consider a range of risk measures, which may inform its investment processes. Some measures will reference an Index or Indices in the Target Benchmark.

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

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

Further Information

The Target Benchmark for the Fund has been selected as it contains a broad mix of different asset and sub-asset classes and countries/regions which are broadly in line with the investment policy of the Fund.

The Indices which together make up the composite Target Benchmark are provided by FTSE International Limited and IHS Markit Benchmark respectively. As at the date of this Prospectus, these index providers are on the public register of administrators and benchmarks established and maintained by the FCA.

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

The outperformance target is set before the Fund's fees are charged. In order to determine the Fund's outperformance of the Target Benchmark, if any, after the Fund's fees are applied, the OCF (1.5%) and transaction costs will need to be deducted. Once the OCF and transaction costs are deducted, it is unlikely that the Fund will outperform the Target Benchmark. The past performance shown in the NURS Key Investor Information represents the past performance after the OCF and transaction costs have been deducted.

The Fund operates with an OCF cap of 1.5% in relation to the CTF Share Class. The OCF is expected to exceed its cap of 1.5%. This means, for this Share Class, the ACD will pay all OCF costs which exceed 1.5% out of its own resources.

International Multi-Index

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Investment Manager

Santander Asset Management UK Limited

Risk Profile

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

Risk and Reward Indicator

Lower Risk ←→ Higher Risk

Typically Lower Rewards — Typically Higher Rewards

1	2	3	4	**5**	6	7

The lowest Risk and Reward Indicator (RRI) does not mean risk free. The Fund is rated at 5 due to the nature of the assets it invests in and the extent to which they are affected by the risks detailed on prospectus. The value of your investment is not guaranteed and you may get back less than the original amount you invested.

International Multi-Index
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Performance

Capital Growth

Percentage price change from 1 December 2018 to 1 December 2023 (5 years)		
	Cumulative	
International Multi-Index CTF Accumulation Shares*	30.92%	
Percentage price change from 1 December 2020 to 1 December 2023 (3 years)		
	Annualised	**Cumulative**
International Multi-Index CTF Accumulation Shares*	4.82%	15.18%
37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR**	4.78%	15.04%
Percentage price change from 1 December 2022 to 1 December 2023 (1 year)		
International Multi-Index CTF Accumulation Shares*	3.42%	
37.5% FTSE All Share Index TR, 22.8% FTSE USA Index TR, 15% Markit iBoxx GBP Non-Gilts Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 8.6% FTSE World Europe Ex UK Index TR and 6.1% FTSE Japan Index TR**	5.11%	

** Fund returns are internally calculated (Data Department) gross of fee, at noon.*

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

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

International Multi-Index
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review
The reporting period was shaped by hopes that the global economy is headed for a "soft landing", in which central banks bring inflation under control without causing a recession, which is defined as two consecutive quarters of negative economic growth.

The period began near the end of a challenging year for financial markets, defined by soaring inflation and aggressive interest rate hikes by central banks.[81]

2023 proved more positive, although there were bumps in the road. Global shares rose by over 10% in the first half of the year[82], as investors' hopes mounted that interest rates were close to their peak.

This period coincided with increasing interest in artificial intelligence (AI) and a corresponding surge in the value of technology shares, which contributed to strong stock market performance.[83]

However, the third quarter of 2023 was disruptive. Amid investor concerns that interest rates would remain higher for longer than had been expected, yields on 10-year US government bonds soared to 16-year highs in October[84], while those offered by 30-year UK government bonds hit their highest levels since 1998.[85] As bond prices and yields move in opposite directions, bond prices fell.

This led to share prices also falling[86], as high bond yields made it more expensive for companies to borrow money and limited their ability to grow.

However, sentiment shifted around the beginning of November as the US Federal Reserve[87], Bank of England[88] and European Central Bank[89] held interest rates steady rather than opting to raise them further.

These decisions restored investor optimism and prompted a dramatic U-turn in bond markets, with US bonds experiencing their best month since 1985 in November. This dragged their performance into positive territory for the year overall, despite the turbulence of October.[90]

An index of international bonds also enjoyed its most successful month since 2008[91], while November was the best month for global shares in three years.[92]

[81] *The Guardian, 30 December 2022*
[82] *MSCI World Index, 1 December 2023*
[83] *Reuters, 30 June 2023*
[84] *CNBC, 19 October 2023*
[85] *Reuters, 20 October 2023*
[86] *MSCI World Index, 1 December 2023*
[87] *Reuters, 1 November 2023*
[88] *Reuters, 2 November 2023*
[89] *Reuters, 26 October 2023*
[90] *Business Insider, 29 November 2023*
[91] *Business Insider, 29 November 2023*
[92] *Reuters, 30 November 2023*

International Multi-Index
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Review (continued)
Both global shares[93] and bonds[94] rose over the course of the full reporting period. US[95], UK[96] and Eurozone[97] inflation continued to ease in the final months of the year, offering investors grounds for optimism in 2024.

Performance Review and Investment Activity (Reporting Period)
The Fund's objective is to provide capital growth (to grow the value of your investment) with the potential for income over a 5+ year time horizon. The Fund will aim to outperform (before the deduction of fees) the Target Benchmark measured over a rolling 3 year time period.

