



Value Assessment

31 December 2019 to 31 December 2020

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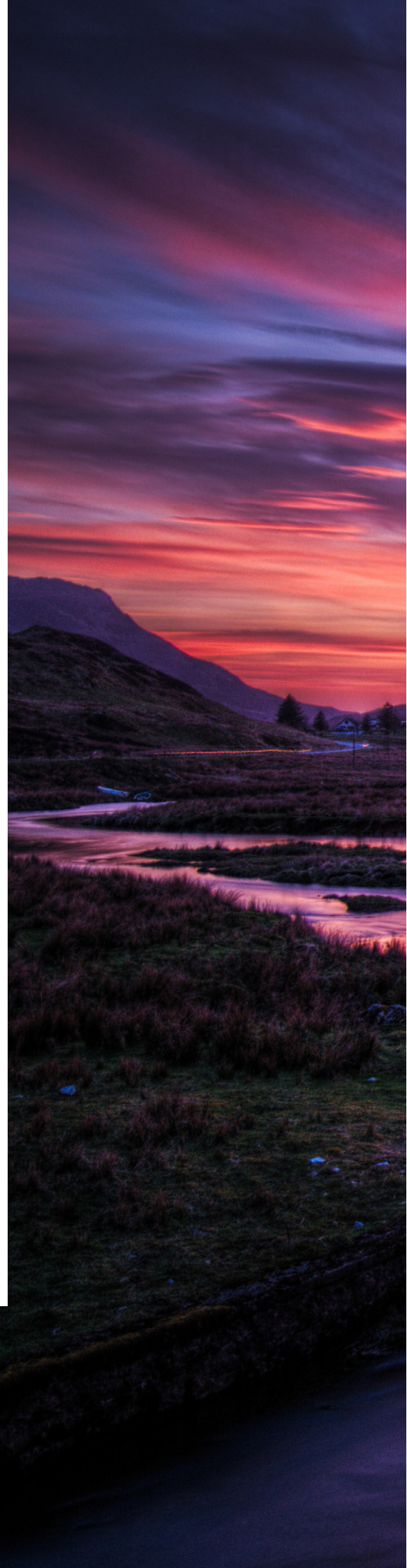
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01

A MESSAGE FROM THE CHAIRMAN



I am pleased to share this year's Value Assessment report. At Santander Asset Management UK (SAM UK) delivering value to our investors is central to our purpose, especially in these challenging times globally, and we continue to work hard to improve our offering on an ongoing basis.

Last year, we undertook our first Value Assessment and, in our report, we explained how we applied each of the seven regulatory criteria to our funds to be able to rate the value of each fund. We do the same in this year's report and have evolved our approach to the assessment. We have simplified our communication of our findings and trust you may notice a change to the look and feel of this year's report.

This year we delivered on our commitments by progressing with the actions set out in our 2019 report. We have undertaken a holistic product design review across our entire fund range. We also identified a series of actions to deliver better value to our customers. This includes updating all our investor documentation to better describe what each fund is designed to achieve and how they do it. We have communicated changes to fund objectives and investment processes, and others will follow. Alongside this, we continue to invest in our global investment capabilities to deliver against each fund's design and long-term objectives. On the whole, we conclude in this year's report that the majority of our funds provided value to you, whilst also identifying a number of areas for improvement.

We have reviewed our product pricing and whilst recognising the challenges in comparing other firms' offering to our funds, the SAM UK Board is pleased that 25 of our 32 funds are provided at lower cost to our investors than 50% of our peers. The SAM UK Board have decided to cut our annual management charge for one fund (Investment Income Portfolio), which will come into effect soon after publication of this report. We are committed to continue to improve overall value and we are planning some structural changes to a number of funds which could further reduce overall prices and costs paid by our investors.

We continue to monitor the bond market, where low long-term interest rates have impacted all funds. In 2020 we took the decision to close our Strategic Bond fund which we did not believe offered sufficient value to investors.

During the year we invested in our infrastructure with the implementation of an internal portfolio and risk management system. We also successfully launched a new website which we trust has improved your investor experience and makes it easier for you to access the information you need.

2020 has been a very challenging year for many fund managers and this has been reflected in the volatile and varied performance of financial markets which we navigate on your behalf. COVID-19 has impacted many firms and industries in which we invest and this has had a knock-on effect on investment opportunities. Particular areas impacted have been firms which pay out regular income. Accordingly, whilst some of our funds have been able to meet their objectives during this period, disappointingly, others have not.

We are committed to finding ways to continually improve on how we manage your investments and remain committed to do so. We closely monitor our funds, enabling us to make decisions in response to market changes, to meet your needs.

Over the coming years we would be looking to implement a number of ambitious strategic initiatives and processes to help simplify and clearly differentiate our value proposition. We will provide more information on this as our development progresses.

As ever, we welcome any questions or ideas on how we can improve our Value Assessment. Please get in touch via the 'Contact Us' section of the SAM UK website [here](#). On behalf of the SAM UK Board and our entire organisation, thank you for your continued trust in us.

Robert Noach

Chairman, Santander Asset Management UK



02

OUR APPROACH



SAM UK, as Authorised Fund Manager (AFM), has assessed, for the period of 31 December 2019 to 31 December 2020, whether our funds offer overall value to our customers. Our assessment, conclusions and proposed actions to improve our value proposition is set out in this brochure. This document is supported by each fund's Annual Report, which can be found on the SAM UK website. In this brochure we focus on seven criteria prescribed by the UK Regulator, the Financial Conduct Authority (FCA), to assess value. We discuss how we define 'What does good value look like?' for each of seven criteria in turn in the below section. For us, value is the ability to deliver the intended investment objective of each of our funds over the long-term via a high quality service and distribution model at a reasonable price.

03

EXECUTIVE SUMMARY



This report covers all of our UK funds and provides detailed assessment for each one. On the whole, we have assessed that the majority of our funds delivered value to investors and their long-term investment outlook is positive. Whilst 2020 was a challenging year for financial markets, we managed to navigate it without interruption to our services and with continued dedication to our clients and employees. Despite the volatile conditions, our investment teams have been able to identify opportunities and adapt to the drastically changing markets.

