



The Santander Atlas Portfolios

For Growth and Income

Q1 2020 Update

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All information in this document is valid as at end of March 2020, unless otherwise stated.

For the most up-to-date information, including daily prices, please visit [santanderassetmanagement.co.uk](https://www.santanderassetmanagement.co.uk)

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This quarterly document is designed to provide you with information on the Santander Atlas Portfolios for Growth and Income and includes performance data, the asset allocation and a full breakdown of the holdings for each of the portfolios, as well as fund and market commentary from our Multi Asset team.

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01

SANTANDER ATLAS PORTFOLIOS FOR GROWTH OVERVIEW

The Santander Atlas Portfolios give you a choice of five multi asset portfolios for growth to suit the level of risk you feel comfortable with.

Built on a robust and rigorous investment process, the portfolios offer:

- A choice of five UK regulated growth portfolios, constructed as fund of funds, each managed within a specific volatility range over the long-term.
- An actively-managed solution to improve returns through active and passive building blocks.
- Portfolios diversified and dynamically managed across core global asset classes including equities, bonds, property and alternatives.
- Annual management charge of only 0.40%¹ per year.
- An ongoing charge capped at 0.99%¹.
- Transparency in fees (including transaction costs) and holdings.
- No entry or exit charges.
- The portfolios are unfettered, which means the fund managers are not required to invest within Santander Asset Management.

The Santander Atlas Portfolios for Growth have been benchmarked against funds in the UK by Defaqto, an independent financial information business, and has received a 5 Diamond Rating for providing a well-balanced proposition across features and charges.

Distribution Technology (DT) have independently reviewed the Atlas Portfolios for Growth and has awarded them Select Fund status.

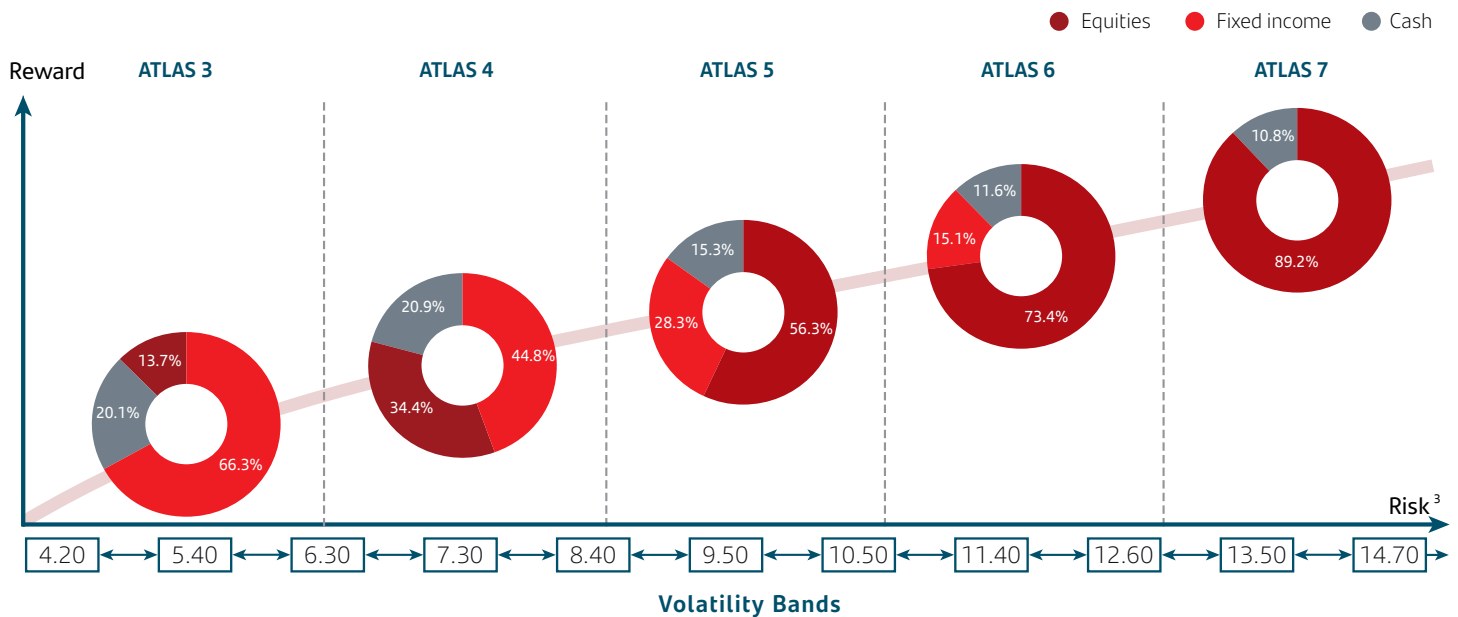


¹Institutional accumulation (IA) share class, only available via platforms.

ATLAS GROWTH PORTFOLIOS AT A GLANCE

	ATLAS 3	ATLAS 4	ATLAS 5	ATLAS 6	ATLAS 7
Objective	Provide a combination of capital growth and income over a 5+ year time horizon and will target a lower level of volatility over a 5+ year time horizon.	Provide a combination of capital growth and income over a 5+ year time horizon and will target a low to moderate level of volatility over a 5+ year time horizon.	Provide a combination of capital growth and income over a 5+ year time horizon and will target a moderate level of volatility over a 5+ year time horizon.	Provide a combination of capital growth and income over a 5+ year time horizon and will target a moderate to high level of volatility over a 5+ year time horizon.	Provide a combination of capital growth and income over a 5+ year time horizon and will target a higher level of volatility over a 5+ year time horizon.
Ongoing Charge	Capped at 0.99% ²				

ACTUAL ASSET ALLOCATION



Source: Santander Asset Management UK, settled position as at end of March 2020.

² Institutional accumulation (IA) share class, only available via platforms.

³ The numbers across the risk axis represent the risk boundaries that the portfolios are managed within, as measured by the standard deviation calculation so as to avoid unnecessary fund trades during short-term market volatility movements.

02

SANTANDER ATLAS INCOME PORTFOLIO OVERVIEW

THE SANTANDER ATLAS INCOME PORTFOLIO AIMS TO:

- Provide a sustainable minimum level of income, without guarantees, of 4%⁴ yield.
- Provide some capital growth.
- Pay a sustainable income that is smoothed throughout the year. We estimate how much income we expect to pay your clients over the year, and then pay your clients 11 months at that income level. In the 12th month, we adjust the amount of income your clients receive – either upwards or downwards – to reflect the actual amount of income that has been achieved over the year.

HOW WE MANAGE THE PORTFOLIO

- The portfolio is diversified across different asset classes and geographies so that you can benefit from opportunities that arise in different places and market conditions.
- There is clarity over the amount of income your clients can expect for a specific target risk range. The Santander Atlas Portfolio for Income is designed to sit within a risk profile of 4 under normal market conditions (on a scale of 1 to 10, where 1 is low risk and 10 is high risk). This is based on Santander's own risk scale, which is based on a risk scale defined by Distribution Technology. Distribution Technology is an independent provider of risk profiling tools for fund and investment advisers. The nature of achieving a target income means you should expect the risk profile to move between 3 and 5 in more extreme market conditions.
- We only invest in funds selected after a rigorous due diligence and selection process.
- You have peace of mind that your clients investment is being closely monitored and managed every day to a clear set of objectives.
- We offer capped charges and fees, with the ongoing charge limited to 0.99%.

⁴ The Santander Atlas Portfolio for Income minimum yield target is calculated on a projected yield basis, where the target level of yield (at least 4%) is applied to the net asset value of the fund at the start of its accounting year. This creates the pence per unit that will need to be delivered over the coming 12 months in order to achieve the projected yield.

SANTANDER ATLAS INCOME PORTFOLIO AT A GLANCE

Objective

The Fund's objective is to provide an income, with the potential of capital growth, and target a moderate level of volatility over a 5+ year time horizon. The Fund has a target income yield of 4% per annum after the deduction of fees, although this is not guaranteed.