It is expected that average outperformance for the Fund will typically not be greater than 0.75% per annum (before the deduction of fees) in excess of the Target Benchmark over a rolling 3 year period, although no level of outperformance is guaranteed.

The Fund has produced a cumulative return of 30.92%, before the deduction of fees, over the last five years, achieving its objective to provide a combination of capital growth and income over a period of five or more years.

In early 2020, the Fund successfully positioned itself in a risk-averse way to help it withstand the fallout from the impending COVID-19 pandemic. The fund outperformed, especially in down-market events.

Over three years, the Fund delivered a cumulative return of 15.18% (4.82% annualised), before the deduction of fees, and its Target Benchmark produced a cumulative return of 15.04% (4.78% annualised). Therefore, the Fund has achieved its objective to outperform the Target Benchmark before the deduction of fees.

The abnormally strong correlation between shares and bonds in 2022, when the two markets moved almost in parallel with each other, reduced diversification potential in the Fund. However, through a combination of cash and a focus on bonds that take less time to reach maturity, the fund was able to navigate volatile market environments.

The Fund delivered a return of 3.42%, before the deduction of fees, in the twelve months through 1 December 2023, while its Target Benchmark produced a return of 5.11%.

At the beginning of the period, the Fund held as much cash as permitted because of uncertainty around the course of inflation, interest rates and economic growth, while the war in Ukraine created the potential for further instability.

At this time, we did not have a preference for shares or bonds, especially given the heightened correlation, meaning that diversification was lost.

[93] *MSCI World Index, 1 December 2023*
[94] *S&P Global Developed Sovereign Bond Index, 1 December 2023*
[95] *Yahoo! Finance, 30 November 2023*
[96] *The Guardian, 15 November 2023*
[97] *Bloomberg, 30 November 2023*

International Multi-Index
Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Performance Review and Investment Activity (Reporting Period) (continued)
However, in early 2023, we started increasing the Fund's holdings of bonds – particularly bonds that take longer to reach maturity, which we preferred to shares. During the year, the Fund's holdings of bonds were diversified to include US government bonds. The Fund's holdings of highly rated UK company and government bonds were also increased.

Within the Fund's bond portfolio, we also looked for the opportunities for diversification that might be offered by bonds that take less time to reach maturity. Here, we sought bonds which offered higher yields but didn't present more risk than those we would typically include in the Fund.

During the year, we increased the Fund's holdings of shares, but we're still cautious about the outlook for stock markets.

The Fund is still slightly underweight shares relative to the Target Benchmark – meaning that it holds slightly fewer shares than the Target Benchmark.

The Fund is overweight bonds.

All the bond and share purchases were funded by cash. By the end of the period, the Fund barely held any cash.

At the beginning of the period, the Fund's cautious positioning negatively impacted performance, as shares rallied in the first half of the year while bond yields kept rising. However, throughout the year, rallies in stock markets and the recent peak in bond yields have meant that the Fund's aggressive positioning was able to deliver a positive return but had underperformed the Target Benchmark with its cautious share positioning.

Market Outlook
In our view, the focus of investors will be on how central banks respond to economic growth, and what the impact of this will be on shares, bonds and cash.

Our expectation is that the global economy will grow, given that central banks appear willing to provide support. With high interest rates beginning to bite and growth slowing, governments may consider measures to stimulate growth in the coming year.

We maintain a slightly unfavourable view of shares, as an economic downturn would hurt company earnings and damage their share valuations.

Bonds remain our preferred asset class at this time.

We expect the yields of government bonds that take one to four years to reach maturity to fall. Our view is that the yields of longer-term bonds will probably remain near current levels.

In the US, UK and Europe, the yields of government bonds that take two years to reach maturity have been lower than those that take 10 years. This is an anomaly known as an inverted yield curve, and it has historically been considered a sign of an

International Multi-Index

Final Report and Financial Statements for the year ended 1 December 2023

Investment commentary (continued)

Market Outlook (continued)

impending downturn. However, this may not be the case this time, as it has been proposed that this may indicate the slowdown in inflation that typically accompanies a recession, but not the recession itself.[98]

Multi Asset Solutions Team
For and on behalf of Santander Asset Management UK Limited
January 2024

[98] *Bloomberg, 1 September 2023*

Summary of material portfolio changes

for the year ended 1 December 2023

Purchases	Cost £	Note
SPDR FTSE UK All Share UCITS ETF	44,711,270	
Vanguard FTSE UK All Share Index Unit Trust	16,392,687	
iShares Corporate Bond Index Fund UK	13,748,406	
iShares UK Gilts All Stocks Index Fund UK	5,971,829	
Vanguard Treasury Bond UCITS ETF USD	4,225,593	
iShares Global High Yield Bond UCITS ETF	2,999,801	
Vanguard UK Investment Grade Bond Index Fund	2,683,632	
Invesco S&P 500 UCITS ETF	2,017,242	
Xtrackers Switzerland UCITS ETF	1,982,935	
iShares North American Equity Index Fund UK	1,947,441	
iShares Continental European Equity Index Fund UK	1,320,719	
Total cost of purchases for the year	98,001,555	14

