

Santander Asset Management UK

Value Statements

31 December 2018 – 31 December 2019



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1. An Introduction to our Value Statements

A Message from the Chairman

The purpose of an Asset Manager is to deliver value to its investors over the medium to long term.

We take our responsibilities seriously in this regard and welcome the opportunity to provide you with more insight on what we do. This first set of Value Statements is in line with revised regulatory requirements and the aim of our Statements is to make it easier for our investors to assess whether they are receiving good value from us as their investment manager and to make informed investment decisions.

We review our funds on an ongoing basis with a view to considering investor needs and expectations, as well as internal and external factors which may warrant action. Over the last few years, we have focused on reducing fund prices, invested in our infrastructure and simplified our range of funds and share classes to enhance the value our investors receive. While we have made great progress, we remain focused on continuous enhancement and our assessment of value has highlighted areas for improvement to which we are responding by taking decisive action.

I am satisfied with the results of our assessment of value being delivered. At the same time, I recognise we still have further work to do. We have prioritised a number of actions for 2020 that aim to strengthen our ability to deliver investment objectives and investor value. Examples of this are a strategic review of our fund range which aims to broaden investment capabilities and simplify pricing structures, and the launch of our new website which will make it easier for our investors to access the information they need to make informed decisions. I am looking forward to reporting on continuous improvements over the coming year.

As this is our first time reporting on value in this manner, we welcome any questions or feedback you may have. Please get in touch via the 'Contact Us' section of the Santander Asset Management UK (SAM UK) website.



Robert Noach
Chairman, Santander Asset Management UK

2. Our Approach

Santander Asset Management UK (SAM UK), as Authorised Fund Manager (AFM), have assessed, for the period of 31 December 2018 – 31 December 2019, whether the charges for our funds are justified in the overall context of value delivered. Our completed Value Statements, with our overall assessments of whether value has been delivered and proposed actions, are included in this brochure. This document is supported by each fund's Annual Report, which can be found on the SAM UK website.

In carrying out our Value Statements, SAM UK have considered the following seven criteria as prescribed by the FCA:

1. Quality of service
2. Performance
3. Authorised Fund Manager costs
4. Economies of scale
5. Comparable market rates
6. Comparable services
7. Classes of units

We explore each of the criteria in more detail in our 'What does good value look like?' section on the following pages.

3. What does good value look like?

To help our investors make informed decisions and evaluate whether they are receiving good value from their investments, we have outlined our expectation of what good value looks like for each of the assessment criteria. Our assessment of value for each of our funds has been conducted with these expectations in mind.

Quality of Service

We recognise the importance of providing investors with clear information about our services, how we maintain quality and how we attribute value to the costs associated with these services.

We have identified three key service areas critical to investor outcomes. We assess value for each area against our expectations and those of our investors, namely:

1. Investment Process: Designed to meet our investors' needs and the objectives of each of our funds.
2. Interaction with investors: Investors receive clear, timely and accurate information about the fund through appropriate easily accessible channels, such as our website, to enable them to make informed decisions about the fund and share class.
3. Operational Management: Robust operational infrastructure in place to support the management of the fund and meet regulatory reporting requirements, including oversight of third parties.

We want our investors to be confident that the price they pay for our fund is justified in terms of the quality of service they have received.

Performance

We consider the fund to have delivered value when it achieves its investment objectives over the stated time periods.

When assessing a fund's performance, it is important to distinguish the type of Benchmarks used across our funds:

- Constraint Benchmarks – The fund's investments are selected with reference to its Benchmark, and often its investments must always remain within a stated tracking error of the Benchmark.
- Target Benchmarks – The fund's performance target has been set with reference to the performance of its Benchmark.
- Comparator Benchmarks – The fund's performance can be compared against the Benchmark to determine the success of the fund in meeting its investment objective, but this is not a target.

Authorised Fund Manager (AFM) Costs

Value is delivered when charges are fair, transparent and appropriate for the services our investors receive. To meet expectations around value investors must receive up to date cost and charges information, with no hidden fees.

The charges for our funds and share classes are made up of two types of costs:

- Annual Management Charge (AMC): the charge our investors pay us to manage the underlying investments held in the fund(s) held.
- Additional expenses: these include the costs of the service providers we use (i.e. third party costs) to manage and maintain the fund, such as auditor and trustee fees, and the explicit costs associated with the underlying transactions made for and on behalf of the fund.

These costs are combined to create the Ongoing Charges Figure (OCF).

Economies of Scale

Larger AFM's may be able to negotiate better deals with service providers. Similarly, larger funds can spread costs across their investor base. These benefits, known as economies of scale, may be passed on to investors where appropriate.

A number of policies govern the way in which costs are set by reference to the fund scale to enable the passing of benefit back to investors when appropriate. We assess each fund against these policies and review their operational effectiveness at least annually. We consider the fund to have delivered value when it remains in line with these policies.

Comparable Market Rates

Where two funds have similar characteristics and objectives but different pricing, without appropriate justification relating to fund specificities, the lower priced fund will offer better value. We believe the ability to compare fund fees enables our investors to make informed decisions about their investment and the value offered by similar funds.

We would normally consider the fund to have delivered value if our fees are within the cheapest 50% of the peer group funds associated with each fund. An exception could be made where there are particular features relating to our product that would justify the additional expense, however this would be assessed on a case by case basis and clearly explained and accepted within this review.

Comparable Services

The fees payable by investors in a fund are similar to those charged by other funds or institutional segregated mandates managed by SAM UK that have generally comparable features as follows:

- Investment objectives
- Underlying asset classes held by the fund (noting that we would not apply a look through to the underlying assets of a Fund of Fund for comparable purposes)
- Target market
- Fund size

Classes of Units

A fund may offer more than one share class which offers different terms. Classes may charge different prices, taking into account these different terms. For example, share classes which offer a low minimum investment and / or regular top ups, may charge a higher price due to the associated administrative costs. Investors should be invested in the most appropriate class of units to achieve their investment objective. Where a cheaper class with the same rights is available, investors should be informed, and a switch to the cheaper class of units should be offered.

4. An Overview of our Funds

Using the seven criteria outlined in the section above, we have assessed our funds to conclude whether our investors are receiving good value for the price they pay.

The table below outlines the outcome of each of our funds against the seven criteria set by the FCA using a simple traffic light system, to help understand how our **overall fund ratings** were concluded:

- The fund has delivered value overall; however, we have identified some general areas, and potentially some areas specific to the fund, where we can seek to enhance value further.
- The fund has delivered value overall; however, we have identified some areas where value can be improved and have proposed actions to address this.
- The fund has partially delivered value overall, and we have identified areas where value must be improved and have prioritised actions to address this.

Please note, not all our funds have suitable characteristics to permit an assessment of certain criteria. These have been accordingly scored grey and form no part of our overall value assessment.