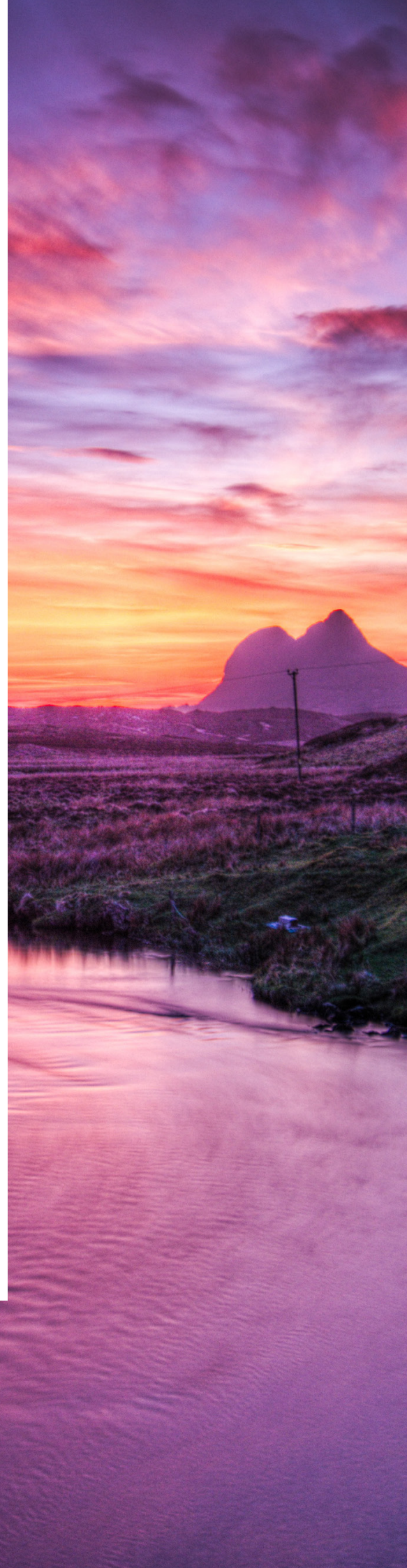
Not all portfolios fared equally and we took action where we considered it necessary because value was not being delivered. We made the decision to close one of our funds and engaged with fund managers we delegate management services to for others. As fund returns are impacted by costs, monitoring costs alongside performance is important to us. We are encouraged that most of our funds are very competitively priced against peers, however we do not remain complacent and a decision was made to reduce the management charges for one of our funds and to restructure another which will have a direct reduction in overall cost to investors. We continue to monitor the performance of all funds and are looking at ways to improve returns after the deduction of costs for our investors.






























































































During last year, progress was made against our 2019 commitments. A full product review was completed looking at the funds' design and features, investment approach, pricing structures and overall value. Further areas where enhancements were merited for the best interest of our clients were identified. We have better aligned investor outcomes with how we assess fund managers performance, invested in our global investment capabilities and made changes to delegated investment management arrangements to increase value. A key initiative, due to complete in 2021, has been updating all investor disclosures to clarify the outcomes investors can expect, better explain the design of our products and how they are managed to deliver against these outcomes. We assessed the overall value creation for our products and whilst the SAM UK Board is satisfied with progress to date, it recognises that there is still more work to do during 2021.

Improvements to the investor experience were also delivered. In May 2020, a new website was launched successfully, making it easier and quicker for our investors to access the information they need. The website includes an easy to navigate display, market updates and educational material that is tailored to different investor types. We have gathered information on how our investors use our literature and can better understand how they engage with our website so we can tailor it further.

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RESULTS SUMMARY



Santander funds	Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
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								
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								
UK Equities								
US Equities								
Europe (ex UK) Equities								

Santander funds	Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
Japan Equities	●	●	●	●	●	●	●	●
Pacific Basin (ex Japan) Equities	●	●	●	●	●	●	●	●
Sterling Bond	●	●	●	●	●	●	●	●
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	●	●	●	●	●	●	●	●

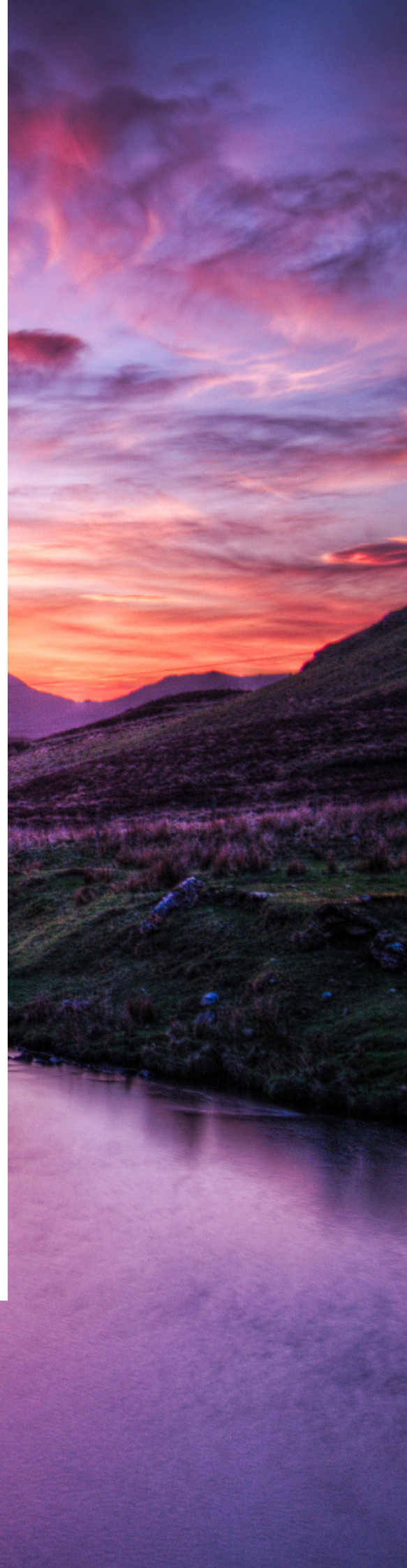
The table above provides an overview of review outcomes across SAM UK domiciled funds, for the year ending 31 December 2020, according to the seven Value Assessment criteria.