Sales	Proceeds £	Note
iShares Core FTSE 100 UCITS ETF	27,812,086	
iShares £ Corporate Bond 0-5 year UCITS ETF	22,837,843	
iShares £ Ultrashort Bond UCITS ETF	16,646,093	
Invesco S&P 500 UCITS ETF	12,207,311	
iShares UK Gilts All Stocks Index Fund UK	10,551,228	
HSBC European Index Fund C Inc	10,333,634	
SPDR FTSE UK All Share UCITS ETF	10,087,461	
Fidelity Index UK Fund	6,792,667	
iShares North American Equity Index Fund UK	5,825,107	
HSBC FTSE All-Share Index Fund	5,460,849	
iShares Japan Equity Index Fund	5,300,535	
Vanguard Treasury Bond UCITS ETF USD	4,096,666	
iShares Corporate Bond Index Fund UK	3,505,920	
Xtrackers Switzerland UCITS ETF	504,446	
Vanguard UK Investment Grade Bond Index Fund	466,474	
Total proceeds from sales for the year	142,428,320	14

All purchases and sales during the year are disclosed above.

Portfolio statement

as at 1 December 2023

Investment	Holding or nominal value of positions at 1 December	Market value £	Percentage of total net assets %
Collective Investment Schemes 98.67% (94.71%)			
Fidelity Index UK Fund	16,903,873	27,198,331	9.28
HSBC European Index Fund C Inc	1,830,606	14,212,825	4.85
HSBC FTSE All-Share Index Fund	7,726,681	27,136,104	9.25
Invesco S&P 500 UCITS ETF*	61,358	43,236,675	14.75
iShares Continental European Equity Index Fund UK	2,784,683	9,694,632	3.31
iShares Corporate Bond Index Fund UK	25,508,375	38,145,633	13.01
iShares Global High Yield Bond UCITS ETF*	46,016	3,060,524	1.04
iShares Japan Equity Index Fund	6,306,144	17,373,967	5.93
iShares North American Equity Index Fund UK	3,808,785	24,759,339	8.44
iShares UK Gilts All Stocks Index Fund UK	17,542,827	24,110,931	8.22
SPDR FTSE UK All Share UCITS ETF*	545,604	32,878,097	11.21
Vanguard FTSE UK All Share Index Unit Trust	67,109	16,466,951	5.62
Vanguard UK Investment Grade Bond Index Fund	104,840	9,569,806	3.26
Xtrackers Switzerland UCITS ETF*	14,585	1,480,205	0.50
		289,324,020	98.67
Futures 0.04% (nil)			
Euro Stoxx 50 Dec'23	(21)	(24,227)	(0.01)
FTSE 100 Index Dec'23	72	(25,920)	(0.01)
Long Gilt Mar'24	97	90,210	0.03
S&P 500 E-Mini Dec'23	(4)	(14,213)	0.00
TOPIX Index Dec'23	(5)	(4,476)	0.00
US 5 Year Note (CBT) Mar'24	85	90,414	0.03
		111,788	0.04
Options nil (0.04%)			
FTSE 100 Put Option Dec'23 6,900	(71)	(1,065)	0.00
FTSE 100 Put Option Dec'23 7,250	71	4,615	0.00
Long Gilt Call Option Dec'23 99.5	(9)	(3,060)	0.00
S&P 500 Put Option Dec'23 4,250	14	4,543	0.00
S&P 500 Put Option Dec'23 4,050	(14)	(2,327)	0.00
		2,706	0.00

Portfolio statement (continued)

as at 1 December 2023

Investment	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(losses)	Percentage of total net assets %
Forward currency trades 0.01% (-0.08%)					
Buy GBP : Sell USD	09/02/2024	£1,114,657	US$(1,390,000)	14,939	0.01
				14,939	0.01
Portfolio of investments				**289,453,453**	**98.72**
Net other assets				**3,758,250**	**1.28**
Total net assets				**293,211,703**	**100.00**

Figures in brackets represent sector distribution at 1 December 2022.

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

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

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

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

Comparative tables

Change in net asset value per share	CTF Accumulation Shares*		
	2023	2022	2021
	p	p	p
Opening net asset value per share	385.74	402.87	364.36
Return before operating charges	15.04	(11.04)	44.62
Operating charges	(5.82)	(6.09)	(6.11)
Return after operating charges	9.22	(17.13)	38.51
Distributions	(3.78)	(1.09)	(0.38)
Retained distributions on accumulation shares	3.78	1.09	0.38
Closing net asset value per share	394.96	385.74	402.87
**after direct transaction costs of	0.00	0.00	0.00
Performance	**2023**	**2022**	**2021**
Return after operating charges***	2.39%	(4.25)%	10.57%
Closing net asset value (£'s)	293,211,703	342,076,131	402,740,932
Closing number of shares	74,238,217	88,679,376	99,967,656
Operating charges	1.50%	1.50%	1.50%
Direct transaction costs**	0.00%	0.00%	0.00%
	p	p	p
Highest share price	398.9	414.1	412.6
Lowest share price	373.8	355.9	364.2

*The Retail Accumulation share class changed its name to R Accumulation Shares on 2 December 2019 and subsequently to CTF Accumulation on 7 July 2021.

