

Santander Enhanced Income Portfolio

Prospectus changes following updates to Fund Documents

The table below shows the previous disclosure in the Prospectus for the Fund's investment objectives, investment policy and further information, compared to the updated version.

	Previous	Updated
Objective	<p>The Fund's objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.</p> <p>The Fund has a target annual yield of 5% per annum after the deduction of fees, although this is not guaranteed.</p>	<p>The Fund's objective is to provide an income, with some potential for capital growth (to grow the value of your investment), over a 5+ year time horizon.</p> <p>The Fund has a target annual income of 5% per annum, although this is not guaranteed.</p>
Policy	<p>The Fund aims to achieve its objective by investing at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK and Europe, generally comprised within the Constraint Benchmark stated below.</p> <p>To obtain exposure to these assets, the Fund's investments will typically be accessed directly but up to 10% of the Fund's investments may be accessed indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the ACD or other companies within the Santander Group.</p> <p>The ACD has the discretion to manage the Fund according to its investment views and opportunities identified as market and economic</p>	<p>The Fund is actively managed (by the appointed Sub-Investment Manager) and aims to achieve its objectives by investing at least 80% in a wide range of shares in companies listed, at the time of purchase, in the UK. Such companies may also be domiciled, incorporated or conduct a significant part of their business in the UK and can include Real Estate Investment Trusts (a type of property investment company) and other investment trusts.</p> <p>The Fund may also invest up to 20% in shares in companies listed, at the time of purchase, in developed markets outside of the UK. The Fund will at all times be invested between 85% and 100% in shares.</p> <p>The Fund may also invest, globally in developed markets, up to 5% in bonds issued by companies, governments, government bodies and supnationals (excluding sub-investment grade bonds), and up to 10% in cash, cash like and other</p>