We have adopted a red amber green rating system for our funds:

- = The fund has delivered value overall for this criterion.
- = The fund has delivered value overall for this criterion; however, we have identified areas where we will work to improve value and have proposed actions to address them.
- = The fund has not delivered value overall for this criterion. We have identified areas where we will work to improve value and have proposed actions to address this.
- or ● = Based on shorter term comparison with peers, or 1 year performance, the value outlook for the fund is improving.

05

VALUE ASSESSMENT



To help our investors make informed decisions and evaluate whether they are receiving good value from their investment(s) in SAM UK funds, we have outlined our expectation of what good value looks like for each of the assessment criterion. Looking at one criterion in isolation doesn't paint the full picture, so we also make a combined overall assessment in the fund specific section of this report and the table above. This is aligned with the FCA's expectation that each criterion should be considered individually as well as collectively.

To form our conclusions, we have used both internal and external data sources, some being part of the management information we use for internal governance. For five out of the seven criteria we summarise our conclusions in this section. Our assessment of quality of service, economies of scale and AFM costs is performed at a firm level whilst taking individual fund level data points into account. We assess classes of units and comparable services by reviewing individual funds, however for ease of reference we have also included our conclusions here. The outcomes relating to performance and comparable market rates have been mapped to each fund in section 6, where we also provide visual representation to better explain the outcomes for investors.

Quality of service

What good looks like

This criterion reviews the range and quality of services provided to unitholders. 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 five key service areas that are critical to delivering investor outcomes. We assess value for each area against our expectations and those of our investors, namely:

1. Quality of the communication to our customers with a focus on key investor documents, timeliness in sending regular statements and ensuring our website is easy to navigate.
2. Quality of client service and complaint handling where we review accuracy in processing unitholder orders, efficiency in responding to customer queries and the average time taken to resolve customer complaints.
3. Quality of fund management with a focus on any recent improvements made to the investment processes, the level of experience of the investment staff and ongoing due diligence and oversight of sub-investment managers appointed by SAM UK.
4. Quality of services provided by associates or third parties including Sub-Investment Managers, Trustee and Depositary services, Custody and Transfer Agency as well as our internal Fund Accounting function. The performance of each supplier should be rated against the service level agreements in place.
5. All other considerations for quality of service such as third party ratings, investor surveys and commitments made by SAM UK on data protection and cybersecurity.

The aim is to maintain high standards of services, taking appropriate action if required and keeping our investors informed.

Our conclusions

Our initiative to improve investor disclosures and the updates made to our customer communication channels are positive indicators for this criterion, although we have more to do. We received one complaint during the

year related to an incorrect date included within a corporate action investor notification. An investigation showed that human error was the driver and we have undertaken a review of the investor notification process and made appropriate improvements to minimise the risk of recurrence. We met our timelines for resolving the complaint to the satisfaction of the investor. We provide a good quality of engagement with our investors and are communicating in a fair and clear way.

Investors in our funds benefit from our client centric investment process(es) implemented by our high-quality team of professionals and strengthened by the wider Santander Asset Management 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 delegate all or a proportion of the fund to sub-investment managers. We remain responsible for these funds and the oversight and selection of any sub-investment managers. We engage with sub-investment managers where we believe outcomes can be improved.

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 that we received during 2020 from all our external providers have generally enabled us to meet investor needs in an accurate and timely manner.

We also looked at how we manage internal functions through the risk reporting used in governance forums and reported by our senior managers which evidence the operation of processes and controls. We continuously review and evaluate our infrastructure and take action to implement improvements where we deem necessary to further strengthen and evolve the control framework.

Overall, our investment processes, operational management services and customer experience continue to offer value to our investors. We concluded that a good quality of service is offered to investors and is rated green for all funds. However, there are areas where we are committed to do better such as investor disclosures and processes for data sharing across the wider group.

Economies of scale

What good looks like

With this criterion, we look at whether SAM UK is able to achieve economies of scale through growth in Assets Under Management (AUM) and whether we have the policies and mechanisms in place to pass these economies of scale on to the investor.

A number of policies govern the way in which costs are set by reference to 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 for this criterion when it remains in line with these policies. As part of this pillar, we also consider (where necessary) whether the investor is sufficiently protected against diseconomies of scale whereby there may be increases in the Ongoing Charge Figure (OCF) as a result of a decrease in AUM or from higher OCFs due to SAM UK funds having low AUMs and are therefore 'sub-scale'.

Our conclusions

The total AUM of SAM UK has remained relatively constant over the past five years with none of the funds growing substantially to attract significant economies of scale. Our funds are charged directly for the administration costs they incur which means that any savings in these costs are passed directly on to investors through a lower OCF. For example, the fees charged by the Depositary are discounted based on a total AUM at umbrella level and this results in a total saving across our funds of circa £500k in fees per year.

Periodically we may realise other benefits from economies of scale through our approach to cost management (i.e. renegotiating with other providers) and product rationalisation (for example merging fund share classes or funds and reducing management or other fees in the process). Details of fund class mergers can be found in the Classes of Units section below. Whilst the majority of our fees are lower than peers, we monitor them and take action as required.

To safeguard investors interests for certain funds which may be impacted by increasing costs, SAM UK operates an OCF cap policy. In practice this means that should the expenses incurred by a fund exceed the OCF cap in any financial year, SAM UK will pay the excess through reducing its Annual Management Charge (AMC). Details of the funds where there is an OCF cap in place can be found in the fund specific section below. In certain environments where AUM is decreasing, we recognise that charging structures may also generate diseconomies of scale and therefore may negatively impact investors. We subsidise funds or share classes which may be impacted.

We have rated economies of scale as green for all funds. All charges are being monitored on an ongoing basis and fees are regularly renegotiated with service providers where appropriate. We believe that our charging structures ensure that wherever possible, economies of scale are passed on to the investors.

Authorised Fund Manager (AFM) costs

What good looks like

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 costs and charges information, with no hidden fees.