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

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

Financial Statements - International Multi-Index

Statement of total return

for the year ended 1 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Income					
Net capital gains/(losses)	1		4,203,247		(17,970,150)
Revenue	2	7,708,923		6,476,722	
Expenses	3	(4,751,094)		(5,520,483)	
Interest payable and similar charges	4	(13,440)		(36,719)	
Net revenue before taxation		2,944,389		919,520	
Taxation	5	-		-	
Net revenue after taxation			2,944,389		919,520
Total return before distributions			7,147,636		(17,050,630)
Distributions	6		(3,028,277)		(1,025,087)
Change in net assets attributable to shareholders from investment activities			4,119,359		(18,075,717)

Statement of change in net assets attributable to shareholders

for the year ended 1 December 2023

	2023 £	2023 £	2022 £	2022 £
Opening net assets attributable to shareholders		342,076,131		402,740,932
Amounts receivable on issue of shares	461,002		557,127	
Amounts payable on cancellation of shares	(56,428,170)		(44,160,576)	
		(55,967,168)		(43,603,449)
Dilution adjustment		7,603		44,860
Change in net assets attributable to shareholders from investment activities		4,119,359		(18,075,717)
Retained distribution on accumulation shares		2,975,778		969,505
Closing net assets attributable to shareholders		293,211,703		342,076,131

Balance sheet

as at 1 December 2023

	Note	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		289,528,741	324,559,720
Current assets:			
Debtors	7	686,853	750,959
Cash and bank balances	8	19,304,011	28,308,741
Total assets		309,519,605	353,619,420
Liabilities:			
Investment liabilities		(75,288)	(714,627)
Creditors			
Bank overdrafts	8	(15,450,972)	(9,761,822)
Other creditors	9	(781,642)	(1,066,840)
Total liabilities		(16,307,902)	(11,543,289)
Net assets attributable to shareholders		293,211,703	342,076,131

Notes to the financial statements

for the year ended 1 December 2023

1. Net capital gains/(losses)

	2023	2022
	£	£
Realised gains on non-derivative securities	6,056,025	6,025,488
Unrealised losses on non-derivative securities	(1,719,791)	(25,970,213)
Realised (losses)/gains on derivative securities	(627,146)	4,676,742
Unrealised gains/(losses) on derivative securities	98,239	(1,375,245)
Currency (losses)/gains	(95,106)	137,117
Realised losses on forward currency contracts	(224,583)	(1,700,685)
Unrealised gains/(losses) on forward currency contracts	296,171	(281,232)
Rebates from holdings in Collective Investment Schemes	419,438	517,878
Net capital gains/(losses)	4,203,247	(17,970,150)

2. Revenue

	2023	2022
	£	£
UK dividends	3,120,821	805,097
Overseas UK tax exempt revenue	2,422,873	2,592,903
Overseas UK taxable revenue	616,022	814,989
Unfranked revenue	1,408,176	2,240,152
Bank interest	106,171	17,638
Margin interest	34,860	5,943
Total revenue	7,708,923	6,476,722

3. Expenses

	2023	2022
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Management charge	4,751,094	5,520,483

4. Interest payable and similar charges

	2023	2022
	£	£
Overdraft interest	24	2,705
Margin interest	13,416	34,014
Total interest payable and similar charges	13,440	36,719

5. Taxation

	2023	2022
	£	£
a) Analysis of the tax charge for the year		
Total tax charge(note 5b)	-	-

Notes to the financial statements (continued)

for the year ended 1 December 2023

5. Taxation (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022 - lower) than the standard rate of UK corporation tax for an open ended investment company in the UK of 20% (2022 - 20%) when applied to the net revenue before taxation. The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	2,944,389	919,520
Corporation tax @ 20% (2022 - 20%)	588,878	183,904
Effects of:		
Capitalised income subject to tax	83,888	105,567
Movement in excess management expenses	435,974	677,143
Revenue exempt from UK corporation tax	(1,108,740)	(966,614)
Total tax charge (note 5a)	-	-

c. Provision for deferred taxation

At the year end there is a potential deferred tax asset of £6,251,580 (2022 - £5,815,606) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

	2023	2022
	£	£
Interim accumulation distributions paid	1,801,013	78,035
Final accumulation distributions payable	1,174,765	891,470
	2,975,778	969,505
Equalisation:		
Amounts deducted on cancellation of shares	53,159	56,299
Amounts added on issue of shares	(660)	(717)
Distributions	3,028,277	1,025,087

Reconciliation between net revenue and distributions:	2023	2022
	£	£
Net revenue after taxation per Statement of total return	2,944,389	919,520
Add:		
Tax relief on ACD's periodic charge taken to capital	83,888	105,567
Distributions	3,028,277	1,025,087

Details of the distribution per share are disclosed in the distribution table on page 151.

Notes to the financial statements (continued)

for the year ended 1 December 2023

7. Debtors	**2023**	**2022**
	£	**£**
Rebates from holdings in Collective Investment Schemes	102,657	101,286
Amounts receivable on issue of shares	102,666	98,150
Accrued revenue	480,368	551,523
Income tax recoverable	1,162	-
Total debtors	686,853	750,959

8. Cash and bank balances	**2023**	**2022**
	£	**£**
Amount held at futures clearing houses and brokers	771,619	2,255,808
Cash and bank balances	18,532,392	26,052,933
Total cash and bank balances	19,304,011	28,308,741
Bank overdraft*	15,450,972	9,761,822

As at 1 December 2023, the weighted average of the floating interest rate on bank balances was 0.57% (2022 - 0.07%).