Target Income Yield⁵ **4%** (minimum)

Pays Income Monthly (smoothed)

Share Classes Available Institutional Accumulation (IA)
Institutional Income (II)

Target Pence Per Unit (PPU) per month⁶ **Please refer to the Income Update on Page 29 for the latest PPU figures**

Annual Management Charge 0.40%

Ongoing Charges Figure Capped at **0.99%**

Tactical investment limits

Although we broadly aim to invest according to the asset allocation shown, we will flex our approach within the investment limits below in order to maximise returns in the prevailing market conditions.

Equities **15%** ▶ **65%**

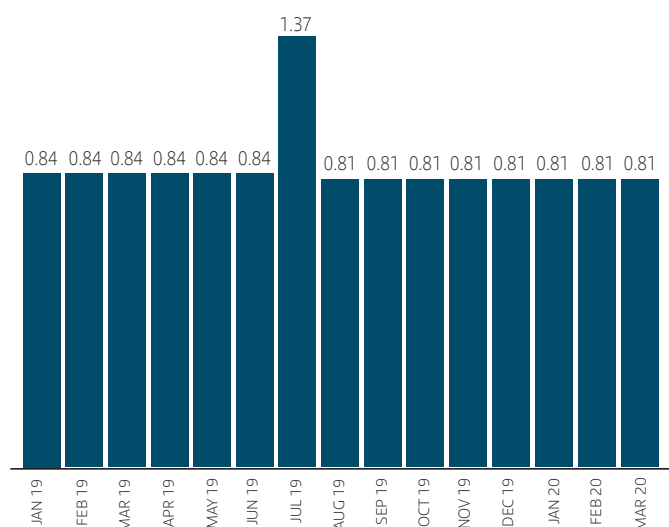
Fixed Interest and Cash **25%** ▶ **85%**

Alternatives **0%** ▶ **20%**

Additional Information:

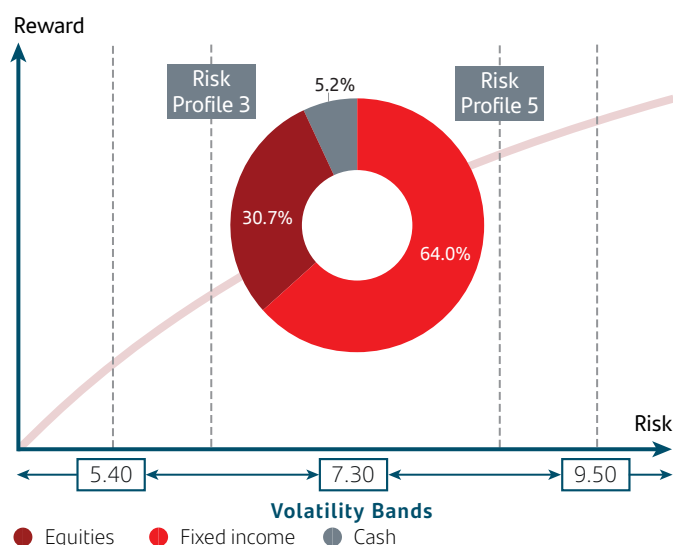
Commodities **0%** ▶ **10%**

II CLASS PPU MONTHLY PAYMENTS



Please note the payments shown are based on ex-dividend dates, and therefore payments will be made one month after this.

ACTUAL ASSET ALLOCATION



⁵ The Atlas Income Portfolio minimum yield target is calculated on a projected yield basis, where the target level of yield (at least 4%) is applied to the net asset value of the fund at the start of its accounting year. This creates the pence per unit that will need to be delivered over the coming 12 months in order to achieve the projected yield.

⁶ The portfolio aims to deliver the same PPU for the remaining months of the accounting year.

Source: Santander Asset Management UK, settled position as at end of March 2020.

03

MARKET UPDATE FROM OUR MULTI ASSET TEAM

WHAT WERE THE KEY FACTORS INFLUENCING MARKETS IN THE FIRST QUARTER OF 2020?

Investors experienced a difficult time in the first quarter of 2020. The Coronavirus (COVID-19) outbreak brought the 10-year bull market (a period of continued asset price growth) to an end and caused economies to grind to a halt. The New Year opened with a series of challenges as several unexpected geopolitical events caused investors to rethink the positive mood that had taken hold in the closing months of 2019. This included the US assassination of Iranian General Qassim Soleimani in Baghdad following an increase in Iranian attacks on US forces, as well as the outbreak of COVID-19 in Wuhan, China. Within a matter of weeks all eyes were on the virus as it spread around the world, creating economic uncertainty that sparked an aggressive sell-off in global stock markets.

WHAT HAPPENED IN MARKETS DURING THE QUARTER?

There is no downplaying the fact that the first quarter of 2020 was a challenging period for investors. While going into the New Year there was some debate about whether a downturn might be around the corner, there is now widespread agreement that a recession is inevitable. The question is how deep and long it will be.

In the weeks before the world fully appreciated the seriousness of the COVID-19 outbreak, it appeared as though markets were in a fairly resilient position. Despite market volatility in late January, investors were encouraged somewhat by positive news on global trade, a decent earnings season in both the US and Europe, and ongoing strength in the macroeconomic environment. However, it was not long until investors had to reassess the economic damage the virus caused to Asian supply chains and, more importantly, the potential for it to spread globally.

Throughout February the virus began to spread around the world and by March it had a foothold in most countries. Governments introduced social distancing measures and tight restrictions on movement throughout much of Europe, North America and South America, Africa, India and Asia. Given the consequences of businesses and economies being shut down, governments and central banks around the world introduced unprecedented support responses. The Canadian, UK and German governments committed to pay a significant proportion of workers' wages while companies go into hibernation.

Adding fuel to the fire, Saudi Arabia and Russia entered an oil price war that saw the price of Brent Crude fall to an 18-year low of less than USD 23 a barrel. Originally, the Organisation of Petroleum Exporting Countries (OPEC) had been expected to cut production to ensure a higher price, but Russia refused to cooperate.

Saudi Arabia therefore decided to turn on the taps – and increase production – in an attempt to put the global oil market under pressure. It ultimately wants to squeeze its competitors in the US shale oil sector, where the cost of production is significantly higher than the Middle East.

HOW DID ECONOMIES REACT?

In the US, any expectation of steady economic growth for the year ahead was discarded and the focus is now on economic support. To that end, the US Federal Reserve cut interest rates twice during March to nearly zero, while the government announced a USD 2.2 trillion emergency relief package. Meanwhile, politics remained ever present as markets digested and responded to each development in President Donald Trump's impeachment trial and the Democratic primaries. While the S&P 500 Index reached a record-high in February, this was quickly wiped away as markets sold off aggressively and US equities fell by approximately 20% by the end of the quarter.

In the UK, the year began with indications that confidence levels were increasing after the Conservative Party's landslide victory in the December general election.

Whilst economic activity from the previous quarter was lacklustre, the Information Handling Services (IHS) Markit/Chartered Institute of Purchasing and Supply (CIPS) composite purchasing manager's index pointed to growth in the manufacturing sector. Similar to other markets, however, the stock market sold off in large quantities over the quarter as it became clear that no economy would be unaffected by the COVID-19 outbreak. During this period, stock markets fell by more than 20%. In response, the Bank of England cut interest rates twice in March, to 0.1%, while the government announced financial aid worth hundreds of billions of pounds to support both businesses and the self-employed.

Europe was among the first regions outside of China to be hit hard by the outbreak, with Italy bearing the brunt early on. European growth remained subdued, even before it was impacted by the COVID-19 outbreak. The UK and EU continued to spar ahead of key negotiations regarding the future of UK/EU. Similar to other markets, European equities fell significantly over the quarter, recording a near 20% sell-off.