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

1. Annual Management Charge (AMC): the charge our investors pay us to manage the underlying investments held in the fund(s).
2. Administrative costs: 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.
3. Transaction costs: these are the explicit costs associated with the underlying transactions made for and on behalf of the fund.

The AMC is considered as part of comparable market rates, therefore the focus here is on administrative and transactions costs and reviewing each cost component to assess the appropriateness and allocation across the fund ranges.

Our conclusions

We reviewed the cost components of the OCF related to our funds. The largest is the AMC covering the investment management services provided by SAM UK, the cost of administration and registration (transfer agency), administrative costs such as depositary, custody and audit fees as well as costs related to running the business such as internal operational infrastructure (product oversight, investment risk management and monitoring, rent etc.). Over the period, SAM UK has paid for these costs whilst also reinvesting in the business including in our people, our investment risk management system and our projects to enhance value. In addition, our charges are, on the whole, competitive when compared to their respective peer groups, as detailed further in the comparable market rates section of each fund.

Transaction costs sit outside of the funds' OCF and represent the cost to the fund of dealing in the underlying investments within the portfolio. SAM UK review execution costs in accordance with its Order Execution Policy and conclude that its transaction costs are consistent with the investment policy and process(es) in place.

We are satisfied that the charges of the fund are reasonable in relation to the underlying costs. We adopt a transparent approach to fund charges; we do not charge any entry, exit or performance related fees on our funds. As discussed in the economies of scale section of this report, a number of our funds operate an OCF cap which provides certainty to investors about the maximum costs they will incur for investing in our funds.

We have rated this green for all funds as fee levels overall are fair, reasonable and appropriate for the level of service provided. However, we continue to monitor the competitiveness of the AFM costs and the costs incurred by our funds on a regular basis.

Classes of units

What good looks like

With this criterion, we consider the investors in each share class and look to ensure that they are in the most appropriate share class for their needs.

A fund may offer more than one share class which offer different terms and may have different eligibility criteria for becoming an investor of that share class. 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 cheapest class of units they are eligible to invest in. Where a cheaper class with the same terms and eligibility criteria is available, investors should be transferred into the cheaper class.

Our Value Assessment is based on the share classes most readily available to our investors, which is either 'R' or, where 'R' does not exist, 'I' share class. Whilst most of our funds have a single share class, a few also offer other share classes which have different annual management fee rates, different eligibility criteria (including minimum investment levels) and are designed primarily for distribution through specific institutional investors. These are discussed in more detail further down and the full information can be found in our prospectuses.

Our conclusions

SAM UK has adopted a simple and consistent share class pricing structure compared with many of our peers. As of the end of 2020 our funds were priced as follows:

- 27 SAM UK funds have only one share class (of which 14 have income and accumulation payment options that are identically priced).
- 5 SAM UK funds have more than one share class offered at a different price:
 - Santander Balanced International Tracking fund offers two share classes. The R Accumulation class has an OCF of 1.50%. This class was created for and is used by one large intermediary institutional client only who is a provider of Child Trust Funds (CTF). The majority of the OCF is paid back to the institutional investor for the services it provides directly to its CTF holders. All non-CTF investors are invested in the I Accumulation share class which has an OCF of 0.35%. As the fund was originally designed for CTF holders and this share class has not grown in size since its launch, a decision has been made to close it. We are completing work to clarify the fund's expected outcomes and focus on CTF holders and will be communicating changes after the publication of this report.
 - Santander Max 100% Shares Portfolio, Santander Max 50% Shares Portfolio, Santander Max 60% Shares Income Portfolio, Santander Max 30% Shares Income, Santander Max 30% Shares Portfolio and Santander Max 70% Shares Portfolio all offer 'R' and 'S' share classes. The 'R' and 'S' share classes have different rights and obligations which are described in the table below.

Share Class Type	Share Class Details
Select (S) Class	<p>The S share classes were launched in February 2015.</p> <p>These share classes have an investment minimum and holding amount of £10,000,000. The Prospectus outlines that these minimums may be 'waived by the ACD at its discretion'.</p> <p>In addition, investment in the 'S' share class is only available to investors who are (i) part of the Santander Select segment or have Santander 123 World accounts and (ii) have been advised on their investment in the relevant Fund via the Santander branch network on or after 23 February 2015.</p>
Retail (R) Class	<p>The R share classes were launched in December 2018, with the exception of Max 30% Shares Portfolio and Max 30% Share Income Portfolio which were launched in September and November 2014 respectively.</p> <p>With much lower investment minimums of £500, this share class provided individual, 'retail' investors with access to the fund.</p>

As a result, we are confident that all investors are in the cheapest share class available to them given the criteria described above and their chosen investment route for accessing the Fund. Further details of the different AMCs for each share class for all funds in scope can be found within their relevant Prospectus.

The SAM UK share class offering was further simplified through three share class mergers that took place during 2020. These were as follows:

1. **Max 60% Shares Income** – merging of the X Income class into the R Income class.
2. **Max 30% Shares Portfolio** – merging of the X Accumulation class into the R Accumulation class.
3. **Equity Income Unit Trust** – merging of the I Income class into the R Income class.

We have rated all of the funds green for the Classes of Units criterion as we are satisfied that all SAM UK investors are already in the cheapest share class that they can access.

Comparable services

What good looks like

With this criterion, we look to ensure that investors are not paying substantially higher fees than are paid by other investors in comparable investment strategies including institutional mandates. 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 generally have 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 Funds for comparable purposes); target market; and fund size.

Our conclusions

When analysing the comparable services criterion, we considered the charges for each fund against comparable services provided elsewhere across the range of investment products that SAM offers. The intention here is to ensure that investors are not paying substantially higher fees than are paid by other investors, for example institutional investors via segregated accounts. The review looked at the investment strategy, services, guidelines and customer outcomes for each SAM UK fund and considered whether any of these were comparable to other SAM funds and its segregated mandates. We concluded that each SAM UK fund is a standalone investment proposition, with distinct services and charges from our other UK funds.

We also concluded that the services provided to the non-UK funds and segregated mandates managed by SAM UK are not comparable to the services provided to our SAM UK range. Whilst some of these funds may have similar high-level portfolio breakdowns, they have different objectives and policies to those of the UK funds. For example, investing predominantly in mutual funds, focusing on different markets which require different research capabilities and/or selecting assets based on specific risk measures/parameters. The services provided to these non-UK funds are priced at standard intra-group rates.