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

9. Other creditors	**2023**	**2022**
	£	**£**
Amounts payable on cancellation of shares	439,478	637,941
Accrued expenses	342,164	428,899
Total other creditors	781,642	1,066,840

10. Risk disclosures

The main risks from the Fund’s holding of financial instruments, together with the Authorised Corporate Director's (ACD’s) policy for managing these risks, are disclosed below:

a) Market price risk

The Fund invests globally in a wide range of bonds issued by companies, governments, government bodies and supranationals, and in shares of listed companies. To obtain exposure to these assets, between 80% and 100% of the Fund's investments will be accessed indirectly by purchasing units in in Passively Managed Collective Investment Schemes. The main risk arising from each fund’s financial instruments is market price. The value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the underlying collectives or may be due to general market factors (such as specific government policies or the health of the underlying economy). Adherence to investment guidelines and to investment and borrowing powers as set out in the Prospectus and in the Financial Conduct Authority's Collective Investment Funds Sourcebook (COLL) mitigates the risk of excessive exposure to any particular type of security or issuer.

By diversifying the portfolio, where this is appropriate and consistent with the Fund’s objectives, the market risk of a particular investment is reduced. Market risk in holdings in Collective Investment Funds is monitored by the Manager by understanding the investment objectives of each underlying Fund as well as a regular risk and performance review. The overall portfolio is stress tested on an on-going basis to identify and measure market specific risks of the Fund. The Fund is authorised to use derivatives but the usage of such is not expected to alter the overall risk profile of the Fund.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

a) Market price risk (continued)
A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £28,945,345 (2022:.£32,384,510). A 10% decrease in the value of the Fund's portfolio would have an equal and opposite effect.

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

Interest risk in holdings of Collective Investment Schemes is monitored by the Manager by understanding the investment objectives of the underlying Funds as well as a regular risk and performance review with external managers. The Manager manages such risk by maintaining a diversified portfolio taking into account interest rate and duration, credit rating profile and other parameters such as the geographical and currency exposure of the underlying collectives. If interest rates rise, the revenue potential of the Funds will also rise, but the capital value of fixed rate investments will decline. A decline in interest rates will generally have the opposite effect. The Fund may also indirectly be exposed to interest rate risk through its investment in Collective Investment Schemes. Interest receivable on bank deposits and payable on bank overdrafts could also be affected by fluctuations in interest rates.

As at 1 December 2023, 1.31% of the Fund's assets were interest bearing (2022 - 5.42%).

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

c) Currency risk
The Fund invests in Collective Investment Schemes which may have exposure to foreign currencies. As a result, movements in exchange rates may affect the market price of the Collective Investment Schemes' underlying investments. The value of the collectives can therefore be significantly affected by currency movements. The ACD assesses the risk and control processes and procedures of the management company of each collective. This ensures the collective is consistent with the risk profile of the Fund.

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

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

Assuming all other factors remain stable, if GBP strengthens by 5%, the investment portfolio would decrease in value by £5,366,953 (£6,160,568). A 5% weakening in GBP would increase the value by £5,931,895 (2022 - £6,809,069).

For numerical disclosure see note 15.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

d) Credit risk

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

The Fund seeks to minimise counterparty credit risk by investing in a diversified portfolio of regulated Collective Investment Schemes. In addition, the Manager will ensure that underlying Funds have an exposure to credit risk that is consistent with the overall objectives of the Fund.

e) Liquidity risk

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

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

f) Counterparty risk

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

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

For numerical disclosure see note 16.

g) Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, they can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

g) Bond Risk (continued)

Sub-investment grade & emerging markets bonds

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

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

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

h) Collective Investment Scheme (CIS) Risk

Where a Fund invests in another Collective Investment Scheme, it will bear along with other investors its portion of the expenses of that Collective Investment Scheme, including management, performance and / or other fees. Other Collective Investment Schemes that a Fund invests in will also be subject to their own risks based on their investment policy. For example they could hold assets in a different currency to that of the relevant Fund, be denominated in a different currency to that of the relevant Fund, take more risks or use derivatives more extensively than the relevant Fund or invest more extensively in non-developed markets than the relevant Fund.

i) Country risk

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

j) Derivatives risk

The Fund may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

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

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets

Notes to the financial statements (continued)

for the year ended 1 December 2023

10. Risk disclosures (continued)

j) Derivatives risk (continued)
might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

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

k) Non-developed market risk
Investors considering an investment in Funds covering non-developed markets (sometimes referred to as "emerging markets" in a Fund's investment policy) should be aware that these can be more volatile than Funds covering developed markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions and issues with custody.