Fund	Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
Atlas Portfolio 3	●	●	●	●	●	●	●	●
Atlas Portfolio 4	●	●	●	●	●	●	●	●
Atlas Portfolio 5	●	●	●	●	●	●	●	●
Atlas Portfolio 6	●	●	●	●	●	●	●	●
Atlas Portfolio 7	●	●	●	●	●	●	●	●
Atlas Income Portfolio	●	●	●	●	●	●	●	●
Max 70% Shares Unit Trust	●	●	●	●	●	●	●	●
Max 100% Shares Portfolio	●	●	●	●	●	●	●	●

Fund	Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
Max 70% Shares Portfolio	●	●	●	●	●	●	●	●
Max 50% Shares Portfolio	●	●	●	●	●	●	●	●
Max 30% Shares Portfolio	●	●	●	●	●	●	●	●
Max 30% Shares Income Portfolio	●	●	●	●	●	●	●	●
Max 60% Shares Income Portfolio	●	●	●	●	●	●	●	●
Multi Index 1	●	●	●	●	●	●	●	●
Multi Index 2	●	●	●	●	●	●	●	●
Multi Index 3	●	●	●	●	●	●	●	●
Multi Index 4	●	●	●	●	●	●	●	●
SPF United States Equity	●	●	●	●	●	●	●	●
SPF Europe (Ex UK) Equity	●	●	●	●	●	●	●	●
SPF Japan Equity	●	●	●	●	●	●	●	●
SPF Pacific (Ex Japan) Equity	●	●	●	●	●	●	●	●
SPF UK Equity	●	●	●	●	●	●	●	●
SPF Sterling Bond	●	●	●	●	●	●	●	●

Fund	Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
UK Growth Unit Trust	●	●	●	●	●	●	●	●
Equity Income Unit Trust	●	●	●	●	●	●	●	●
Enhanced Income Portfolio	●	●	●	●	●	●	●	●
Balanced International Tracking Fund	●	●	●	●	●	●	●	●
Corporate Bond Fund	●	●	●	●	●	●	●	●
Strategic Bond Fund	●	●	●	●	●	●	●	●
Sterling Government Bond Fund	●	●	●	●	●	●	●	●
Investment Portfolio	●	●	●	●	●	●	●	●
Investment Income Portfolio	●	●	●	●	●	●	●	●

5. Proposed actions in 2020 to enhance value

Our assessment of value has highlighted areas where we are delivering value to our investors, such as our robust investment processes, our availability of appropriate share classes and our embedded economies of scale considerations through policies and practices. However, we have also found some key areas where we can enhance value further, and we have proposed actions to undertake in 2020 to address this.

We have outlined the actions that impact all SAM UK funds below. Actions specific to each fund, in addition to the over-arching actions below, are set out in the fund specific section of this statement.

- We are undergoing a strategic review of all funds within our SAM UK fund range. The review will include an assessment of our investment approach, pricing structures and product management systems with the aim of strengthening our ability to deliver investment value.
- We are launching a new website to improve investor experience and accessibility, making it easier and quicker for our investors to access the information they need to inform their investment decisions.
- We are actively developing an approach to launch an email subscription service that will enable us to deliver customisable content and information to our investors via nominee and retail platforms.
- We are in the process of implementing a new internal investment platform which will strengthen our ongoing monitoring of fund investment objectives and risk characteristics.

6. Value Assessment

The criteria are individually assessed for each of our funds, however some criteria, such as Quality of Service and Economies of Scale, are applicable to all funds within our SAM UK range.

To avoid repetition and make it easier for our investors to assess our fund value conclusions, we have included our overall assessment of the 2 general criteria below. The assessment of the 2 criteria should be read in conjunction with the fund specific assessments as they support the overall conclusions reached for each fund.

If any of our funds differ from this assessment, we have specifically highlighted this in the relevant section of our fund specific assessments.

Quality of Service

We have assessed the range and quality of service provided to our investors, both directly and indirectly.

How did we do?

Investors in our funds benefit from our robust, investor centric investment process implemented by our high-quality team of professionals and strengthened by the wider Santander infrastructure. Our investment processes aim to maximise the risk/return benefits whilst ensuring our funds are appropriately managed in line with their investment objective and risk targets. While our SAM UK Investment Management team has responsibility for oversight and management of our funds, some of our funds outsource a proportion of their assets to 3rd party managers who manage the fund on our behalf. We remain responsible for these funds and the oversight and selection of any 3rd party managers.

To improve the investor journey and information clarity, we changed the investment objective and policy disclosures of our funds across all fund documentation. These changes were brought into effect in August 2019.

We carefully select external service providers to perform some of the operational management functions of our funds. We oversee the quality of their services in line with pre-agreed standards and conduct regular reviews to ensure our governance processes remain robust and consistent. We are satisfied that the level of service we have received from all our external providers have enabled us to meet the needs of our investors in a timely manner.

Next Steps

Our investment processes and operational management services are robust and continue to offer value to our investors. We are committed to continue monitoring and strengthening our process and services to ensure their quality continues to improve and offer the best outcome for our investors. In 2020 we are launching a new website to improve investor experience and accessibility, making it easier and quicker for our investors to access the information they need to inform their investment decisions.

Economies of Scale

Many of our costs occur at an overall SAM UK level, therefore we have assessed potential economies of scale at a company level, rather than on an individual fund basis.

How did we do?

Over the last 5 years the AUM of SAM UK has not materially changed, therefore there have been no direct benefits of economies of scale to pass onto our investors.

Some of our funds have however realised indirect economies of scale benefits from our approach to cost management and program of rationalisation which resulted in the merger of duplicate classes within our funds. Details of fund class mergers can be found in the Classes of Units section of fund specific assessments.

Next Steps

We will continue to monitor costs to ensure economies of scale benefits are passed to investors where appropriate. We frequently review our costs to identify opportunities for further savings that can be passed to our investors.

The fund specific value assessments are on the following pages.

7. Santander Atlas Portfolio 3

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018 we reduced the Annual Management Charge of some of the classes within the fund to ensure all classes offer the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Accumulation class into the I Accumulation class, and at the same time, renamed the R Income class to I Income. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 17.19% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £171.90 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander Lower Medium risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Atlas Portfolio 3 I Accumulation	Atlas Portfolio 3 I Income
Annual Management Charge	0.40%	0.40%
Additional Expenses	0.34%	0.34%
Total Ongoing Charges Figure	0.74%	0.74%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Portfolio 3 I Accumulation	0.74%
Atlas Portfolio 3 I Income	0.74%
DT Risk Targeted Managed 3 - Median	0.75%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulates the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In October 2018, we reduced the Annual Management Charge of the R Accumulation and R Income classes from 0.55% to 0.40% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the R Accumulation class into the I Accumulation class in December 2019.