For Asia and Pacific regions, stock markets were dominated by the COVID-19 outbreak throughout the quarter. In an attempt to contain the spread of the virus, China introduced strict social distancing measures and sealed off Wuhan, where the virus originated. Factories closed down, bringing economic activity to a halt and disrupting supply chains. Economic output fell off a cliff during the lockdown, although China reported a small rebound when its containment measures were lifted in March. Other Asian countries such as South Korea and Japan also registered weaker economic data as business and consumer confidence took a hit from the outbreak. Over the quarter, Asian stock markets recorded large double-digit losses in line with other global stock markets.

Investors sought the relative safety of fixed income assets (which provides more stable returns at a lower risk) during the first quarter, as riskier assets such as equities, sold off. This was mainly driven by uncertainty about the extent of the outbreak and pessimism about the future economic outlook. Yields on benchmark government bonds in the US, UK and Germany all went down (meaning prices increased) as investors opted for these assets over the quarter, with the 10-year US Treasury yield dipping to an all-time low.

WHAT IS THE OUTLOOK FOR MARKETS?

Given that the COVID-19 pandemic is yet to peak as at the time of writing this, we are reluctant to speculate about the longer term economic impacts. The situation is evolving on a daily basis and we can only rely on the medical experts for advice on how long lockdown restrictions will be necessary.

Our focus is on analysing the potential economic impact of shutting down economies around the world, and how this will affect the business sector and financial markets.

In this situation, we have little doubt the scale of the economic fallout will be substantial. We know that policymakers have announced unprecedented measures to overcome the outbreak and protect economies, and we expect there will be further support measures to come. What remains to be answered is what it means to effectively turn off an economy and then switch it back on – will it be broken or will it fire up again, or something in between?

In financial markets, we expect more volatility in the short-term and the potential for further drops as the pandemic progresses. Along with COVID-19-related disruption, we must also navigate the uncertainty caused by oversupply in the petroleum market and the ensuing drop in the price of oil. Looking further ahead, when restrictions on movement are eventually lifted, we are likely to see an economic rebound driven by pent-up demand as consumers look to start spending again alongside a looser monetary policy. It remains to be seen what the business sector will look like at that stage, as we may see a spike in corporate defaults and many other companies may outright disappear.

HOW ARE WE POSITIONED IN VIEW OF MARKET RISKS?

During the quarter we developed a cautious view as we saw the outbreak progressing. We were already positioned defensively, with an underweight position in equities, and decided to reduce risk further in March when we determined that the impact of shutting down economies would have significant negative ramifications. This positioning provides us with breathing room and means we don't need to move too quickly to make portfolio changes as conditions evolve.

While we remain cautiously positioned on aggregate, we have selectively added a small degree of risk in areas of the market where we have seen value.

We have a neutral weighting in fixed income assets, with a focus on quality. Overall, we are maintaining highly diversified portfolios that are positioned for the current economic and market environment, and which would provide some cushion if there are further market falls.

OUTLOOK BY CLASS

EQUITY

We are underweight in equities in the short-term due to the uncertainty created by the COVID-19 pandemic and the expected negative impact of shutting down economies. Within our allocation, we prefer US equities for their more defensive qualities and opt for emerging markets over Europe. In the medium-term, we anticipate the pandemic will turn a corner later in the year. Our view of equities is dependent on how well business activity resumes when economies come back online. With interest rates back to all-time lows and large amounts of support being injected in the economy, it remains to be seen what sort of impact this will have in terms of inflation and economic activity.

FIXED INCOME

The loosening of global monetary conditions at the end of last year meant fixed income assets already appeared expensive. This is even more so following the large market falls observed during the quarter. At present, we have a neutral weighting in fixed income, with a focus on investment grade corporate credit and government bonds. We exited our positions in high yield bonds as part of our effort to reduce risk in the portfolio. We remain negative on this asset class, as we believe we may be at the beginning of a corporate default cycle.

ALTERNATIVES

In the current environment, alternatives' performance was affected by a higher level of fees, and, as we see it, the asset class has failed to be uncorrelated with market drawdowns. However, we will continue to monitor and consider investment in managers with a distinctive investment strategy and strong risk management.

INCOME RECEIVED FROM COMPANY DIVIDENDS

Since the start of the COVID-19 outbreak, an enormous amount has changed in our lives not least of which is the financial impact of many companies forced to close their factory's, shut down construction sites or simply shut the doors to their shop or restaurant. This impact has now started to affect the payment of company profits through the cancellation or suspension of dividends. Shareholders, pension funds and retail investors often rely on these dividends to supplement their income or make up a proportion of the investment income or the investment returns within a diversified portfolio.

Companies are often making sensible decisions to hold back the cash they would have distributed to protect against the short-term uncertainty and help maintain the financial stability of their company during this unprecedented crisis.

According to the Link Dividend Monitor Report published in April, already 45% of UK companies had already scrapped payouts by 5 April worth £23.8bn between Q2 and Q4; a further £2.9bn of cuts are looming.

The outlook for dividends in the short-term is very uncertain and the likelihood of other companies deciding to suspend or cancel their dividends in the near future is very high. Until more is known about the financial impact of shutting down vast swathes of the global economy, it is hard to be certain about when companies who have cut their dividends are likely to resume. We continue to monitor this very closely and will make changes to our portfolios, especially our income portfolios, as and when the time is right. In the meantime, it will have a direct impact on the generation of target yields, which remain under constant scrutiny to ensure any payment declarations that are made can be sustained within the risk and investment objectives of the solution being managed.

04

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ATLAS PORTFOLIO 3

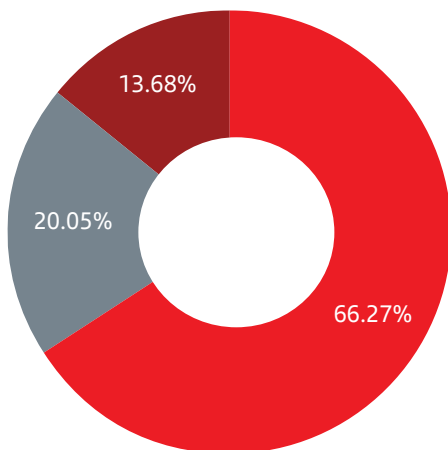
QUARTERLY UPDATE

PORTFOLIO COMMENTARY

The Portfolio delivered a negative return over the first quarter of 2020, as global equity markets declined following the global spread of COVID-19 and subsequent economic impact. Losses were driven by equity exposures in the UK, Europe and the US. Within fixed income, covered bond exposures helped cushion some of the losses from emerging market debt and UK corporate bonds. Alternatives also detracted from returns during the period in which the asset class was held.

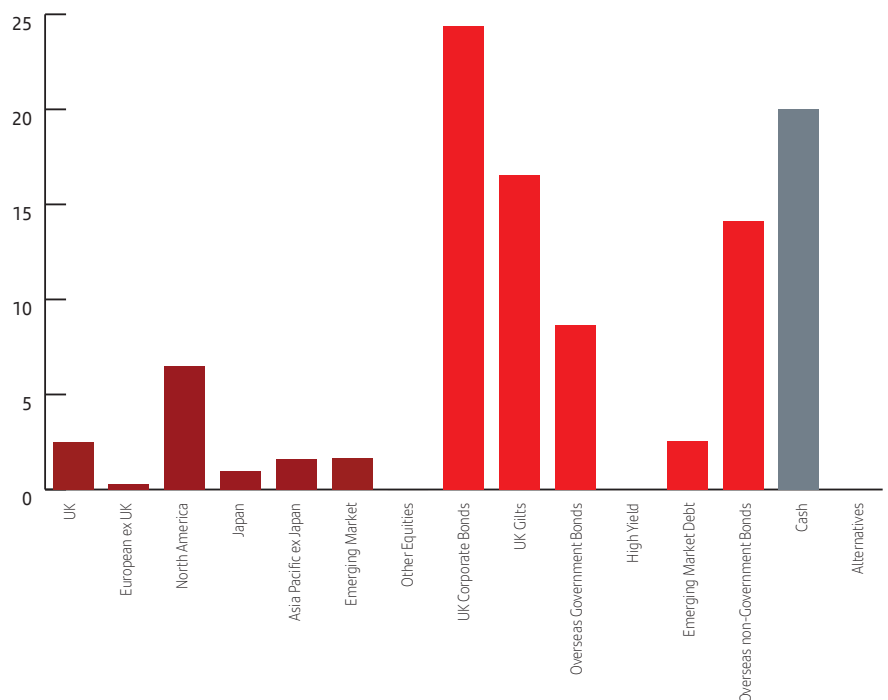
Total fund size: £86M

ACTUAL ASSET ALLOCATION



● Fixed Income ● Equities
● Cash⁷

GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Source: Santander Asset Management UK, settled position as at end of March 2020.