Shares listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Fund's Shareholders bear the risks of investing in such markets.

l) Passively Managed CIS Risk
A Fund may invest in Passively Managed Collective Investment Schemes which have the following associated risks:
a) Passive Investment Risk: Passively Managed Collective Investment Schemes may be affected by a general decline in market segments reflected in their benchmark Index. A Passively Managed Collective Investment Scheme may underperform an Actively Managed Collective Investment Scheme, or vice versa;

b) Index Tracking Risks: Passively Managed Collective Investment Schemes which seek to track the performance of a benchmark Index are unlikely to perfectly track such an Index due to the impact of charges (which will negatively impact performance versus the Index) and the level of replication of the Index (which can impact performance versus the Index positively or negatively). Such Passively Managed Collective Investment Schemes will therefore be subject to tracking error risk such that their returns will not track exactly those of their benchmark Index;

c) Index-related Risks: in order to meet its objective, an Index tracking Collective Investment Scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark Index as published by the provider of the Index. There is no assurance that such provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. The Index provider also does not guarantee that the benchmark Index will be in line with its described Index methodology.

Notes to the financial statements (continued)

for the year ended 1 December 2023

11. Related party transactions

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

The ACD

The fees received by the ACD are set out in note 3. The ACD is related to the company as defined by Financial Reporting Standard 102, Section 33 'Related Party Disclosures' and is named on page 2. Monies received through creations and cancellations are disclosed in the Statement of change in net assets attributable to shareholders. Amounts outstanding at the year end date are disclosed in notes 7 & 9. £707,805 (2022 - £970,234) was due to the ACD at the year end date.

Material shareholders

As at 1 December 2023, 100% (2022 - 100.00%) of the shares in issue in the International Multi-Index Fund were held by Family Investments Client Asset which is a separate nominee company but deemed as a related party due to being a material shareholder.

12. Shareholders' funds

The Fund currently has one share class; CTF Accumulation Shares. The following is a reconciliation of the opening shares in issue to the closing shares in issue for each share class during the year:

	2023	2022
CTF Accumulation Shares	**No of shares**	**No of shares**
Opening shares in issue	88,679,376	99,967,656
Shares issued in the year	117,988	144,080
Shares cancelled in the year	(14,559,147)	(11,432,360)
Closing shares in issue	74,238,217	88,679,376

13. Fair value disclosure

	2023	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	80,845,283	75,288
Observable inputs using market data*	208,683,458	-
	289,528,741	75,288

	2022	
	Investment Assets	**Investment Liabilities**
	£	**£**
Quoted prices for identical instruments in active markets*	114,872,498	423,730
Observable inputs using market data*	209,687,222	290,897
	324,559,720	714,627

* Details of the securities included within the fair value hierarchy are detailed on page 13 accounting policy (b) valuation of investments.

Notes to the financial statements (continued)

for the year ended 1 December 2023

14. Purchases, sales and transaction costs

Asset Class	Purchases before transaction costs	Broker Commission	Transfer Taxes	Purchases after transaction costs	Commission as % of Purchases	Tax as % of Purchases
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	98,001,555	-	-	98,001,555	-	-
Total purchases	98,001,555	-	-	98,001,555		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	247,349,631	-	-	247,349,631	-	-
Total purchases	247,349,631	-	-	247,349,631		

Asset Class	Sales before transaction costs	Broker Commission	Transfer Taxes	Sales after transaction costs	Commission as % of Sales	Tax as % of Sales
2023	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	142,428,320	-	-	142,428,320	-	-
Total sales	142,428,320	-	-	142,428,320		
2022	**£**	**£**	**£**	**£**	**%**	**%**
Collective Investment schemes	269,000,370	-	-	269,000,370	-	-
Total sales	269,000,370	-	-	269,000,370		

	Broker Commission	Transfer Taxes
2023	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-
2022	**£**	**£**
Total costs from purchases & sales	-	-
Total costs as % of Average NAV	-	-

There were direct transaction costs associated with derivatives in the year of £nil (2022 - nil) which is 0.00% of the Average NAV of the Fund (2022 - 0.00%).

Unlike shares, other types of securities such as bonds and Collective Investment Schemes have no separately identifiable transaction costs; these costs form part of the dealing spread. The estimated average dealing spread including the effects of foreign exchange for this Fund is 0.03% (2022: 0.02%) of the transaction value.

Notes to the financial statements (continued)

for the year ended 1 December 2023

15. Currency risk

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

Currency	Net foreign currency assets Monetary exposures £	Non-monetary exposures £	Total £
2023			
Euro	69,121	25,226,231	25,295,352
Japanese Yen	27,062	17,369,794	17,396,856
UK Sterling	3,596,852	176,908,848	180,505,700
US Dollar	65,214	69,948,681	70,013,795
2022			
Euro	344,244	–	344,244
UK Sterling	14,623,829	275,490,683	290,114,512
US Dollar	3,122,957	48,494,418	51,617,375

16. Derivatives and Counterparty Exposure

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

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

Counterparty	Forward currency contracts £	Total Gross Exposure £	Counterparty Exposure £
2023			
Goldman Sachs	14,939	14,939	14,939
2022			
Goldman Sachs	9,665	9,665	9,665

At the balance sheet date no collateral was either held by the Fund or had been paid out to counterparties in respect of the above.

17. Post balance sheet events

Subsequent to the year end, the net asset value per share of the CTF Accumulation Shares class has increased from 394.96p to 423.77p as at 21st March 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Distribution tables

for the year ended 1 December 2023

Distributions on CTF Accumulation Shares in pence per share

	Payment date	Payment type	Net revenue	Equalisation	Distribution paid/payable 2023/2024	Distribution paid 2022/2023
Group 1						
	01.08.23	interim	2.1973	-	2.1973	0.0820
	01.02.24	final	1.5824	-	1.5824	1.0053
Group 2						
	01.08.23	interim	1.6878	0.5095	2.1973	0.0820
	01.02.24	final	1.2746	0.3078	1.5824	1.0053

Equalisation

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

Accumulation distributions

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

Further information

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

The annual accounting period for the Company ends each year on 1 December, and the interim reporting period ends on 1 June.