At the same time as this merger taking place, we renamed the Retail Income class to become I Income.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

8. Santander Atlas Portfolio 4

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018 we reduced the Annual Management Charge of some of the classes within the fund to ensure all classes offer the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Accumulation class into the I Accumulation class, and at the same time, renamed the R Income class to I Income. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 25.09% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £250.90 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander Medium risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Atlas Portfolio 4 I Accumulation	Atlas Portfolio 4 I Income
Annual Management Charge	0.40%	0.40%
Additional Expenses	0.31%	0.31%
Total Ongoing Charges Figure	0.71%	0.71%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Portfolio 4 I Accumulation	0.71%
Atlas Portfolio 4 I Income	0.71%
DT Risk Targeted Managed 4 - Median	0.75%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In October 2018, we reduced the Annual Management Charge of the R Accumulation and R Income classes from 0.55% to 0.40% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the R Accumulation class into the I Accumulation class in December 2019.

At the same time as this merger taking place, we renamed the Retail Income class to become I Income.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

9. Santander Atlas Portfolio 5

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018 we reduced the Annual Management Charge of some of the classes within the fund to ensure all classes offer the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Accumulation class into the I Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 30.06% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £300.60 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander Medium High risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Atlas Portfolio 5 I Accumulation	
Annual Management Charge	0.40%
Additional Expenses	0.33%
Total Ongoing Charges Figure	0.73%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Portfolio 5 I Accumulation	0.73%
DT Risk Targeted Managed 5 - Median	0.75%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class in the fund.

In October 2018, we reduced the Annual Management Charge of the R Accumulation class from 0.55% to 0.40% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the R Accumulation class into the I Accumulation class in December 2019.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

10. Santander Atlas Portfolio 6

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018 we reduced the Annual Management Charge of some of the classes within the fund to ensure all classes offer the same outcome to investors at the same price. This resulted in the duplication of some classes, so in October 2019 we merged the R Accumulation and X Accumulation classes into the I Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 37.30% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £373.00 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander Medium High risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Atlas Portfolio 6 I Accumulation	
Annual Management Charge	0.40%
Additional Expenses	0.26%
Total Ongoing Charges Figure	0.66%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Portfolio 6 I Accumulation	0.66%
DT Risk Targeted Managed 6 - Median	0.79%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class in the fund.

In October 2018, we reduced the Annual Management Charge of the R Accumulation and X accumulation classes from 0.55% to 0.40% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the R Accumulation and X Accumulation classes into the I Accumulation class in October 2019.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

11. Santander Atlas Portfolio 7

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018 we reduced the Annual Management Charge of some of the classes within the fund to ensure all classes offer the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Accumulation class into the I Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 42.96% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £429.60 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander High risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Atlas Portfolio 7 I Accumulation	
Annual Management Charge	0.40%
Additional Expenses	0.28%
Total Ongoing Charges Figure	0.68%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Portfolio 7 I Accumulation	0.68%
DT Risk Targeted Managed 7 - Median	0.91%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class in the fund.

In October 2018, we reduced the Annual Management Charge of the R Accumulation class from 0.55% to 0.40% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the R Accumulation class into the I Accumulation class in December 2019.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

12. Santander Atlas Income Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver an income and some capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.

The fund operates to an accounting year end of 31 July 2019. The income yield of the fund is calculated as at this date; therefore, our assessment of income has been completed as at 31 July 2019.

At its latest accounting year end, the fund (I Income class) has achieved its objective, delivering a yield of 4.61%.

In addition, the fund has delivered some capital growth, achieving a return of 25.45% (I Income class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £254.50 (based on the total return of our I Income class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Over the period of assessment, the fund remained within its Santander Medium risk category and its Ongoing Charges Figure (OCF) cap of 0.99%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Atlas Income Portfolio I Income	Atlas Income Portfolio I Accumulation
Annual Management Charge	0.40%	0.40%
Additional Expenses	0.46%	0.46%
Total Ongoing Charges Figure	0.86%	0.86%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.99% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Atlas Income Portfolio I Income	0.86%
Atlas Income Portfolio I Accumulation	0.86%
Custom Peer Group	0.86%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is the same as the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

13. Santander Max 70% Shares Unit Trust

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. The fund is priced competitively against peers in the market but is more expensive than some other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund, we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- When reviewing the Benchmarks across all of our funds in August 2019, we should have changed the fund's Benchmark from a Comparator Benchmark to a Target Benchmark. We will be implementing this change in 2020. In addition, we will be making updates to fund documentation to improve the understanding and clarity of the investment objective and policy of the fund. None of the updates will change the way in which the fund is managed or its risk profile.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 36.08% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £360.80 (based on the total return of our R Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only. However as stated above, we will be implementing a Target Benchmark in 2020. The fund will aim to outperform its Target Benchmark over a rolling 3 year period. With this in mind, we have assessed the fund against its proposed Target Benchmark.

Over 3 years to 31 December 2019, the fund delivered a return of 5.52% per annum (net of fees and charges) while the Benchmark delivered a return of 6.51% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.99% per annum.

This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Over the period of assessment, the fund remained within its Santander Medium risk category.

Next Steps

We are reviewing the fund's performance to better understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 70% Shares Unit Trust R Accumulation	Santander Max 70% Shares Unit Trust R Income
Annual Management Charge	0.85%	0.85%
Additional Expenses	0.06%	0.06%
Total Ongoing Charges Figure	0.91%	0.91%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 70% Unit Trust R Accumulation	0.91%
Santander Max 70% Unit Trust R Income	0.91%
Investment Association Mixed Investments 40%-85% Shares - Median	1.07%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are marginally higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

14. Santander Max 100% Shares Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance and Comparable Market Rates, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is marginally more expensive than comparable peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are making updates to fund documentation to improve the understanding and clarity of the investment objective and policy of the fund. None of the updates will change the way in which the fund is managed or its risk profile.
- The fund's pricing structure, relative to peers in the market, will be considered as part of our wider SAM UK strategic review.

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 68.18% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £681.80 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 8.76% per annum (net of fees and charges) while the Benchmark delivered a return of 10.05% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.29% per annum.

Over the period of assessment, the fund remained within its Santander High risk category and its Ongoing Charges Figure (OCF) cap of 1.30% (R Accumulation class) and 1.15% (S Accumulation class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 100% Shares Portfolio R Accumulation	Santander Max 100% Shares Portfolio S Accumulation
Annual Management Charge	0.85%	0.70%
Additional Expenses	0.24%	0.24%
Total Ongoing Charges Figure	1.09%	0.94%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 1.30% (R Accumulation class) and 1.15% (S Accumulation class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 100% Shares Portfolio R Accumulation	1.09%
Santander Max 100% Shares Portfolio S Accumulation	0.94%
Investment Association Global Equities – Median	0.95%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the R Accumulation class is more expensive than the average fund charge within this group of comparable funds. The S Accumulation class compares more favourably to market peers.

Next Steps

The fund's pricing strategy, relative to comparable market peers, is being reviewed as part of our wider SAM UK strategic review. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes. Our R Accumulation class is open to all investors; however, our S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater, and therefore the OCF is lower.

