

Santander Atlas Income Portfolio

Income and Yield Update - August 2020



The Santander Atlas Income Portfolio is designed to deliver an enhanced yield, 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 target income of 4% of historic yield (not guaranteed), without sacrificing the potential for capital growth.

In August 2019 we provided a projected income (Pence Per Unit/PPU) based on our expectations as to what the fund would produce for the upcoming fund accounting year. This document gives an update on the income the fund has paid, the final balancing payment and what we expect to pay over the next year.

Income reduction April 2020

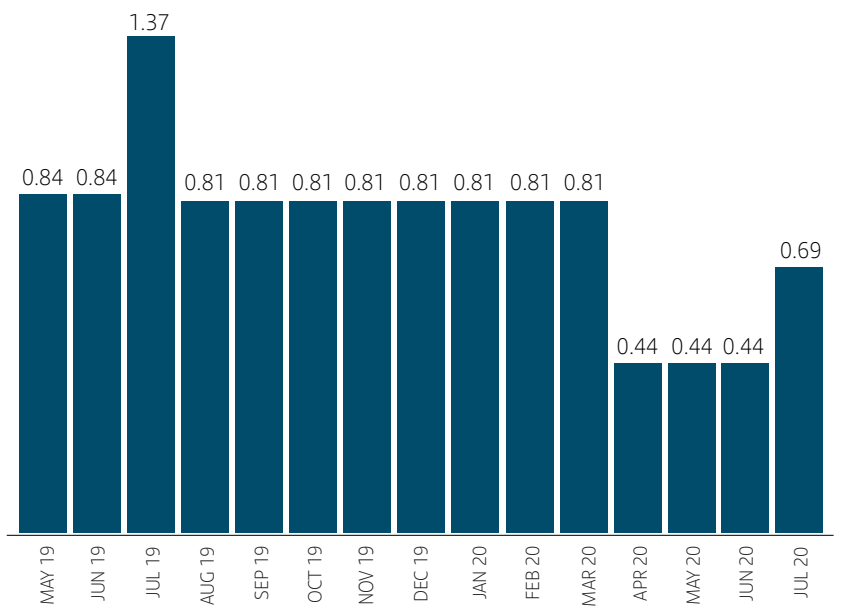
As we communicated previously, the unprecedented events of the last few months caused by the COVID-19 pandemic and the subsequent economic impacts have created enormous challenges, especially for Multi-Asset Income solutions. Income investment portfolios are heavily reliant on dividend payments from the UK stock market. Many companies usually distribute a proportion of their profits back to investors in the form of a dividend. The pressures on companies during the period of the pandemic has caused a high proportion of companies to suspend or reduce paying dividends - this reduces the opportunities in the market for solutions like the Santander Atlas Income Portfolio to deliver income.

The Pence Per Unit (PPU) for the II share class was therefore cut in April (paid at the end of May) from 0.81 to 0.44 PPU and for the IA Share class from 1.24 to 0.67 PPU.

What is the final balancing payment?

The financial year of the fund ended on 31 July 2020 (paid at the end of August) and we can confirm that we are able to pay a final balancing payment of 0.69 PPU for the II class and 1.39 PPU for the IA class. Therefore the historical yield for the year was 3.72% for the II share class and 3.80% for the IA share class. Clearly this is below the target yield set at the start of the fund year, but as explained, this is a reflection of the unprecedented change in market conditions and the subsequent reductions made.

PPU Payments - II Share Class



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

The year ahead:

- **3.15% projected yield (not guaranteed) for the accounting year ending 31 July 2021**
- **Monthly PPU of 0.55 for the II share class.**

For many investors, generating an attractive income stream in the current market environment is more challenging than at any time in recent history. However, we remain confident that the Santander Atlas Income Portfolio has the appropriate flexibility and investment tools to provide a competitive yield in all market conditions. That said, given that the unprecedented market environment and economic outlook have not improved, we are setting a projected level of income which we believe is prudent and achievable in the current market conditions.

The new financial year for the Santander Atlas Income Portfolio started on 1 August 2020. Based on the Net Asset Value (NAV) on that day, we project an annual yield of 3.15% (not guaranteed). The yield is the projected income we expect to receive divided by the NAV of the units on this date. Each individual investor will have their own personal yield based on the price of the units on the day they invested. The table below shows the projected PPU levels for the coming months.

Share Class	2019-20 PPU	2019-20 Projected Yield	2019-20 Historical Yield
II	0.81	4.25%	3.72%
IA	1.24	4.25%	3.80%
Share Class	2020-21 PPU	2020-21 Projected Yield	
II	0.55	3.15%	
IA	0.88	3.15%	

If the payments need to be adjusted up or down throughout the year as a result of receiving more or less income than expected, we will communicate this in our monthly **A Month in the Markets** update.

At the end of the accounting year we will confirm the balancing payment as well as provide the projected income expectation and PPU for the next 12 months, as we have in this document for the year just passed.

Meeting the needs of your clients

We sincerely hope that by providing a projected level of income for the coming year, showing this in PPU terms, and by smoothing the payments over the year, we can provide clients with greater comfort and understanding when it comes to planning their finances.

If you require further information on the Santander Atlas Income Portfolio, please email us at IFAEnquiries@santanderam.com or visit our website [here](#).



Important Information

This material is for information purposes only. It 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 information relating to investments is based on research and analysis we have carried out or brought for our own use and may have been made available to other members of the Santander Group which, in turn, may have acted on it. Opinions expressed within this document, if any, are current opinions as of the date stated and do not constitute investment advice; the views are subject to change and do not necessarily reflect the views of Santander Asset Management as a whole or any part thereof. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Past performance is not a guide to future performance.

The Santander Atlas Income Portfolio is a sub-fund of Santander Managed Investments OEIC, a non-UCITS scheme that is authorised in the UK by the Financial Conduct Authority (FCA).

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.

Santander Asset Management UK Limited (Company Registration No. SC106669) is registered in Scotland at 287 St Vincent Street, Glasgow G2 5NB, United Kingdom. Authorised and regulated by the Financial Conduct Authority (FCA). FCA registered number 122491. You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/register. www.santanderassetmanagement.co.uk.