The annual reports of the Company are published on or before 1 April and half yearly reports by 1 August each year.

Funds and share classes

Fund	Share Classes	ACD's annual management charge
Santander Atlas Portfolio 3	I Accumulation Shares	0.40%
	I Income Shares	0.40%
Santander Atlas Portfolio 4	I Accumulation Shares	0.40%
	I Income Shares	0.40%
Santander Atlas Portfolio 5	I Accumulation Shares	0.40%
Santander Atlas Portfolio 7	I Accumulation Shares	0.40%
International Multi-Index	CTF Accumulation Shares ("CTF" means Child Trust Fund)	1.50%

Income attributable to income Shares is distributed to Shareholders in respect of each accounting period. Income attributable to accumulation Shares is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each interim and / or annual accounting period and is reflected in the relevant Share price.

Each Class may attract different charges and expenses and so monies may be deducted from the scheme property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Further Classes may be established from time to time by the ACD with the agreement of the Depositary, and where relevant the approval of the FCA, and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, a revised prospectus will be prepared as soon as reasonably practical, setting out the details of such new Fund or Class.

Minimum Investment
With the exception of International Multi-Index, the minimum initial investment that can be made for all I Accumulation and I Income Share Class is £500.

For Santander Atlas Portfolio 3 and Santander Atlas Portfolio 4, the minimum subsequent investment that can be made to both the I Accumulation and I Income Share Class is £250.

For Santander Atlas Portfolio 5 and Santander Atlas Portfolio 7, the minimum subsequent investment that can be made to the I Accumulation Share Class is £250.

For International Multi-Index, the minimum initial and subsequent investment for the CTF Accumulation Share Class is £1.

Further information (continued)

Minimum Investment (continued)
Investment in CTF Accumulation Shares is restricted to institutional investors who have entered into a separate agreement with the ACD.

Voting Rights
Every Shareholder who (being an individual) is present in person, or (being a corporation) by its properly authorised representative, shall have one vote on a show of hands. A Shareholder may vote in person or by proxy on a poll vote, and any Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

For some resolutions, for example to approve certain amendments to the Instrument of Incorporation, an extraordinary resolution is required. For an extraordinary resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of it.

For other resolutions, an ordinary resolution is required. For an ordinary resolution to be passed, more than 50% of the votes cast at the meeting must be in favour of it.

The rights attached to a Class may only be varied in accordance with the FCA Regulations.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if itself the registered Shareholder, would be entitled to vote and from whom the ACD or its associate has received voting instructions.

Shareholders for the purposes of attending and voting at a meeting means those on the date seven days before the notice of the relevant meeting was sent out, but excludes holders those who are known to the ACD not to be Shareholders at the time of the meeting.

Any joint Shareholders may vote provided that if more than one joint holder of a Share votes, the most senior joint Shareholder in the Register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholder.

Winding Up of the Company or Terminating a Fund
The Company may not be wound up except:

- by the court, as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Regulations.

To wind up the Company under the FCA Regulations, the ACD has to notify the FCA of the proposal, confirming that the Company will be able to meet all its liabilities within the following 12 months.

Under the FCA Regulations the Company must be wound up or a Fund terminated:

(a) if an extraordinary resolution is passed to that effect;

(b) if the FCA agrees to a request by the ACD for revocation of the order in respect of the winding up of the Company or termination of a Fund (provided no material change in any relevant factor occurs prior to the date of the relevant revocation);

Winding Up of the Company or Terminating a Fund (continued)

(c) on the occurrence of an event specified in the Instrument of Incorporation as triggering a winding up of the Company or termination of a Fund;

(d) when the period (if any) fixed for duration of the Company or a particular Fund by the Instrument of Incorporation expires or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example if the Net Asset Value of a Fund is less than £5,000,000 at any time more than one year after the first issue of Shares in that Fund);

(e) in the case of the Company, on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;

(f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold scheme property; or

(g) on the date when all Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- FCA Regulations relating to dealing, valuation, pricing, investment and borrowing will cease to apply to the Company or the Fund;
- the Company will cease to issue and cancel Shares in the Company or the Fund;
- the ACD will cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the Fund;
- no transfer of Shares will be registered and no change to the Register will be made without the sanction of the ACD.
- where the Company is to be wound up, it will cease to carry on its business except as is required for its beneficial winding up; and
- the corporate status and corporate powers of the Company and (subject to the provisions above) the powers of the ACD continue until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate) realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund.

If the ACD has not previously notified Shareholders of the proposals to wind up the Company or to terminate the Fund, it will, as soon as practicable after the commencement of the winding up of the Company or termination of the Fund, give written notice of this commencement to Shareholders. When the ACD has caused all of the relevant property and all of the liabilities of the Company or the particular Fund to be realised, it will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or a particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary will notify the FCA that the winding up or termination has been completed.