In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

15. Santander Max 70% Shares Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, but marginally more expensive than other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 32.38% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £323.80 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 4.80% per annum (net of fees and charges) while the Benchmark delivered a return of 6.47% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.67% per annum.

Over the period of assessment, the fund remained within its Santander Medium risk category and its Ongoing Charges Figure (OCF) cap of 1.25% (R Accumulation class) and 1.10% (S Accumulation class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 70% Shares Portfolio R Accumulation	Santander Max 70% Shares Portfolio S Accumulation
Annual Management Charge	0.80%	0.65%
Additional Expenses	0.25%	0.25%
Total Ongoing Charges Figure	1.05%	0.90%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 1.25% (R Accumulation class) and 1.10% (S Accumulation class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 70% Shares Portfolio R Accumulation	1.05%
Santander Max 70% Shares Portfolio S Accumulation	0.90%
Investment Association Mixed Investments 40%-85% Shares – Median	1.07%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of both classes of the fund are marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are marginally higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes. Our R Accumulation class is open to all investors; however, our S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater, and therefore the OCF is lower.

In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

16. Santander Max 50% Shares Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, but marginally more expensive than other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 26.95% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £269.50 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Accumulation class) delivered a return of 4.04% per annum (net of fees and charges) while the Benchmark delivered a return of 5.42% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.38% per annum.

Over the period of assessment, the fund remained within its Santander Lower Medium risk category and its Ongoing Charges Figure (OCF) cap of 1.05% (R Accumulation and R Income classes) and 1.00% (S Accumulation class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 50% Shares Portfolio R Accumulation	Santander Max 50% Shares Portfolio R Income	Santander Max 50% Shares Portfolio S Accumulation
Annual Management Charge	0.60%	0.60%	0.55%
Additional Expenses	0.27%	0.27%	0.27%
Total Ongoing Charges Figure	0.87%	0.87%	0.82%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 1.05% (R Accumulation and R Income classes) and 1.00% (S Accumulation class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 50% Shares Portfolio R Accumulation	0.87%
Santander Max 50% Shares Portfolio R Income	0.87%
Santander Max 50% Shares Portfolio S Accumulation	0.82%
Investment Association Mixed Investments 20%-60% Shares – Median	1.05%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of all classes of the fund are cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are marginally higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors three share classes. The R Accumulation and R Income classes have identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

The R accumulation and R Income classes are open to all investors; however, our S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater, and therefore the OCF is lower.

In October 2019 we merged the X Accumulation class into the R Accumulation class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

17. Santander Max 30% Shares Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, but marginally more expensive than other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.
- In February 2020 we are merging the X Accumulation class into the R Accumulation class to simplify our product offering and align our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 18.35% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £183.50 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Accumulation class) delivered a return of 3.13% per annum (net of fees and charges) while the Benchmark delivered a return of 4.38% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.25% per annum.

Over the period of assessment, the fund remained within its Santander Lower risk category and its Ongoing Charges Figure (OCF) cap of 1.00% (R Accumulation and X Accumulation classes) and 0.95% (S Accumulation class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 30% Shares Portfolio R Accumulation	Santander Max 30% Shares Portfolio X Accumulation	Santander Max 30% Shares Portfolio S Accumulation
Annual Management Charge	0.55%	0.55%	0.50%
Additional Expenses	0.26%	0.26%	0.26%
Total Ongoing Charges Figure	0.81%	0.81%	0.76%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 1.00% (R Accumulation and X Accumulation classes) and 0.95% (S Accumulation class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 30% Shares Portfolio R Accumulation	0.81%
Santander Max 30% Shares Portfolio X Accumulation	0.81%
Santander Max 30% Shares Portfolio S Accumulation	0.76%
Investment Association Mixed Investments 0%-35% Shares – Median	0.94%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of all classes of the fund are cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are marginally higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors three share classes. The R Accumulation and X Accumulation classes have identical fees; however, these classes will be merged in February 2020 to simplify our product offering and align our share class pricing.

The S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater than the R Accumulation and X Accumulation classes, and therefore the OCF is lower.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

In February 2020 we are merging our X Accumulation class into our R Accumulation class. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

18. Santander Max 30% Shares Income Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver an income and some capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund marginally failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, but marginally more expensive than other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In September 2019 we merged the X Income class into the R Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.

The fund operates to an accounting year end of 31 July 2019. The income yield of the fund is calculated as at this date; therefore, our assessment of income has been completed as at 31 July 2019.

At its latest accounting year end, the fund (R Income class) has achieved its objective, delivering a yield of 3.16%.

In addition, the fund has delivered some capital growth, achieving a return of 19.71% (R Income class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £197.10 (based on the total return of our R Income class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Income class) delivered a return of 3.45% per annum (net of fees and charges) while the Benchmark delivered a return of 4.03% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.58% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Over the period of assessment, the fund remained within its Santander Lower risk category and its Ongoing Charges Figure (OCF) cap of 0.74% (R Income class) and 0.69% (S Income class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 30% Shares Income Portfolio R Income	Santander Max 30% Shares Income Portfolio S Income
Annual Management Charge	0.55%	0.50%
Additional Expenses	0.14%	0.14%
Total Ongoing Charges Figure	0.69%	0.64%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.74% (R Income class) and 0.69% (S Income class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 30% Shares Income Portfolio R Income	0.69%
Santander Max 30% Shares Income Portfolio S Income	0.64%
Custom Peer Group – Median	1.03%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of all classes of the fund are cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are marginally higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes. Our R Accumulation class is open to all investors; however, our S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater, and therefore the OCF is lower.

In September 2019 we merged the X Income class into the R Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

19. Santander Max 60% Shares Income Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance, Comparable Market Rates and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver an income and some capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is more expensive than comparable peers in the market, and some other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to peers in the market and other SAM UK funds, will be considered as part of our wider SAM UK strategic review.
- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.
- In February 2020 we are merging the X Income class into the R Income class to simplify our product offering and align our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.

The fund operates to an accounting year end of 31 July 2019. The income yield of the fund is calculated as at this date; therefore, our assessment of income has been completed as at 31 July 2019.

At its latest accounting year end, the fund (R Income class) has achieved its objective, delivering a yield of 4.17%.

In addition, the fund has delivered some capital growth, achieving a return of 23.71% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £237.10 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Accumulation class) delivered a return of 3.98% per annum (net of fees and charges) while the Benchmark delivered a return of 5.45% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.47% per annum.