We have concluded that our comparable services are rated green, however we will keep this criterion under review as we take on other mandates and evolve our fund range.

Comparable market rates

What good looks like

We believe that the ability to compare fund fees against similar funds in the market enables our investors to make informed decisions when selecting to buy or hold an investment. The fee assessment is made on the basis of the OCF, which includes the AMC.

We would normally consider a fund to have delivered value for this criterion if our fees are within the cheapest 50% of each fund's peer group. An exception could be made where there are particular features relating to a SAM UK fund that, in our view, would justify the additional cost, however this would be assessed on a case by case basis and clearly explained within this assessment.

Our conclusions for each fund are detailed in section 6 of this report.

Performance

What good looks like

The performance criterion looks at the performance of the fund, after deduction of all payments out of fund property as set out in the prospectus. Performance should be considered over an appropriate timescale taking into account the fund's investment objective(s), policy and strategy.

When determining which objectives of the fund are to be assessed for performance, we will include each of the following as applicable to the fund in question:

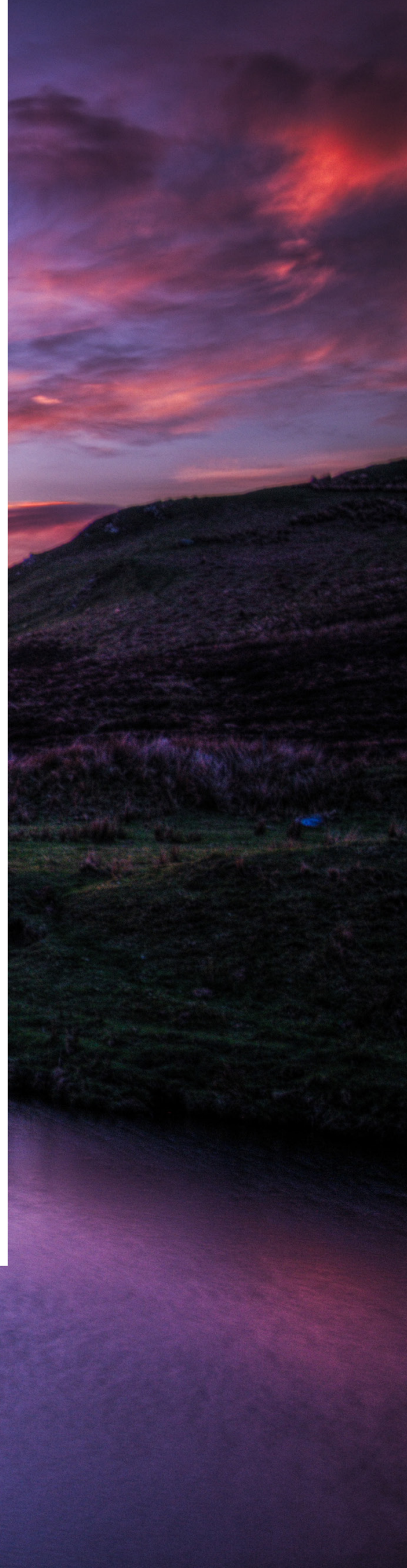
- Objectives to deliver capital growth and/or with potential for income
- Objectives to outperform a benchmark
- Objectives to provide an income or a specific level of income
- Objectives to remain within specific risk parameters

All funds with a capital growth objective will be assessed against this. Funds with an outperformance objective will also be evaluated against this objective in addition to their capital growth objective. Funds which have an income objective will be assessed on the basis of whether they have delivered the income or specific level of income they aim for. Funds which do not have a specific income or outperformance target are assessed by comparison to its peers (a group of funds which aim to deliver a similar investor outcome and are constructed in a similar way). We assess the performance of each fund over the time period specified in the investment objective of the fund. We consider the fund to have delivered value from a performance perspective when it achieves its investment objectives over the stated time period(s). We also consider shorter periods to assess whether there have been changes in short-term performance against longer-term objective, i.e. if a fund is improving its performance.









Our conclusions for each fund are detailed in section 6 of this report.

06

FUND SPECIFIC ASSESSMENT



Santander Atlas 3 Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund also aims to target a volatility risk level of 3 over a 5+ year time horizon which has been achieved over the period.

Performance

- The fund has achieved its main objective of capital growth and income, delivering a total return of 22.93% over 5 years (I Accumulation Class).
- Whilst the fund has underperformed its peers over the past 3 years, there is considerable improvement over the shorter period and the outlook is positive.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall amber value rating this year. We have removed some internal constraints to provide more freedom to the portfolio manager. Performance will be assessed on a continual basis as we seek to enhance outcomes through changes to the portfolio allocation which have already started to improve performance as demonstrated over the past year.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+22.93%



Your units would be worth

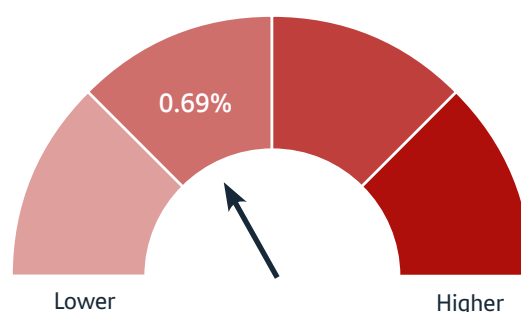


£1,229.30









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers two share classes, I Income and I Accumulation. Both are priced the same.



Santander Atlas 4 Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund also aims to target a volatility risk level of 4 over a 5+ year time horizon which has been achieved over the period.