Further information (continued)

Winding Up of the Company or Terminating a Fund (continued)
Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The Auditors will make a report in respect of the final account stating their opinions as to whether it has been properly prepared. This final account and the Auditors' report on it must be sent to the FCA and to each affected Shareholder (or the first named of joint Shareholders) within four months of the completion of the winding up or termination.

As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets and any liabilities attributable or allocated to a particular Fund shall be met out of the property attributable, or allocated to, that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Regulations, may be re-allocated by the ACD provided that such re-allocation shall be done in a manner which is fair to Shareholders generally.

Dealing
The Funds are currently available to retail and institutional investors. Retail investors may only invest in a Fund through authorised intermediaries such as Fund platforms, nominees or a financial advisor.

Other than International Multi-Index Fund, investment in CTF Accumulation Shares is restricted to institutional investors who have entered into a separate agreement with the ACD.

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

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

Subject to the ACD's internal approvals for new investors including the anti-money laundering measures:

- valid requests received prior to the 12noon Valuation Point are dealt that day;
- if requests are received after the Valuation Point, they are marked at the price at the next Valuation Point; and
- valid requests are processed at the next applicable Valuation Point following receipt of the request except in the case where dealing in a Fund has been deferred or suspended.

Please refer to the Prospectus for further information.

Pricing and dilution adjustment
Shares are priced on a single mid-market pricing basis in accordance with the FCA Regulations.

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

Further information (continued)

Pricing and dilution adjustment (continued)
The Net Asset Values attributable to each Class of each Fund will normally be calculated at 12 noon UK time on each Business Day.

The ACD reserves the right to revalue a Class or Fund at any time at its discretion.

For the purpose of calculating the price at which Shares in a Fund are to be issued or sold, the values of investments are calculated by using mid-market prices. The actual cost of buying or selling a Fund's investments maybe higher or lower than the mid-market values used in calculating the Share price, for example due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances this will have an adverse effect on the continuing Shareholders in a Fund. This effect is called "dilution".

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

A dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Share on an aggregated basis. The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of Shares in a Fund, it is not possible to predict accurately whether dilution will occur at a future point in time or how frequently however, based on historical data, the ACD expects to make a dilution adjustment on most occasions when Shares are issued or redeemed. A typical adjustment, based on historical data, is expected to be between 0% and 2% for the issue and redemption of Shares.

Please refer to the Prospectus for further information.

OCF Cap
A Fund may operate with an "OCF cap" in respect of one or more of its Share Classes. This means that the ongoing charges figure ("OCF") the Share Class is subject to is set at a fixed maximum amount. Where a Share Class has an OCF cap, if the costs which are included in the OCF calculation exceed the amount of the cap then the ACD will pay any excess out of its own resources. Where the OCF calculation is equal to or below the OCF cap, the Share Class will pay this amount.

For the CTF Share Class in International Multi-Index the OCF is expected to exceed its cap of 1.5%. This means, for this Share Class, the ACD will pay all OCF costs which exceed 1.5% out of its own resources.

Further information (continued)

OCF Cap (continued)

A summary of the OCF caps for all Funds can be found below:

Fund	Shares Classes	OCF Cap
Santander Atlas Portfolio 3	I Accumulation Shares	0.99%
	I Income Shares	0.99%
Santander Atlas Portfolio 4	I Accumulation Shares	0.99%
	I Income Shares	0.99%
Santander Atlas Portfolio 5	I Accumulation Shares	0.99%
Santander Atlas Portfolio 7	I Accumulation Shares	0.99%
International Multi-Index	CTF Accumulation Shares ("CTF" means Child Trust Fund)	1.50%

Taxation

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

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

A Fund which is over 60% invested in interest paying investments for the whole of its distribution period can pay interest distributions, these are generally known as 'bond funds'. The only Fund which is currently a bond fund is Santander Atlas Portfolio 3 Fund. Individuals are entitled to a personal savings allowance each tax year, if an individual utilises their annual allowance they could be liable to pay additional tax on the gross distribution.

A distribution received by a Shareholder liable to corporation tax is received as franked revenue to the extent that the revenue of the Fund consists of franked revenue. The balance of the distribution is received as an annual payment from which tax has been deducted at the basis rate.

Your tax voucher will indicate the appropriate rate of tax depending on whether interest or dividend distributions apply.

Please refer to the Prospectus for further information.

Risk Warnings

Please note that past performance is not necessarily a guide to the future. The price of Units and any income from them can fall as well as rise and you may not get back the amount you originally invested. Significant changes in interest rates could also affect the value of your investment and any foreign investments will be affected by fluctuations in rates of currency exchange. Investment in a Fund should generally be viewed as a long-term investment. **Please refer to the Key Investor Information Document for a fuller explanation of the risk warnings.** The most recent Key Investor Information Document may be obtained by visiting www.santanderassetmanagement.co.uk. Santander Asset Management UK Limited only provides information about its own products and will not give individual independent advice. Should you wish to seek advice, then please contact an Independent Financial Adviser.

Appointments

Authorised Corporate Director (ACD), Registrar and Investment Manager
Santander Asset Management UK Limited
287 St Vincent Street
Glasgow G2 5NB, United Kingdom
Authorised and regulated by the Financial Conduct Authority

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

Depositary
NatWest Trustee and Depositary Services Limited
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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