Over the period of assessment, the fund remained within its Santander Medium risk category and its Ongoing Charges Figure (OCF) cap of 1.35% (R Accumulation, X Income and R Income classes) and 1.15% (S Income class). The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Max 60% Shares Income Portfolio R Accumulation	Santander Max 60% Shares Income Portfolio R Income	Santander Max 60% Shares Income Portfolio X Income	Santander Max 60% Shares Income Portfolio S Income
Annual Management Charge	0.85%	0.85%	0.85%	0.70%
Additional Expenses	0.43%	0.43%	0.43%	0.43%
Total Ongoing Charges Figure	1.28%	1.28%	1.28%	1.13%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 1.35% (R Accumulation, X Income and R Income classes) and 1.15% (S Income class) on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Max 60% Shares Income Portfolio R Accumulation	1.28%
Santander Max 60% Shares Income Portfolio R Income	1.28%
Santander Max 60% Shares Income Portfolio X Income	1.28%
Santander Max 60% Shares Income Portfolio S Income	1.13%
Custom Peer Group – Median	0.93%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of all classes of the fund are more expensive than the average fund charge within this group of comparable funds.

Next Steps

The fund's pricing strategy, relative to comparable market peers, is being reviewed as part of our wider SAM UK strategic review. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors four share classes.

The R Income and X Income classes have identical fees; however, these classes will be merged in February 2020 to simplify our product offering and align our share class pricing.

The remaining R Income class and R Accumulation classes also offer identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

The S Accumulation class is designed for use by Santander UK's Select investors only. The minimum investment in this class is much greater than the other classes available, and therefore the OCF is lower.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

In February 2020 we are merging our X Income class into our R Income class. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

20. Santander Multi Index 1

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund marginally failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund was launched in March 2016, and therefore we do not have a 5 year return history. Since launch, however, the fund has achieved its objective, delivering a return of 23.04%. This means if an investor invested £1,000 in the fund from launch, their investment will have grown by approximately £230.40 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 3.98% per annum (net of fees and charges) while the Benchmark delivered a return of 4.65% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.67% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Over the period of assessment, the fund remained within its Santander Lower risk category and its Ongoing Charges Figure (OCF) cap of 0.34%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Santander Multi Index 1 R Accumulation	
Annual Management Charge	0.15%
Additional Expenses	0.19%
Total Ongoing Charges Figure	0.34%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.34% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Multi Index 1 R Accumulation	0.34%
Investment Association Mixed Investments 0%-35% Shares - Median	0.94%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

21. Santander Multi Index 2

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund marginally failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund was launched in March 2016, and therefore we do not have a 5 year return history. Since launch, however, the fund has achieved its objective, delivering a return of 27.66%. This means if an investor invested £1,000 in the fund from launch, their investment will have grown by approximately £276.60 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 4.61% per annum (net of fees and charges) while the Benchmark delivered a return of 5.49% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.88% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Over the period of assessment, the fund remained within its Santander Lower Medium risk category and its Ongoing Charges Figure (OCF) cap of 0.39%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Santander Multi Index 2 R Accumulation	
Annual Management Charge	0.20%
Additional Expenses	0.19%
Total Ongoing Charges Figure	0.39%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.39% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Multi Index 2 R Accumulation	0.39%
Investment Association Mixed Investments 20%-60% Shares - Median	1.05%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

22. Santander Multi Index 3

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund was launched in March 2016, and therefore we do not have a 5 year return history. Since launch, however, the fund has achieved its objective, delivering a return of 33.31%. This means if an investor invested £1,000 in the fund from launch, their investment will have grown by approximately £333.10 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 5.43% per annum (net of fees and charges) while the Benchmark delivered a return of 6.51% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.08% per annum.

Over the period of assessment, the fund remained within its Santander Medium risk category and its Ongoing Charges Figure (OCF) cap of 0.44%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Santander Multi Index 3 R Accumulation	
Annual Management Charge	0.25%
Additional Expenses	0.15%
Total Ongoing Charges Figure	0.40%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.44% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Multi Index 3 R Accumulation	0.40%
Investment Association Mixed Investments 40%-85% Shares - Median	1.07%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

23. Santander Multi Index 4

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, whilst remaining within its Santander Risk category. However, the fund marginally failed to meet its objective to outperform its Target Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund was launched in October 2017, and therefore we do not have a 5 year return history. Since launch, however, the fund has achieved its objective, delivering a return of 10.85%. This means if an investor invested £1,000 in the fund from launch, their investment will have grown by approximately £108.50 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Since inception to 31 December 2019, the fund delivered a return of 3.49% per annum (net of fees and charges) while the Benchmark delivered a return of 4.35% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.86% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Over the period of assessment, the fund remained within its Santander Medium High risk category and its Ongoing Charges Figure (OCF) cap of 0.49%. The OCF aims to provide investors with a good view of the level of charges that will be deducted from their investment over a year.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Multi Index 4 R Accumulation
Annual Management Charge	0.30%
Additional Expenses	0.19%
Total Ongoing Charges Figure	0.49%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

In addition, we implement an OCF cap of 0.39% on the fund to protect investors should the expenses of the fund increase unduly. Any expenses that exceed this cap will be refunded from our Annual Management Charge.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Multi Index 4 R Accumulation	0.49%
IA Flexible Investments - Median	1.18%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

24. Santander US Equities

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund partially delivers value to its investors and have identified areas, such as Performance, where value must be improved and have prioritised actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 81.97% over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £819.70 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 9.18% per annum (net of fees and charges) while the Benchmark delivered a return of 12.69% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 3.51% per annum.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander US Equities A
Annual Management Charge	0.65%
Additional Expenses	0.06%
Total Ongoing Charges Figure	0.71%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander US Equities A	0.71%
Investment Association North American Equities - Median	0.88%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

25. Santander Europe (Ex UK) Equities

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund partially delivers value to its investors and have identified areas, such as Performance, where value must be improved and have prioritised actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 53.95% over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £539.50 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 6.40% per annum (net of fees and charges) while the Benchmark delivered a return of 8.69% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 2.29% per annum.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

Santander Europe (ex UK) Equities A	
Annual Management Charge	0.65%
Additional Expenses	0.08%
Total Ongoing Charges Figure	0.73%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Europe (Ex UK) Equities A	0.73%
Investment Association Europe ex UK Equities - Median	0.89%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

26. Santander Japan Equities

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 61.54% over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £615.40 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 5.42% per annum (net of fees and charges) while the Benchmark delivered a return of 6.69% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.27% per annum.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Japan Equities A
Annual Management Charge	0.65%
Additional Expenses	0.11%
Total Ongoing Charges Figure	0.76%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Japan Equities A	0.76%
Investment Association Japan Equities - Median	0.91%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

27. Santander Pacific Basin (Ex Japan) Equities

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Performance, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 60.55% (A class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £605.50 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (A class) delivered a return of 7.78% per annum (net of fees and charges) while the Benchmark delivered a return of 8.92% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 1.14% per annum.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Pacific Basin (Ex Japan) Equities A	Santander Pacific Basin (Ex Japan) Equities B
Annual Management Charge	0.65%	0.65%
Additional Expenses	0.23%	0.23%
Total Ongoing Charges Figure	0.88%	0.88%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Pacific Basin (Ex Japan) A	0.88%
Santander Pacific Basin (Ex Japan) B	0.88%
Investment Association Asia Pacific ex Japan Equities - Median	0.99%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we currently offer two share classes. The B class is used by one institutional investor only.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