Performance

- The fund has achieved its main objective of capital growth and income, delivering a total return of 29.59% over 5 years (I Accumulation Class).
- Whilst, the fund has underperformed its peers over the past 3 years, there is considerable improvement over the shorter period and the outlook is positive.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

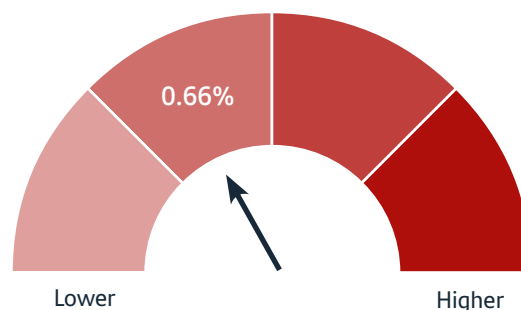
The fund has received an overall amber value rating this year. We have removed some internal constraints to provide more freedom to the portfolio manager. Performance will be assessed on a continual basis as we seek to enhance outcomes through changes to the portfolio allocation which have already started to improve performance as demonstrated over the past year.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, I Income and I Accumulation. Both are priced the same.



Santander Atlas 5 Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund also aims to target a volatility risk level of 5 over a 5+ year time horizon which has been achieved over the period.

Performance

- The fund has achieved its main objective of capital growth and income, delivering a total return of 33.37% over 5 years (I Accumulation Class).
- Whilst the fund has underperformed its peers over the past 3 years, there is considerable improvement over the shorter period and the outlook is positive.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall amber value rating this year. We have removed some internal constraints to provide more freedom to the portfolio manager. Performance will be assessed on a continual basis as we seek to enhance outcomes through changes to the portfolio allocation which have already started to improve performance as demonstrated over the past year.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+33.37%



Your units would be worth

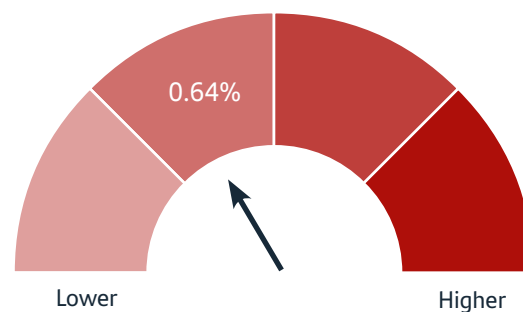


£1,333.70









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers one share class: I Accumulation.



Santander Atlas 6 Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund also aims to target a volatility risk level of 6 over a 5+ year time horizon which has been achieved over the period.

Performance

- The fund has achieved its main objective of capital growth and income, delivering a total return of 41.54% over 5 years (I Accumulation Class).
- Whilst, the fund has underperformed its peers over the past 3 years, there is considerable improvement over the shorter period and the outlook is positive.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

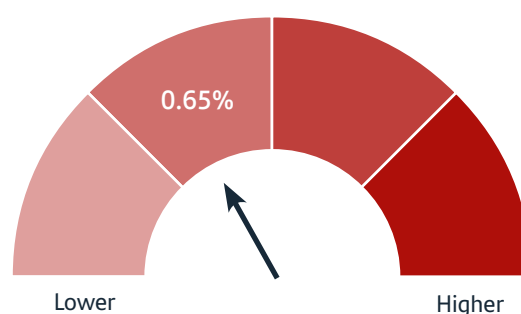
The fund has received an overall amber value rating this year. We have removed some internal constraints to provide more freedom to the portfolio manager. Performance will be assessed on a continual basis as we seek to enhance outcomes through changes to the portfolio allocation which have already started to improve performance as demonstrated over the past year.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers one share class: I Accumulation.



Santander Atlas 7 Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund also aims to target a volatility risk level of 7 over a 5+ year time horizon which has been achieved over the period.

Performance

- The fund has achieved its main objective of capital growth and income, delivering a total return of 50.09% over 5 years (I Accumulation Class).
- The fund has also outperformed over 50% of its peers over the past 3 years.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year and we consider the fund to have delivered value for the investor.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+50.09%



Your units would be worth

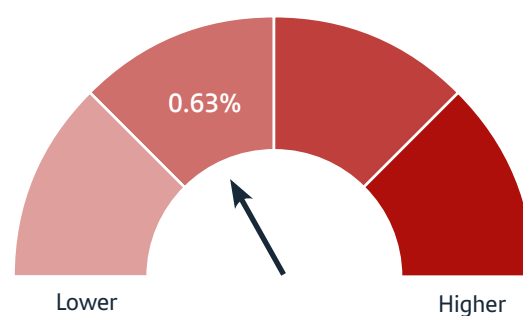


£1,500.90









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers one share class: I Accumulation.



Santander Atlas Income Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund has an annual yield target of 4% per annum after the deduction of fees, although this is not guaranteed.

The fund also aims to target a volatility risk level of 4 over a 5+ year time horizon which has been achieved over the period.

Performance

- In 2020, the fund underperformed its annual income target of 4% (not guaranteed) mainly due to market conditions related to the global pandemic as central banks cut interest rates to near zero forcing bond yields to their lowest in history and many companies listed on stock markets around the world either reduced or cancelled their dividend payments. However, the fund has consistently paid income above its target over the preceding four years and we are confident in the longer-term outlook for this objective. In addition, the 5 year income return for the fund places it in the first quartile against its peers.
- The fund achieved its secondary target of delivering capital growth over a 5 year period with a total return of 22.39%.

Cost comparisons

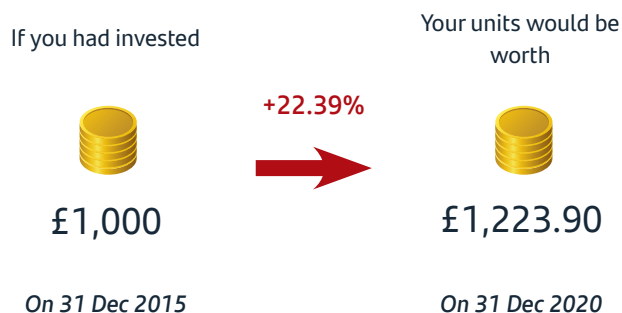
- When compared to similar competitor funds, the fund has a slightly higher cost than the median and is more expensive than at least 50% of the funds in its peer group. The fund is rated amber for costs relative to its peers.

Conclusion

The fund has received an overall amber value rating this year. Due to exceptional market conditions caused by the COVID-19 global pandemic, the fund has underperformed its 4% yield target in 2020. Investors were made aware of the revised income expectations in June 2020 and whilst we are of the view that the objective of the fund can be achieved over the longer period as markets recover, we are disappointed that, although not guaranteed, we were unable to meet the target we aim for.