	<p>conditions change. It will select investments that it believes will best achieve the Fund's objective. An assessment will be completed on all investment opportunities before any investment decisions are made. The extent to which the composition of the Fund will differ from that of the Constraint Benchmark will vary from time to time, subject to the Fund at all times investing at least 80% in a wide range of shares issued by listed companies generally comprised within the Constraint Benchmark stated below.</p> <p>At least 80% of the Fund will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as shares, bonds, cash, near cash and other money market instruments.</p> <p>The Fund is managed with reference to the FTSE All Share Index as a Constraint Benchmark. The FTSE All Share Index is provided by FTSE, which is included in the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority from 1 January 2018.</p> <p>The Fund may use Derivatives for Investment Purposes.</p>	<p>money market instruments. This flexibility may be used at times when, for example, the Sub-Investment Manager believes that the potential returns from exposure to shares generally, or shares in a specific company relative to bonds issued by that company, have become less attractive, or due to adverse market conditions.</p> <p>The Fund will typically invest directly. However, the Fund can also invest indirectly:</p> <ul style="list-style-type: none"> • by investing up to 10% in units of Actively Managed and / or Passively Managed Collective Investment Schemes. These Collective Investment Schemes may be managed by the ACD, any Sub-Investment Manager or other companies (including within the Santander Group). The Collective Investment Schemes may invest in a broader range of assets than the Fund (for example they may have exposure to commodities) and may use Derivatives differently; and • in property through investment in Real Estate Investment Trusts primarily to generate income. <p>The Fund may use Derivatives for Investment Purposes (where Derivatives are used as part of the Fund's investment strategy to help achieve its investment objectives), and for Efficient Portfolio Management (including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.</p>
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		<p>The Fund is managed with reference to the FTSE All Share Index TR as a Constraint Benchmark as further detailed in "Investment Strategy and Process" below.</p> <p>The Fund has a Risk Category of High in accordance with Santander UK plc's Risk Categorisation Process.</p> <p>Investment Strategy and Process</p> <p>The ACD's investment philosophy is that the Fund's investment objectives can be achieved from appointing a skilled investment manager which focuses on long term investment views. The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and has put in place the investment guidelines which the Sub-Investment Manager must follow.</p> <p>The ACD has in place an internal analysis and due diligence process to monitor the Sub-Investment Manager's management of the Fund, and it can change the Sub-Investment Manager at its discretion if it believes that this is in the best interests of Shareholders in the Fund.</p> <p>The Sub-Investment Manager actively manages the Fund. This means that it aims to achieve the Fund's investment objectives by using its discretion to select investments that it believes will deliver income, in particular shares in companies which pay dividends.</p> <p>The Sub-Investment Manager aims to enhance the natural income from the shares in which the Fund invests by using Derivatives. A key strategy used by the Sub-Investment Manager in this respect is the use of covered call options, where the Fund owns a share and sells the right to</p>
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		<p>buy that share at a specified price within a specified time period, for the purpose of providing additional income to the Fund. It is expected that Derivatives will be used by the Fund regularly for Efficient Portfolio Management and less frequently for Investment Purposes.</p> <p>As part of its investment process the Sub-Investment Manager will consider a number of factors with a focus on:</p> <ul style="list-style-type: none"> • Quality: companies that have, for example, consistent profits and strong cash flow, low debt and actual or potential asset growth; • Momentum: a company's share price has performed well over a short period and is expected to continue to do so; and • Value: a company's share price is lower than expected based on the company's characteristics and financial results. <p>To help inform its investment views and in addition to its own analysis, the Sub-Investment Manager uses external research as well as a third party screening process which identifies and ranks some of the companies the Fund may invest in based on quality, momentum and value.</p> <p>An assessment will be completed by the Sub-Investment Manager on investment opportunities before investment decisions are made. Based on its investment views, the Sub-Investment Manager will select shares in companies which it believes will best achieve the Fund's investment objectives. In practice this means the Fund's portfolio will typically consist of shares in companies which offer attractive</p>
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		<p>dividend prospects (with the aim of providing income for the Fund) and also predominantly have good quality and momentum characteristics (which provides the potential for capital growth for the Fund).</p> <p>The Derivative strategies which the Sub-Investment Manager uses to enhance income may reduce (but not exclude) the potential for capital growth opportunities</p> <p>While the Sub-Investment Manager will favour long term investments and avoid a high turnover of the Fund's portfolio and associated costs which can negatively impact the Fund's performance, it can change the Fund's investments, including to hold shorter term investments, where it believes these will provide income from dividends.</p> <p>The companies the Sub-Investment Manager invests in can be of any size, however it will have a bias to investing in medium sized companies (for example those companies in the FTSE 250 Index). This is because the Sub-Investment Manager believes that these companies have good quality and momentum characteristics as well as attractive dividend prospects.</p> <p>Although the Sub-Investment Manager has discretion to select investments, it will typically manage the Fund with a Tracking Error (against the Constraint Benchmark) of up to 6%. This means that although the Sub-Investment Manager does not have to invest in the same assets or in the same amounts, and may hold significantly fewer assets, than those which make up the Constraint Benchmark, some of the Fund's investments will reflect the constituents of the Constraint Benchmark.</p>
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<p>Further Information</p>	<p>The Constraint Benchmark for the Fund is the FTSE All Share Index, which means the ACD is specifically limited to manage the Fund, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the ACD may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets. This Constraint Benchmark has been selected for the Fund as it best represents the investments that the ACD has to choose from as specified in its investment objective and policy.</p> <p>Variable remuneration of individual fund managers for the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.</p> <p>The Fund aims to pay an income with a target yield of 5% per year. The rate is set at the start of the Fund's accounting year and paid in equal amounts with each distribution. The final distribution of the year will be a balancing payment</p>	<p>The ACD aims to pay the Fund's income in equal distributions over the course of each accounting year, and will set the amount of each installment at the start of the Fund's accounting year. The final distribution of the year will be a balancing payment which may be higher or lower than the preceding distributions. There is no guarantee that the Fund will achieve its income target, or that the distributions will not change throughout the year.</p> <p>The Constraint Benchmark has been selected for the Fund as it is representative of shares listed in the UK and therefore broadly in line with the investment policy of the Fund. The Constraint Benchmark is provided by FTSE International Limited, which as at the date of this Prospectus is included in the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority.</p>

	<p>which may be higher or lower than the preceding distributions. There is no guarantee that the Fund will achieve its yield target, or that the distributions will not change throughout the year.</p>	
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