28. Santander UK Equities

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund marginally failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 38.59% over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £385.90 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 6.78% per annum (net of fees and charges) while the Benchmark delivered a return of 6.85% per annum (gross of fees and charges). The fund therefore marginally underperformed its Benchmark by 0.07% per annum.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander UK Equities A
Annual Management Charge	0.65%
Additional Expenses	0.03%
Total Ongoing Charges Figure	0.68%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander UK Equities A	0.68%
Investment Association UK All Companies - Median	0.85%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.65%, saving our investors on average £3.50 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

29. Santander Sterling Bond

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund marginally failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In June 2019 we reduced the Annual Management Charge of the fund from 1% to 0.50%, saving our investors on average £5.00 per year for every £1,000 invested.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In August 2019 we changed the anti-dilution method from applying a levy to an adjustment (single swinging pricing) bringing the fund in line with competitors and other SAM UK funds.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon. The fund has achieved this objective, delivering a return of 18.44% over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund 5 years to 31 December 2019, their investment will have grown by approximately £184.40 (based on the total return of our A class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 3.14% per annum (net of fees and charges) while the Benchmark delivered a return of 3.76% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.62% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Sterling Bond A
Annual Management Charge	0.50%
Additional Expenses	0.04%
Total Ongoing Charges Figure	0.54%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Sterling Bond A	0.54%
Investment Association Sterling Corporate Bond - Median	0.56%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class.

In June 2019, we reduced the Annual Management Charge of the fund from 1% to 0.50%, saving our investors on average £5.00 for every £1,000 invested.

In addition, in August 2019 we replaced the dilution levy employed within the fund with a dilution adjustment (single swinging price) to ensure a more accurate value of the actual price paid or received by the fund prompted by flows in and out of it. This mitigates the impact of dilution on shareholders within the fund and brings the fund in line with other SAM UK funds and funds within the market.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

30. Santander UK Growth Unit Trust

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years and outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2018, we reduced the Annual Management Charge of the R Accumulation and R Income classes from 0.85% to 0.65% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price, so to simplify our range, we merged the I Accumulation class into the R Accumulation class in October 2019. This program of rationalisation simplified our offering and aligned our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 40.93% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £409.30 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 7.51% per annum (net of fees and charges) while the Benchmark delivered a return of 6.85% per annum (gross of fees and charges). The fund therefore outperformed its Benchmark by 0.66% per annum.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander UK Growth Unit Trust R Accumulation	Santander UK Growth Unit Trust R Income
Annual Management Charge	0.65%	0.65%
Additional Expenses	0.01%	0.01%
Total Ongoing Charges Figure	0.66%	0.66%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander UK Growth Unit Trust R Accumulation	0.66%
Santander UK Growth Unit Trust R Income	0.66%
Investment Association UK All Companies - Median	0.85%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In October 2018, we reduced the Annual Management Charge of the R Accumulation and R Income classes from 0.85% to 0.65% to match the charges of the I Accumulation class. This resulted in multiple share classes offering identical outcomes to our investors for the same price. To simplify our range, we merged the I Accumulation class into the R Accumulation class in October 2019.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

In November 2019, the SAM UK N&P Growth Unit Trust was merged into this fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

31. Santander Equity Income Unit Trust

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver an income and some capital growth to its investors over 5+ years and outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- In February 2020 we are merging the I Income class into the R Income class to simplify our product offering and align our share class pricing approach.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.

The fund doesn't have a target income yield; however, we aim to outperform the FTSE All Shares Index yield. As at 31 December 2019, the fund (R Income class) delivered an income yield of 5.05% compared to the FTSE All Share yield of 4.09%.

In addition, the fund has delivered some capital growth, achieving a return of 46.82% (R Income class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £468.20 (based on the total return of our R Income class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund delivered a return of 7.54% per annum (net of fees and charges) while the Benchmark delivered a return of 6.85% per annum (gross of fees and charges). The fund therefore outperformed its Benchmark by 0.69% per annum.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Equity Income Unit Trust R Income	Santander Equity Income Unit Trust I Accumulation	Santander Equity Income Unit Trust I Income
Annual Management Charge	0.50%	0.50%	0.50%
Additional Expenses	0.03%	0.03%	0.03%
Total Ongoing Charges Figure	0.53%	0.53%	0.53%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Equity Income Unit Trust R Income	0.53%
Santander Equity Income Unit Trust I Accumulation	0.53%
Santander Equity Income Unit Trust I Income	0.53%
Investment Association UK Income - Median	0.65%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors three share classes.

In October 2018, we reduced the Annual Management Charge of the R Income class from 0.90% to 0.50% to match the charges of the I Accumulation and I Income classes. This resulted in multiple share classes offering identical outcomes to our investors for the same price.

To simplify our range, we are merging the I Income class into the R Income class in February 2020. We will also be renaming the I Accumulation class to R Accumulation.

Following the merger, the remaining R Income class and R Accumulation class will also offer identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

In November 2019, the SAM UK Dividend Income Portfolio was merged into this fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

32. Santander Enhanced Income Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, not specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver an enhanced level of income and some capital growth to its investors over 5+ years and outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market, and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In February 2019 we reduced the Annual Management Charge of the R Income and X Income classes from 0.65% to 0.50% to ensure all classes of the fund offered the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Income and X Income classes into the I Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.
- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an enhance level of income, with some potential for capital growth, over a 5+ year time horizon.

The fund operates to an accounting year end of 31 March 2019. The income yield of the fund is calculated as at this date; therefore, our assessment of income has been completed as at 31 March 2019.

At its latest accounting year end, the fund (I Income class) has achieved its objective, delivering a yield of 5.05%.

In addition, the fund has delivered some capital growth, achieving a return of 45.03% (I Income class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £450.30 (based on the total return of our I Income class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (I Income class) delivered a return of 8.23% per annum (net of fees and charges) while the Benchmark delivered a return of 5.78% per annum (gross of fees and charges). The fund therefore outperformed its Benchmark by 2.45% per annum.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Enhanced Income Portfolio I Income	Santander Enhanced Income Portfolio I Accumulation
Annual Management Charge	0.50%	0.50%
Additional Expenses	0.08%	0.08%
Total Ongoing Charges Figure	0.58%	0.58%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Enhanced Income Portfolio I Income	0.58%
Santander Enhanced Income Portfolio I Accumulation	0.58%
Custom Peer Group - Median	1.09%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund remain fair and broadly in line with the charges of comparable SAM UK funds.