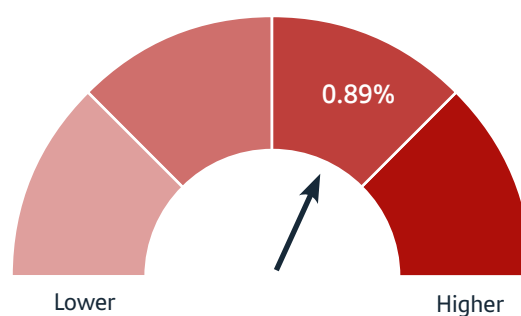
The fund's OCF is currently operating close to its cap. If it exceeds 0.99% SAM UK has a control in place to protect investors from bearing any cost which exceeds this cap.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, I Income and I Accumulation. Both are priced the same.



Santander Max 70% Shares Unit Trust

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The Scheme will also aim to outperform (after the deduction of fees) its composite Target Benchmark (30% FTSE All Share Index TR, 10% FTSE World US Index TR, 10% FTSE World Europe Ex UK Index TR, 10% FT AW Dev Asia Pacific Index TR, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, 20% Markit iBoxx £ Non Gilt Index TR and 5% ICE LIBOR GBP 1 Month) measured over a rolling 3 year period.

In 2020 we clarified that it is expected that the average outperformance of the Scheme will typically not be greater than 0.25% per annum (after the deduction of fees) over a rolling 3 year period, although no level of outperformance is guaranteed. In 2021 we continue to work to improve value.

Performance

- The fund has achieved its main objective, delivering a total return of 34.48% (R Accumulation Class) over 5 years.
- However, the fund has underperformed its target benchmark over the past 3 years.

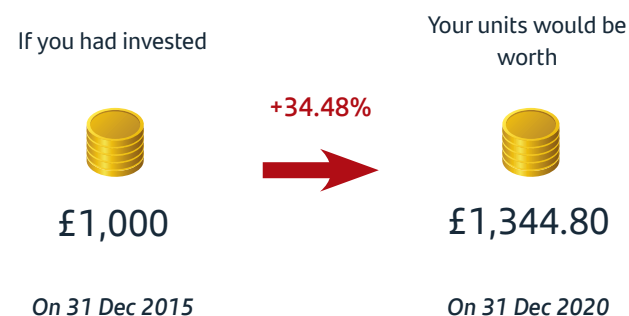
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

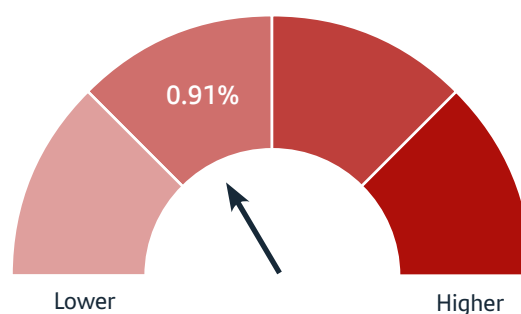
The fund has received an overall green value rating this year, however we recognise that we can do more to improve the return for our investors. We are looking to increase expected and delivered outperformance against the benchmark through strategic and tactical changes to the portfolio, including leveraging global investment capabilities. Changes will be implemented in the first half of 2021 and we remain confident that these will improve the value to our investors.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, R Income and R Accumulation. Both are priced the same.



Santander Max 100% Shares Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

The fund's objective is to provide a combination of capital growth (to grow the value of your investments) and income, over a 5+ year time horizon. The fund will also aim to outperform (after the deduction of fees), measured over a rolling 3 year time period, the MSCI ACWI Net Total Return GBP Index (Target Benchmark).

Performance

- The fund has achieved its main objective, delivering a total return of 80.79% (R Accumulation Class) over 5 years.
- The fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

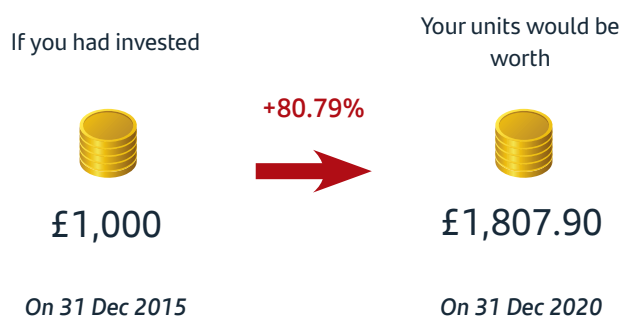
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 50% of the funds in its peer group.
- However, the fund also performed better than the median. As a result, the fund is rated amber for costs relative to its peers.

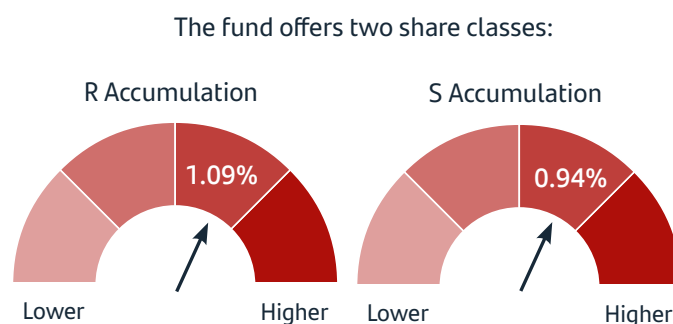
Conclusion

The fund has received an overall red/amber value rating this year. This has been mainly driven by two factors: 1) underperformance of the fund against its benchmark which has deteriorated in 2020 and 2) relatively higher comparable market rates. We are disappointed with the performance during this challenging market environment and recognise that value to the investors in this fund could be improved. We are working to formalise our longer-term strategic plans about this fund and how it fits within the wider value offering to our investors.









5 year cumulative total return



Cost (OCF%) compared to similar funds



Santander Max 70% Shares Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 30% Markit iBoxx £ Non Gilts, 25% FTSE All Share, 12% FTSE World Europe Ex UK, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index, 10% FTSE World USA, 6% FTSE World Japan, 3% FTSE All World Asia Pacific Ex Japan and 4% non-indexed.