⁷ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Over the first quarter we reduced exposure to equities in favour of cash. Within equities, we focused our reductions on Europe, the UK and emerging markets. Elsewhere in the Portfolio we also reduced alternatives in favour of cash.

HOLDINGS

Fund Name	Santander Atlas Portfolio 3
EQUITY	
1. XTRACKERS S&P 500 SWAP UCITS ETF	4.83%
2. ISHARES MSCI AC FAR EAST EX - JAPAN ETF⁸	3.30%
3. ISHARES MSCI EUROPE EX-UK INC (IE) GBP ⁸	1.83%
4. FUT. E-MINI S&P 500 06/20 (CME)	1.72%
5. ISHARES CO FTSE 100 UCITS ETF DIST (GBP) ⁸	1.62%
6. VANGUARD FTSE DEV EUROPE XUK E I-A RET ⁸	1.42%
7. JO HAMBRO UK DYNAMIC YA GBP	0.96%
8. LYXOR ETF JAPAN TOPIX (ETF)⁸	0.95%
9. FUT. EURO STOXX 50 06/20	-2.95%
FIXED INCOME	
11. BLUEBAY INV GR EURO GV Q EUR	8.63%
12. VANGUARD EUR IN GR IDX GBP H ⁸	8.43%
13. HSBC STG CORP BD INDEX ACC S	7.50%
14. ISHARES CORE CORPORATE BOND (GBP) ⁸	7.35%
15. ALLIANZ GILT YLD I INC	6.89%
16. INSIGHT INVESTMENT DISCRETIONARY F	5.91%
17. NORDEA 1 EURO CON BD BI EUR	5.70%
18. HSBC UK GILT INDEX FUND IN S ⁸	5.21%
19. VANGUARD U.K. GOVERNMENT BD IDX GBP ACC ⁸	3.52%
20. ISHARES JPM USD EM BND USD D	2.54%
21. FIDELITY MNYBLDR INC-NET	2.43%
22. HSBC INV OEIC CORP BOND ACC	1.23%
23. BLACKROCK COL. UK GILTS ALL STOCKS-LA ⁸	0.95%
CASH/MONEY MARKET	
24. CASH	11.91%
25. ISHARES GBP ULTRASHORT BOND ⁸	2.50%
26. NORDEA1 LOW DURATION EUR C HAI (GBP)	4.09%
27. AMUNDI CASH CORPORATE IC C	1.54%

Source: Santander Asset Management UK, settled position as at end of March 2020.

⁸Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Santander Atlas Portfolio 3	-3.9	-5.5	-3.9	-0.2	2.0	8.4

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Portfolio 3	-0.2	1.1	1.2	8.3	-2.0

Source: Lipper as at end of March 2020.

Performance shown corresponds to the IA share class.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating, or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange which may also cause the value of your investment and any income it may pay to go down or up.

The performance figures shown are calculated on percentage growth, on a bid to bid basis with net income reinvested. They are net of annual management charges and exclude portfolio fees.

Past performance is not a guide to future performance. The value of your investment can fall as well as rise and you may get back less than the original amount you invested.

05

SANTANDER

ATLAS PORTFOLIO 4

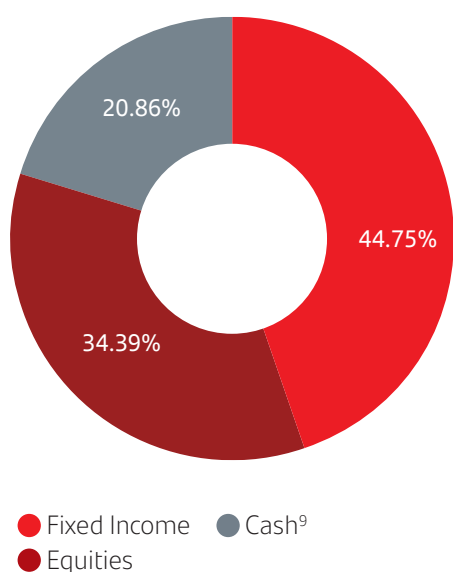
QUARTERLY UPDATE

PORTFOLIO COMMENTARY

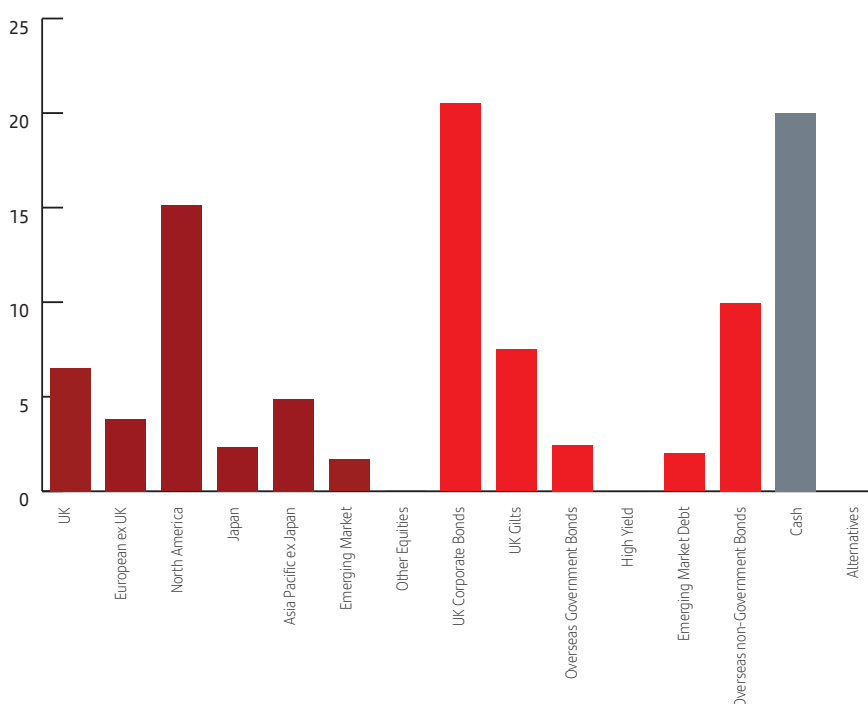
The Portfolio delivered a negative return over the first quarter of 2020, as global equity markets declined following the global spread of COVID-19 and subsequent economic impact. Losses were driven by equity exposures in the UK, Europe and the US. Within fixed income, covered bond exposures helped cushion some of the losses from emerging market debt and UK corporate bonds. Alternatives also detracted from returns during the period in which the asset class was held.

Total fund size: **£263M**

ACTUAL ASSET ALLOCATION



GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Source: Santander Asset Management UK, settled position as at end of March 2020.

⁹ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Over the first quarter we reduced exposure to equities in favour of cash. Within equities we focused our reductions on Europe, the UK and emerging markets. Elsewhere in the Portfolio we also reduced high yield exposure and alternatives in favour of cash.