Next Steps

We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In February 2019 we reduced the Annual Management Charge of the R Income and X Income classes from 0.65% to 0.50% to ensure all classes of the fund offered the same outcome to investors at the same price. This resulted in the duplication of some classes, so in December 2019 we merged the R Income and X Income classes into the I Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

33. Santander Balanced International Tracking Fund

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund partially delivers value to its investors and have identified areas, such as Performance, where value must be improved and have prioritised actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years, however failed to outperform its Target Benchmark over a rolling 3 year period. While our R Accumulation class is more expensive than comparable funds in the market, our I Accumulation class, which is our primary class, is cheaper than comparable funds. Our R Accumulation class is used by one legacy institutional investor only; we redirect all new customers into our cheaper I Accumulation class.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- Our R Accumulation class is used by a large institutional investor. In October 2019 we launched an additional share class, I Accumulation, with lower fees to improve value. All other investors were moved into this class.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 38.51% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £385.10 (based on the total return of our R Accumulation class).

The fund also aims to outperform its Target Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Accumulation class) delivered a return of 5.60% per annum (net of fees and charges) while the Benchmark delivered a return of 7.84% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 2.24% per annum.

Over the period of assessment, the fund remained within its Santander Medium High risk category.

Next Steps

We are reviewing the fund's performance relative to its Target Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Balanced International Tracking Fund I Accumulation	Balanced International Tracking Fund R Accumulation
Annual Management Charge	0.35%	1.50%
Additional Expenses	0.00%	0.00%
Total Ongoing Charges Figure	0.35%	1.50%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We currently cover all Additional Expenses in the fund, enabling us to pass savings directly to our customers.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Balanced International Tracking Fund I Accumulation	0.35%
Balanced International Tracking Fund R Accumulation	1.50%
Investment Association Mixed Investments 40%-85% - Median	1.07%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the I Accumulation class, which is our primary share class, is lower than the average fund charge within this group of comparable funds, meanwhile our R Accumulation class is higher than the average fund charge within this group of comparable funds. Our R Accumulation class is used by an institutional investor only; we redirect all new customers into our cheaper I Accumulation class, therefore we have completed our assessment of Comparable Market Rates on the I Accumulation class only.

Next Steps

The fund's pricing strategy, relative to comparable market peers, is being reviewed as part of our wider SAM UK strategic review. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes.

Our R Accumulation class was created for, and is used by, one large institutional investor only, who receive a large rebate on the Ongoing Charges Figure they pay. The 1.50% Figure quoted does not consider this rebate.

While the R Accumulation class remains appropriate for the institutional investor it was created for, we concluded this was not the case for the small number of other investors within the class not receiving a rebate. To enhance value for these investors, we launched a new I Accumulation class in October 2019 offering a lower Ongoing Charges Figure of 0.35%. This will save investors an average of £11.50 per year for every £1,000 invested.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

34. Santander Corporate Bond Fund

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund marginally failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the I Accumulation (Gross) class into the I Accumulation class to reduce complexity for investors and remove duplicate classes.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 21.98% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £219.80 (based on the total return of our I Accumulation class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (I Accumulation class) delivered a return of 3.55% per annum (net of fees and charges) while the Benchmark delivered a return of 3.93% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.38% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Corporate Bond I Accumulation	Santander Corporate Bond I Income
Annual Management Charge	0.45%	0.45%
Additional Expenses	0.03%	0.03%
Total Ongoing Charges Figure	0.48%	0.48%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Corporate Bond I Accumulation	0.48%
Santander Corporate Bond I Income	0.48%
Investment Association Sterling Corporate Bond - Median	0.56%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In October 2019, we merged the I Accumulation (Gross) class into the I Accumulation class to simplify our offering and remove duplicate classes.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

35. Santander Strategic Bond Fund

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
●	●	●	●	●	●	●	●

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In September 2019 we merged the I Income (Gross) class into the I Income class to reduce complexity for investors and remove duplicate classes.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 19.44% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £194.40 (based on the total return of our I Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Strategic Bond I Accumulation	Santander Strategic Bond I Income
Annual Management Charge	0.50%	0.50%
Additional Expenses	0.19%	0.19%
Total Ongoing Charges Figure	0.69%	0.69%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Strategic Bond I Accumulation	0.69%
Santander Strategic Bond I Income	0.69%
Investment Association Strategic Bond - Median	0.72%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is marginally cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In September 2019, we merged the I Income (Gross) class into the I Income class to simplify our offering and remove duplicate classes.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

36. Santander Sterling Government Bond Fund

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified general areas, and some areas specific to the fund, where we can seek to enhance value further.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund marginally failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced competitively against peers in the market.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In September 2019 we merged the I Income (Gross) class into the I Income class to reduce complexity for investors and remove duplicate classes.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 19.60% (I Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £196.00 (based on the total return of our I Accumulation class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (I Accumulation class) delivered a return of 2.91% per annum (net of fees and charges) while the Benchmark delivered a return of 3.07% per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.16% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Sterling Government Bond I Accumulation	Santander Sterling Government Bond I Income
Annual Management Charge	0.30%	0.30%
Additional Expenses	0.03%	0.03%
Total Ongoing Charges Figure	0.33%	0.33%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Sterling Government Bond I Accumulation	0.33%
Santander Sterling Government Bond I Income	0.33%
Investment Association UK Gilts - Median	0.39%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is cheaper than the average fund charge within this group of comparable funds.

Next Steps

We are continually monitoring our fees to ensure that our offering remains competitive. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates or funds within SAM UK that are comparable to this fund due to the nature of the fund's underlying investments, therefore a comparison is not appropriate.

Next Steps

While a comparison has not been made with other SAM UK funds, we continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (I Income class) and the other accumulating the income (I Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

In September 2019, we merged the I Income (Gross) class into the I Income class to simplify our offering and remove duplicate classes.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

37. Santander Investment Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Comparable Market Rates and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver capital growth to its investors over 5+ years. However, the fund is priced higher than comparable funds in the market and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the X Accumulation class into the R Accumulation to class reduce complexity for investors and remove duplicate classes.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to peers in the market and other SAM UK funds, will be considered as part of our wider SAM UK strategic review.

Assessment of Value

1. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide a combination of capital growth and income over a 5+ year time horizon.

The fund has achieved this objective, delivering a return of 17.98% (R Accumulation class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £179.80 (based on the total return of our R Accumulation class).

The fund uses a Comparator Benchmark for performance comparison purposes only, therefore this does not form part of our assessment of value.

Next Steps

We will continue to monitor the performance of the fund on an ongoing basis to ensure it delivers against its investment objectives and investor expectations. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

2. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Investment Portfolio R Accumulation
Annual Management Charge	0.50%
Additional Expenses	0.36%
Total Ongoing Charges Figure	0.86%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

3. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Investment Portfolio R Accumulation	0.86%
Investment Association Sterling Corporate Bond - Median	0.56%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is higher than the average fund charge within this group of comparable funds.