HOLDINGS

Fund Name	Santander Atlas Portfolio 4
EQUITY	
1. XTRACKERS S&P 500 SWAP UCITS ETF	8.12%
2. HSBC ALL SHARE IDX I INC ¹⁰	4.85%
3. VANGUARD FTSE DEV EUROPE XUK E I-A RET ¹⁰	3.49%
4. ISHARES MSCI AC FAR EAST EX - JAPAN ETF ¹⁰	3.32%
5. VANGUARD PACIFIC EX-JAP STCK INDEX GBP A¹⁰	3.26%
6. FUT. E-MINI S&P 500 06/20 (CME)	2.41%
7. LYXOR UCITS ETF S&P 500 D USD ¹⁰	2.23%
8. ISHARES MSCI EUROPE EX-UK INC (IE) GBP ¹⁰	2.05%
9. VANGUARD US 500 STK INDEX FUND (USD) ¹⁰	1.69%
10. FIDELITY INVESTMENT FUNDS INDEX UK-PA ¹⁰	1.67%
11. BLACKROCK EUROPEAN DYNAMIC - A	1.52%
12. FUT. TOPIX INDX 06/20	1.42%
13. LYXOR ETF JAPAN TOPIX (ETF)¹⁰	0.93%
14. FUT. MSCI EMG MKT 06/20	0.66%
15. FUT. EURO STOXX 50 06/20	-3.23%
FIXED INCOME	
16. ISHARES CORE CORPORATE BOND (GBP) ¹⁰	12.26%
17. INSIGHT INVESTMENT DISCRETIONARY F	6.94%
18. NORDEA 1 EURO CON BD BI EUR	4.99%
19. VANGUARD EUR IN GR IDX GBP H ¹⁰	4.97%
20. HSBC UK GILT INDEX FUND IN S ¹⁰	4.47%
21. ALLIANZ GILT YLD I INC	3.02%
22. BLUEBAY INV GR EURO GV Q EUR	2.45%
23. HSBC INV OEIC CORP BOND ACC	2.08%
24. ISHARES JPM USD EM BND USD D	2.00%
25. HSBC STG CORP BD INDEX ACC S	1.58%
CASH/MONEY MARKET	
26. NORDEA1 LOW DURATION EUR C HAI (GBP)	9.35%
27. CASH	8.87%
28. AMUNDI CASH CORPORATE IC C	2.64%

Source: Santander Asset Management UK, settled position as at end of March 2020.

¹⁰ Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Santander Atlas Portfolio 4	-8.1	-8.3	-8.1	-3.6	-0.2	9.9

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Portfolio 4	-3.6	2.1	1.4	12.5	-2.1

Source: Lipper as at end of March 2020.

Performance shown corresponds to the IA share class.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating, or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange which may also cause the value of your investment and any income it may pay to go down or up.

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06

SANTANDER

ATLAS PORTFOLIO 5

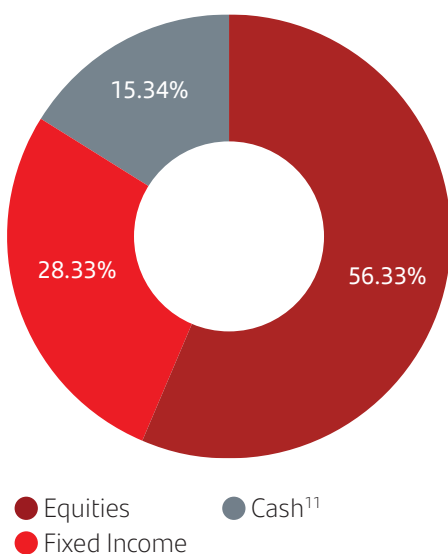
QUARTERLY UPDATE

PORTFOLIO COMMENTARY

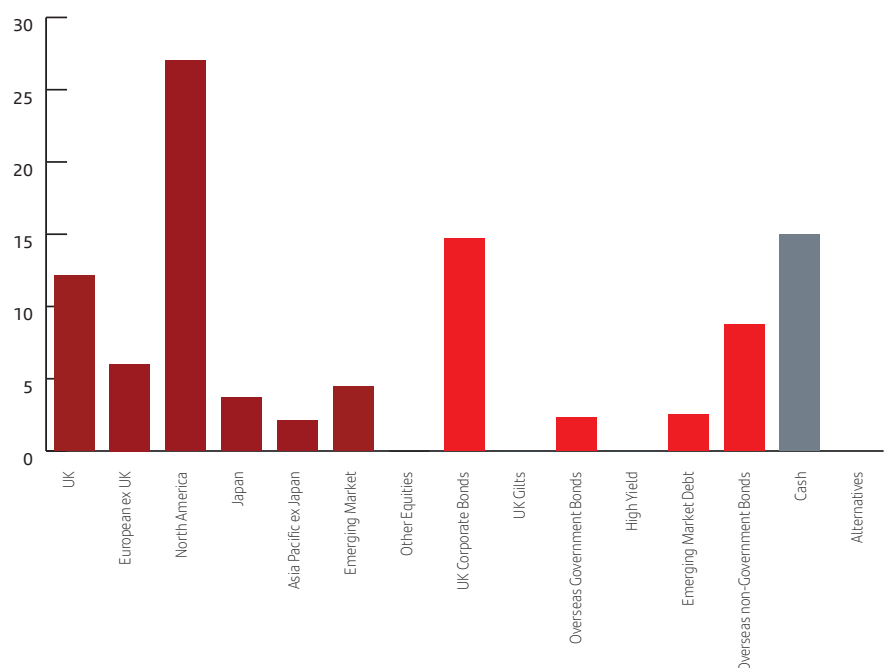
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Total fund size: £93M

ACTUAL ASSET ALLOCATION



GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Source: Santander Asset Management UK, settled position as at end of March 2020.

¹¹ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Over the first quarter we reduced equities in favour of cash. Within equities we focused our reductions on Europe, the UK and emerging markets. Elsewhere in the Portfolio we also reduced high yield exposure and alternatives in favour of cash.

HOLDINGS

Fund Name	Santander Atlas Portfolio 5
EQUITY	
1. XTRACKERS S&P 500 SWAP UCITS ETF	11.50%
2. LYXOR UCITS ETF S&P 500 - D-USD ¹²	8.77%
3. FIDELITY INVESTMENT FUNDS INDEX UK-PA ¹²	5.41%
4. HSBC ALL SHARE IDX I INC ¹²	5.35%
5. VANGUARD FTSE DEV EUROPE XUK E I-A RET ¹²	4.75%
6. ISHARES MSCI AC FAR EAST EX - JAPAN ETF¹²	4.38%
7. VANGUARD US 500 STK INDEX FUND (USD) ¹²	3.82%
8. ISHARES MSCI EUROPE EX-UK INC (IE) GBP ¹²	2.60%
9. FUT. TOPIX INDX 06/20	2.57%
10. FUT. E-MINI S&P 500 06/20 (CME)	2.50%
11. BLACKROCK COLLECTIVE EMERGING MK EQ TRACK ¹²	2.21%
12. INVESCO PERPETUAL UK GRW NOTR ACC	1.36%
13. FUT. MSCI EMG MKT 06/20	1.35%
14. LYXOR ETF JAPAN TOPIX (ETF)¹²	1.10%
15. FUT. EURO STOXX 50 06/20	-1.33%
FIXED INCOME	
17. INSIGHT INVESTMENT DISCRETIONARY F	7.75%
18. VANGUARD EUR IN GR IDX GBP H ¹²	5.88%
19. HSBC STG CORP BD INDEX ACC S	5.29%
20. NORDEA 1 EURO CON BD BI EUR	2.90%
21. ISHARES JPM USD EM BND USD D	2.55%
22. BLUEBAY INV GR EURO GV Q EUR	2.30%
23. HSBC INV OEIC CORP BOND ACC	1.66%
CASH/MONEY MARKET	
24. ISHARES GBP ULTRASHORT BOND ¹²	6.17%
25. CASH	5.48%
26. AMUNDI CASH CORPORATE IC C	1.93%
27. NORDEA1 LOW DURATION EUR C HAI (GBP)	1.76%

Source: Santander Asset Management UK, settled position as at end of March 2020.