Next Steps

The fund's pricing strategy, relative to comparable market peers, is being reviewed as part of our wider SAM UK strategic review. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

4. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

5. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors one share class in the fund.

In October 2019 we merged the X Accumulation class into the R Accumulation to class reduce complexity for investors and remove duplicate classes.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

38. Santander Investment Income Portfolio

Value Statement

We are committed to delivering value to our investors. Using the seven criteria mandated by FCA regulation, we have concluded that the fund delivers value to its investors, however, have identified areas where value can be improved, such as Quality of Service, Comparable Market Rates and Comparable Services, and have proposed actions to address this.

Over the assessment period, the fund met its investment objective to deliver an income and some capital growth to its investors over 5+ years. However, the fund marginally failed to meet its objective to outperform its Constraint Benchmark over a rolling 3 year period. The fund is priced higher than comparable funds in the market and other comparable SAM UK funds.

Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Fund Rating
							

Changes we've made in 2019 to enhance value

We are always looking for ways to add value; over the period of assessment, we made the following changes to the fund to improve the value investors receive:

- In August 2019, following new regulatory guidelines from the FCA, we changed the fund objective and policy description in the fund documentation to improve clarity and make it easier for investors to measure fund performance.
- In October 2019 we merged the X Income class into the R Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.
- In October 2019 we launched the R Accumulation class to receive assets from the merger of the Santander Investment Income Unit Trust which merged with the fund in November 2019.

Proposed actions in 2020 to enhance value

As part of our value assessment for this fund we have identified some fund specific actions to undertake in 2020 to improve the value our investors receive:

- The fund's pricing structure, relative to peers in the market and other SAM UK funds, will be considered as part of our wider SAM UK strategic review.

- We are conducting a review of the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short.

Assessment of Value

1. Quality of Service

An operational error occurred during the period of assessment, which directly affected the funds ability to pay its smoothed income. Although not guaranteed, the fund failed to pay a smoothed income throughout its most recent accounting year, ending August 2019. We have taken corrective action and have strengthened our income monitoring processes to mitigate future reoccurrence.

2. Performance

We have assessed the investment performance of the fund's classes (net of fees and charges) across various time periods in comparison to its performance objectives.

How did we do?

The fund's investment objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.

The fund operates to an accounting year end of 15 September 2019. The income yield of the fund is calculated as at this date; therefore, our assessment of income has been completed as at 15 September 2019.

At its latest accounting year end, the fund (R Income class) achieved this objective, delivering a yield of 3.4%.

In addition, the fund has delivered some capital growth, achieving a return of 21.17% (R Income class) over the recommended 5 year holding period. This means if an investor invested £1,000 in the fund in the 5 years to 31 December 2019, their investment will have grown by approximately £211.70 (based on the total return of our R Income class).

The fund also aims to outperform its Constraint Benchmark over a rolling 3 year period. Over 3 years to 31 December 2019, the fund (R Income class) delivered a return of 3.70% per annum (net of fees and charges) while the Benchmark delivered a return of 3.85 per annum (gross of fees and charges). The fund therefore underperformed its Benchmark by 0.15% per annum. This level is below our threshold for an amber rating; however, we continue to monitor the fund's performance closely and will consider whether to re-assess the overall performance of the fund over the next value reporting period.

Next Steps

We are reviewing the fund's performance relative to its Constraint Benchmark to understand the drivers of underperformance and develop a plan for improvement where expectations have fallen short. We are confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

3. AFM Costs

We have assessed the cost of investing in the fund's share classes against the costs we pay to manage the fund and the services being charged for.

How did we do?

The charges associated with each share class are outlined below:

	Santander Investment Income Portfolio R Income	Santander Investment Income Portfolio R Accumulation
Annual Management Charge	0.75%	0.75%
Additional Expenses	0.02%	0.02%
Total Ongoing Charges Figure	0.77%	0.77%

The Annual Management Charge covers our costs of managing, marketing and distributing the fund. The Additional Expenses covers the cost of service providers we use (i.e. third party costs) to manage and maintain the fund.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs of the fund. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds.

Next Steps

We actively monitor our charging structure and will continue to monitor the underlying costs of the fund to ensure our fees remain reflective of these. We continually look for opportunities to reduce underlying costs and reflect these savings in the price our investors pay for our funds where appropriate.

4. Comparable Market Rates

We have compared the charges of each class of the fund (OCF) with similar funds in the market (peer group).

How did we do?

We have identified a number of funds, using industry standard peer group classifications, managed by other Fund Managers who are broadly trying to deliver similar investment objectives and have reviewed our charges against this group.

	OCF
Santander Investment Income Portfolio R Income	0.77%
Santander Investment Income Portfolio R Accumulation	0.77%
Investment Association Sterling Corporate Bond - Median	0.56%

Source: Morningstar, Charges correct as at 31 December 2019

This comparison shows that the cost of the fund is higher than the average fund charge within this group of comparable funds.

Next Steps

The fund's pricing strategy, relative to comparable market peers, is being reviewed as part of our wider SAM UK strategic review. Where an opportunity is identified to reduce fees, we will make every effort to explore this.

5. Comparable Services

We have compared the fund to other SAM UK funds or mandates with similar characteristics or features.

How did we do?

We have no institutional mandates within SAM UK that are comparable to this fund; therefore, we have compared the fund charges against other SAM UK funds with similar asset allocations and risk appetites.

The charges of the fund are higher than those of comparable SAM UK funds.

Next Steps

The fund's pricing structure, relative to SAM UK peers, is being reviewed as part of our wider SAM UK strategic review. We continue to review our funds to ensure the fees charged are fair and justified in the context of the fund's objective.

6. Classes of Units

We have assessed the classes available to our investors and the charges associated with each class.

How did we do?

As discussed in section 2 'AFM Costs', we offer our investors two share classes, with identical fees, with the only difference being that one pays out income (R Income class) and the other accumulating the income (R Accumulation class) by reinvestment into the fund. Our investors are able to select the class most appropriate to meet their investment objective at the point of investment and can switch share class at any time.

Our R Accumulation class was launched in October 2019 to receive assets from the merger of the Santander Investment Income Unit Trust which took place in November 2019.

Additionally, in October 2019 we merged the X Income class into the R Income class. This program of rationalisation simplified our offering and aligned our share class pricing approach.

SAM UK do not pay commissions to any 3rd parties and/or other entities within the Santander Group from the fund.

Next Steps

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.



Important Information

This material is for information only and does not constitute an offer or solicitation to buy or sell any securities or other financial instruments, or to provide investment advice or services.

Subscriptions to a portfolio may only be made on the basis of the current Prospectus and the Key Investor Information Document (KIID), as well as the latest annual or interim reports, which can be obtained free of charge on request, and the applicable terms & conditions. Please refer to the 'Risk Factors' section of the Prospectus for all risks applicable to investing in any portfolio and specifically this portfolio.

Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can fall as well as rise. This means that an investor may not get back the amount invested.

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