¹² Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Santander Atlas Portfolio 5	-13.6	-12.8	-13.6	-8.0	-4.6	6.0

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Portfolio 5	-8.0	2.1	1.5	16.8	-4.8

Source: Lipper as at end of March 2020.

Performance shown corresponds to the IA share class.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating, or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange which may also cause the value of your investment and any income it may pay to go down or up.

The performance figures shown are calculated on percentage growth, on a bid to bid basis with net income reinvested. They are net of annual management charges and exclude portfolio fees.

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07

SANTANDER

ATLAS PORTFOLIO 6

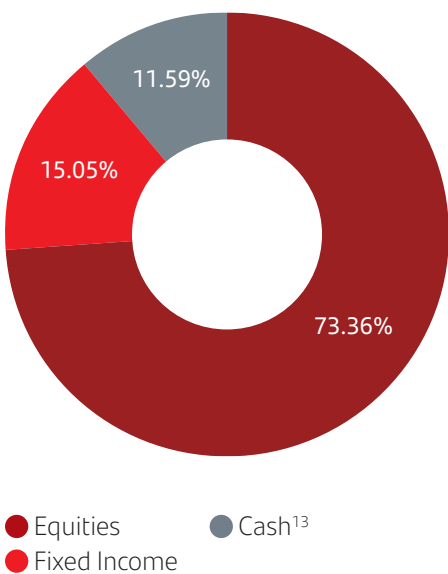
QUARTERLY UPDATE

PORTFOLIO COMMENTARY

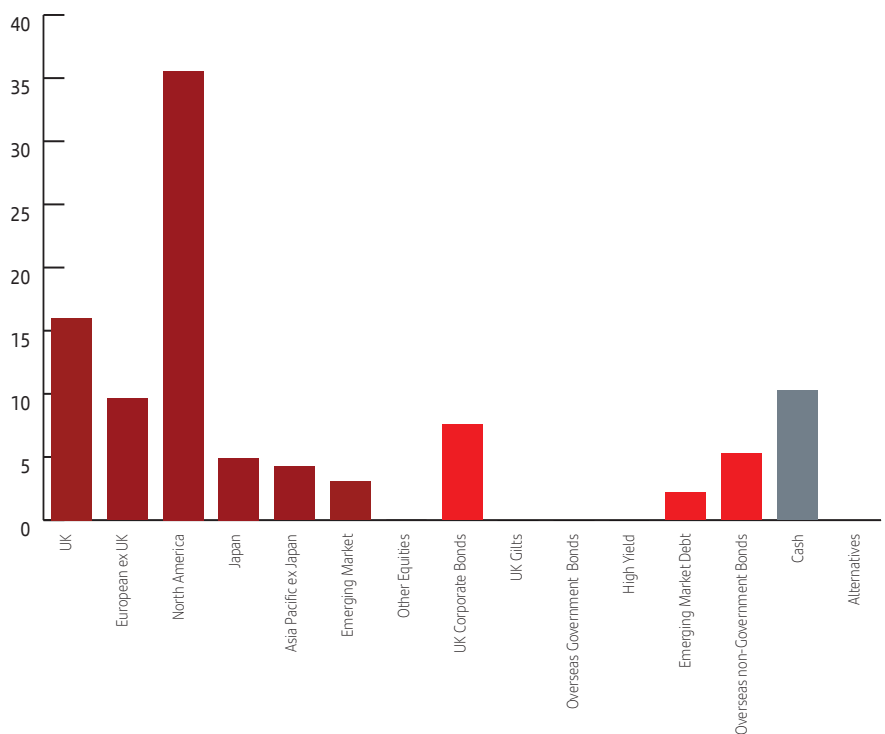
The Portfolio delivered a negative return over the first quarter of 2020, as global equity markets declined following the global spread of COVID-19 and subsequent economic impact. Losses were driven by equity exposures in the UK, Europe and the US. Within fixed income, covered bond exposures helped cushion some of the losses from emerging market debt and UK corporate bonds. Alternatives also detracted from returns during the period in which the asset class was held.

Total fund size: £191M

ACTUAL ASSET ALLOCATION



GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Source: Santander Asset Management UK, settled position as at end of March 2020.
¹³ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Over the first quarter we reduced equities in favour of cash. Within equities we focused our reductions on Europe, the UK and emerging markets. Elsewhere in the Portfolio we also reduced high yield exposure and alternatives in favour of cash.

HOLDINGS

Fund Name	Santander Atlas Portfolio 6
EQUITY	
1. LYXOR UCITS ETF S&P 500 D USD ¹⁴	13.31%
2. XTRACKERS S&P 500 SWAP UCITS ETF	12.51%
3. HSBC ALL SHARE IDX I INC ¹⁴	7.68%
4. FIDELITY INVESTMENT FUNDS INDEX UK-PA ¹⁴	5.61%
5. VANGUARD FTSE DEV EUROPE XUK E I-A RET ¹⁴	5.55%
6. FUT. E-MINI S&P 500 06/20 (CME)	4.81%
7. ISHARES MSCI EUROPE EX-UK INC (IE) GBP ¹⁴	4.07%
8. FUT. TOPIX INDEX 06/20	3.96%
9. VANGUARD PACIFIC EX-JAP STCK INDEX GBP A¹⁴	3.36%
10. VANGUARD US 500 STK INDEX FUND (USD) ¹⁴	2.43%
11. BLACKROCK COLLECTIVE EMERGING MK EQ TRACK ¹⁴	2.15%
12. ISHARES MSCI AC FAR EAST EX - JAPAN ETF ¹⁴	1.75%
13. INVESCO PERPETUAL UK GRW NOTR ACC	1.59%
14. ISHARES S&P 500 MINIMUM VOLATILITY ¹⁴	1.33%
15. FUT. MSCI EMG MKT 06/20	1.15%
16. JO HAMBRO UK DYNAMIC YA GBP	1.12%
17. LYXOR ETF JAPAN TOPIX (ETF)¹⁴	0.96%
FIXED INCOME	
19. INSIGHT INVESTMENT DISCRETIONARY F	5.13%
20. VANGUARD EUR IN GR IDX GBP H ¹⁴	3.28%
21. HSBC STG CORP BD INDEX ACC S	2.47%
22. ISHARES JPM USD EM BND USD D	2.20%
23. NORDEA 1 EURO CON BD BI EUR	1.97%
CASH/MONEY MARKET	
24. ISHARES GBP ULTRASHORT BOND ¹⁴	7.49%
25. CASH	2.61%
26. AMUNDI CASH CORPORATE IC C	1.49%

Source: Santander Asset Management UK, settled position as at end of March 2020.

¹⁴ Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Santander Atlas Portfolio 6	-16.1	-14.8	-16.1	-9.5	-5.3	8.3

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Portfolio 6	-9.5	2.5	2.1	20.1	-4.8

Source: Lipper as at end of March 2020.

Performance shown corresponds to the IA share class.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating, or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange which may also cause the value of your investment and any income it may pay to go down or up.

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SANTANDER

ATLAS PORTFOLIO 7

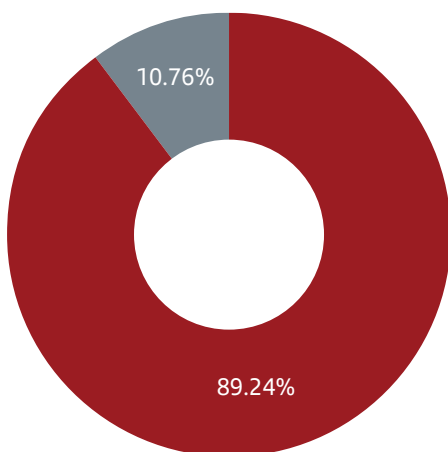
QUARTERLY UPDATE

PORTFOLIO COMMENTARY

The Portfolio delivered a negative return over the first quarter of 2020, as global equity markets declined following the global spread of COVID-19 and subsequent economic impact. Losses were driven by equity exposures in the UK, Europe, emerging markets and the US.

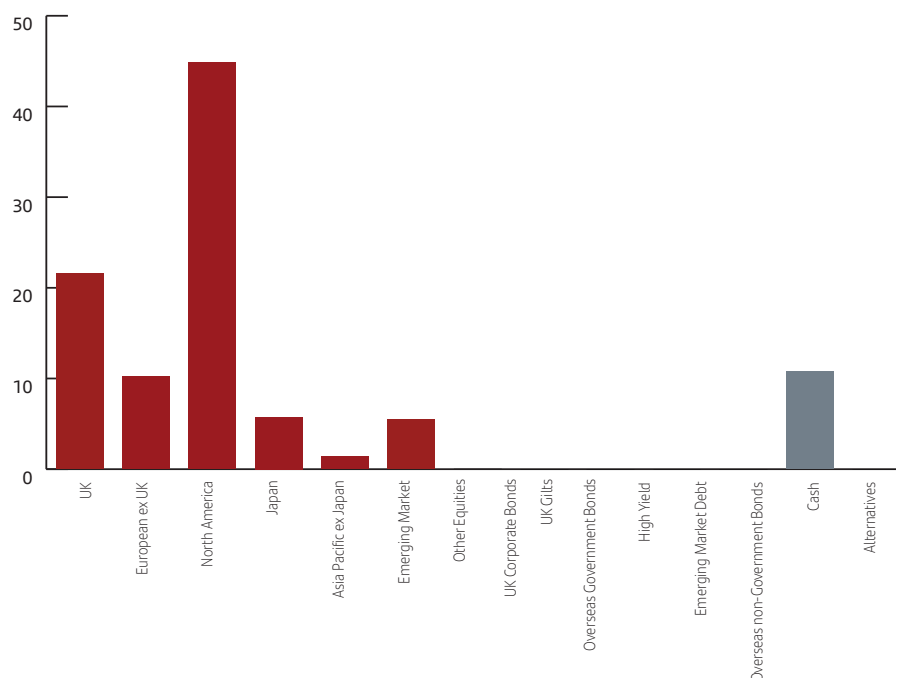
Total fund size: **£137M**

ACTUAL ASSET ALLOCATION



● Equities
● Cash¹⁵

GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Source: Santander Asset Management UK, settled position as at end of March 2020.
¹⁵ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Over the first quarter we reduced equities in favour of cash. Within equities we focused our reductions on Europe, the UK and emerging markets.

HOLDINGS

Fund Name	Santander Atlas Portfolio 7
EQUITY	
1. XTRACKERS S&P 500 SWAP UCITS ETF	12.77%
2. LYXOR UCITS ETF S&P 500 - D-USD ¹⁶	11.07%
3. VANGUARD FTSE DEV EUROPE XUK E I-A RET ¹⁶	9.59%
4. HSBC AMERICAN INDEX FUND - I INC	8.08%
5. FIDELITY INVESTMENT FUNDS INDEX UK-PA ¹⁶	7.70%
6. ISHARES S&P 500 MINIMUM VOLATILITY ¹⁶	5.91%
7. HSBC ALL SHARE IDX I INC ¹⁶	5.90%
8. AMUNDI JAPAN TOPIX UCITS ETF (JPY)	5.77%
9. FUT. FTSE 100 06/20 (LIFFE)	5.36%
10. VANGUARD US 500 STK INDEX FUND (USD) ¹⁶	4.57%
11. BLACKROCK EUROPEAN DYNAMIC - A	3.02%
12. BLACKROCK COLLECTIVE EMERGING MK EQ TRACK ¹⁶	3.00%
13. INVESCO PERPETUAL UK GRW NOTR ACC	2.61%
14. ISHARES MSCI EUROPE EX-UK INC (IE) GBP ¹⁶	1.96%
15. ISHARES MSCI AC FAR EAST EX - JAPAN ETF ¹⁶	1.62%
16. FUT. E-MINI S&P 500 06/20 (CME)	1.47%
17. ACADIAN EMERGING MK EQ UCIT II CUSDIA	1.16%
18. FIRST ST ASIAN EQ PLUS 3 USD	1.08%
19. FUT. MSCI EMG MKT 06/20	0.96%
20. FUT. EURO STOXX 50 06/20	-4.36%
CASH/MONEY MARKET	
21. AMUNDI CASH CORPORATE IC C	5.40%
22. CASH	5.36%

Source: Santander Asset Management UK, settled position as at end of March 2020.

¹⁶ Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Santander Atlas Portfolio 7	-17.1	-15.7	-17.1	-9.5	-5.2	10.6

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Portfolio 7	-9.5	2.1	2.5	24.2	-6.1

Source: Lipper as at end of March 2020.

Performance shown corresponds to the IA share class.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating, or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange which may also cause the value of your investment and any income it may pay to go down or up.

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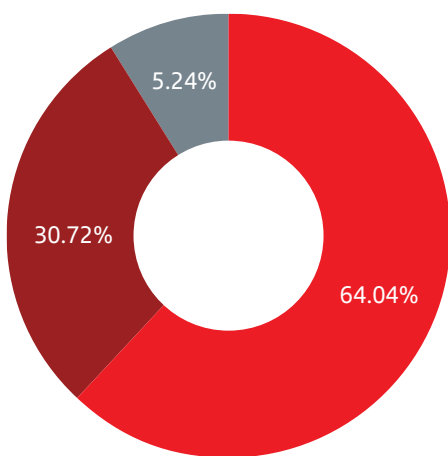
SANTANDER ATLAS INCOME PORTFOLIO QUARTERLY UPDATE

PORTFOLIO COMMENTARY

The Portfolio delivered a negative return during the first quarter of 2020. This was mostly driven by equities. However, fixed income assets also generally provided negative returns. Within equities, the largest detractor was UK equities, as the UK and European markets were particularly vulnerable to the COVID-19 outbreak. The pandemic expansion and the containment measures taken across the globe generated a risk-off sentiment among investors that not only impacted equities, but also fixed income. Credit spreads saw a significant spike, resulting in negative returns across UK investment grade credit, but most notably high yield and emerging market debt. UK gilts delivered positive returns during the period.

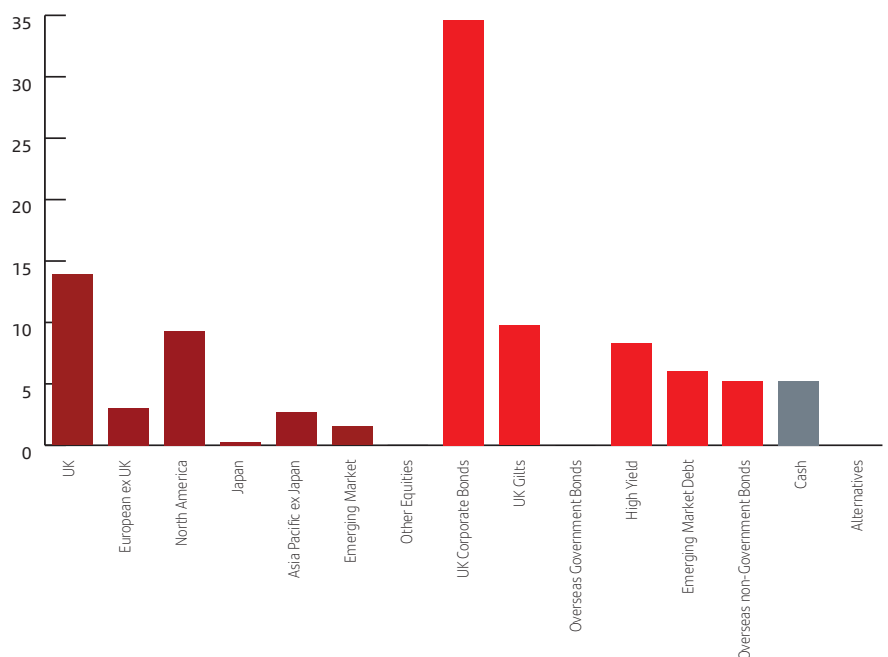
Total fund size: **£81M**

ACTUAL ASSET ALLOCATION



● Fixed Income ● Equities ● Cash¹⁷

GEOGRAPHICAL/ASSET CLASS BREAKDOWN (%)



Tactical asset allocation calculated as a percentage of the net asset value (NAV).
Source: Santander Asset Management UK, settled position as at end of March 2020.
¹⁷ This refers to the cash exposure.

PORTFOLIO ACTIVITY

Within the Portfolio we reduced the allocation to equities while performing some regional allocation changes. We significantly reduced exposure to European equities. Exposure to UK equities was also reduced, but remains as the single equity market with highest allocation. However, US equity positioning was increased. Within fixed income, we cut exposure to high yield, while allocation to the less volatile investment grade credit and UK gilts has increased. These changes give the portfolio a more cautious profile, by increasing exposure to lower volatility equity markets and higher quality fixed income.

HOLDINGS

Fund Name	Santander Atlas Income Portfolio
EQUITY	
1. FUT. E-MINI S&P 500 06/20 (CME)	7.41%
2. FIDELITY ENHANCED INC	5.21%
3. ISHARES EURO DIVIDEND UCITS ETF ¹⁸	4.71%
4. SCHRODER INC MAXIMISER A INC	4.41%
5. BNY MELLON EQUITY INC BOOSTER (GBP) I	4.13%
6. HENDERSON ASIAN DVD INC I	4.09%
7. VANGUARD FTSE 100 UCITS ETF ¹⁸	3.65%
8. RWC GL EN DV B D	2.98%
9. AMUNDI FUNDS EUR EQ TGT IN IA EU	1.83%
10. FUT. FTSE 100 06/20 (LIFFE)	-3.72%
11. FUT. STOXX EUROPE 600 06/20	-3.98%
FIXED INCOME	
12. HSBC INV OEIC CORP BOND INC	9.81%
13. LEGAL AND GENERAL ALL STK I IN ¹⁸	9.76%
14. BLACKROCK COLLECTIVE CORP BOND TRACKER ¹⁸	9.06%
15. ISHARES GBP CORP BND EX FIN ¹⁸	8.19%
16. VANGUARD UK INVESTMENT GRADE BOND IDX I ¹⁸	7.59%
17. PIMCO GLOBAL HIGH YIELD BD INSG HG INC	7.53%
18. MFS MER EMERG MARK DB A3USD	6.07%
19. PRINCIPAL PREF SEC GBP HAI	5.25%
20. UBAM GLOBAL HI YD SOL IUSDDM	0.78%
CASH	
21. CASH	5.24%

Source: Santander Asset Management UK, settled position as at end of March 2020.

¹⁸Passive vehicle.

Bold indicates new holdings. Holdings calculated as a percentage of the total net assets (TNA).

Holdings are categorised under their predominant asset class and are set to show values up to two decimal points, which means small allocations may not be disclosed.

PERFORMANCE

Cumulative Performance %	3 Months	6 Months	YTD	1 Year	3 Years	5 Years ¹⁹
Santander Atlas Income Portfolio	-13.0	-12.3	-13.0	-8.3	-7.5	2.8

Discrete Performance %	Mar 2019 to Mar 2020	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016
Santander Atlas Income Portfolio	-8.3	1.9	-1.0	13.8	-2.4

Source: Lipper as at end of March 2020.

¹⁹ Performance shown prior to 9 September 2015 corresponds to the Equity Income Portfolio and therefore is not representative of the current fund strategy (the name of the fund and the investment objective changed on 9 September 2015). Performance and fund statistics were achieved under circumstances which no longer apply.

For funds that invest in bonds, the value of investments can fall if a bond issuer defaults, receives a lower credit rating or if the risk rating of an individual issue changes. Investments in overseas securities may be affected by changes in the rates of exchange, which may also cause the value of your investment and any income it may pay to go down or up.

The performance shown is based on the performance of share class IA and is calculated¹⁹ on a bid to bid basis, net of fees.

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SANTANDER ATLAS INCOME PORTFOLIO INCOME UPDATE

The Santander Atlas Income Portfolio is designed to deliver a minimum yield target, whilst operating within a defined volatility range, providing a monthly smoothed income to help meet the expectations of investors. The Fund aims to produce a minimum yield target income of 4% (not guaranteed), this is calculated on a Projected Yield basis, where the target level of yield is applied to the net asset value of the fund at the start of its accounting year.

In August 2019 we provided a projected yield target of 4.25%, based on what we expected the fund would produce for the upcoming fund accounting year. The Target Pence Per Unit (PPU) for the fund accounting year was initially set at 0.81 PPU (for the I Income class and not guaranteed). Given the current market environment and outlook, we have assessed the fund and our expectation about the income it will receive, against the backdrop of significant reductions in dividends being paid by companies at this time. As a result, we can confirm that the Target PPU for the remaining distributions through to the end of the fund accounting year on 31 July will be adjusted as follows:

Share Class	Current Target Pence Per Unit (PPU) ²⁰	Revised Pence Per Unit (PPU)
II	0.81 PPU	0.44 PPU
IA	1.24 PPU	0.67 PPU

Based on the revised Target PPU, if the payments remain consistent between now and the end of the fund accounting year (31 July 2020), this would mean a final yield value for the year, based on the 1 August 2019 net asset value, of 3.64%.

Please note that the revised targets are not guaranteed and may need to be amended again before 31 July 2020. We will keep you updated if there are any other material changes to our income expectations for this fund.

**For more
information**

If you would like further information please visit our [website](#) or email us at IFAEnquiries@santanderam.com

²⁰ Please note the Current Target Pence Per Unit is calculated based on the 4.25% projected income yield.

RISK WARNINGS

Prior to making an investment decision, please consider the following risks:

- (i) Interest Rate Risk:** For funds investing in fixed income, changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed bond will fall and vice versa.
- (ii) Market Risk:** The value of your fund may fall due to movements in the financial markets.
- (iii) Credit Risk:** The value of the fund may fall if the companies and governments who have issued the bonds deteriorate in quality, or in the worst case scenario become insolvent.
- (iv) Liquidity Risk:** It may be difficult to sell some investments (or sell them without making a loss) due to an insufficient number of buyers in the market.
- (v) Derivatives Risk:** The use of derivatives may result in relatively small market movements leading to disproportionately large (positive or negative) movements in the value of the investment.
- (vi) Counterparty Risk:** There is a risk that a counterparty may default or not comply with its contractual obligations resulting in financial loss.
- (vii) Currency Risk:** The fund can hold some investments that are not denominated in UK Pound Sterling (£)/ GBP. These may be affected by changes in currency exchange rates.
- (viii) Emerging Market Risk:** The fund invests in markets where economic, political and regulatory factors can be significant. This may affect the liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment. Investments in emerging markets can demonstrate significant declines in value over extended periods of time.
- (ix) Property Risk:** Property may be difficult to sell and can demonstrate significant declines in value due to changes in economic conditions and interest rates.



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This document is for the use of investment professionals only and is not for onward distribution to retail investors.

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. The Santander Atlas Income Portfolio is a sub-fund of Santander Managed Investments OEIC (Open Ended Investment Company), a non-UCITS retail scheme that is authorised in the UK by the Financial Conduct Authority (FCA). The Santander Atlas Portfolio 3, 4, 5 and 7 are sub-funds of Santander Multi-Manager OEIC (Open Ended Investment Company), a non-UCITS retail scheme that is authorised in the UK by the FCA. The Santander Atlas Portfolio 6 is a sub-fund of Santander Managed OEIC (Open Ended Investment Company), a non-UCITS retail scheme that is authorised in the UK by the FCA.

If you need more information on any of our funds, you can ask us for a free copy of KIID and the prospectus. The KIID is designed to help investors make an informed decision before investing. You can view or download all our funds' KIIDs from our website at www.santanderassetmanagement.co.uk.

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