Performance

- The fund has achieved its main objective, delivering a total return of 34.64% (R Accumulation Class) over 5 years.
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

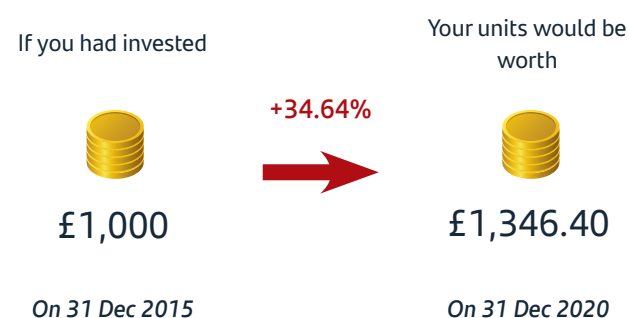
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 50% of the funds in its peer group. The fund is rated amber for costs relative to its peers.

Conclusion

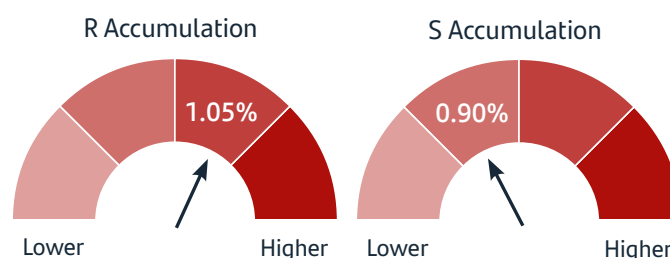
The fund has received an overall amber value rating this year. A product review of the fund has been completed and we are formalising plans, undertaking appropriate due diligence and governance, to take steps in 2021 to enhance the value proposition.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes:



Santander Max 50% Shares Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 42.25% Markit iBoxx Sterling Non Gilts Index, 18% FTSE All Share Index, 15.75% FTSE Actuaries UK Conventional Gilts All Stocks Index, 7.5% FT World Europe Ex UK Index, 5.5% FT World USA Index, 5% ICE GBP LIBOR 1 Month, 4% FT World Japan Index, 2% FT All World Asia Pacific Ex Japan Index.

Performance

- The fund has achieved its main objective, delivering a total return of 31.28% (R Accumulation Class) over 5 years.
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

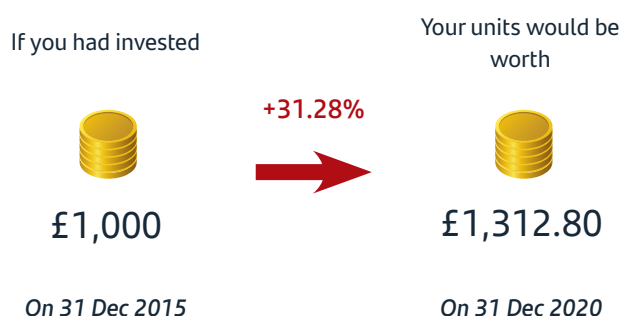
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

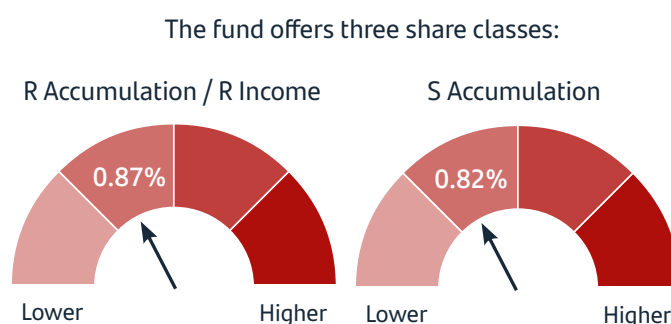
Conclusion

The fund has received an overall green value rating this year. We will continue to monitor performance closely. A product review of the fund has been completed and we are formalising plans, undertaking appropriate due diligence and governance and will be taking positive steps during 2021 to enhance the value proposition.

5 year cumulative total return



Cost (OCF%) compared to similar funds



Santander Max 30% Shares Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 40% Markit iBoxx £ Non Gilt Index, 25% FTSE Actuaries UK Conventional Gilts All Stocks Index, 13% FTSE All Share Index, 10% Overnight LIBOR £ Index, 5% BofA Merrill Lynch Global High Yield Index, 4% FT World US Index and 3% FT World Europe Ex UK Index.

Performance

- The fund has achieved its main objective, delivering a total return of 22.62% (R Accumulation Class) over 5 years.
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

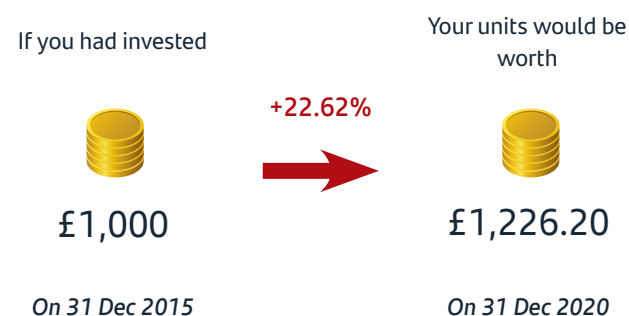
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

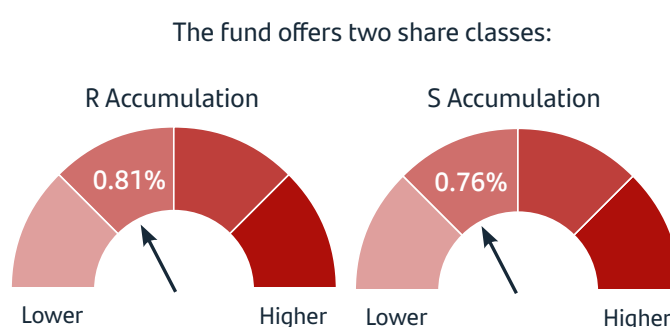
Conclusion

The fund has received an overall green value rating this year. We will continue to monitor performance closely. A product review of the fund has been completed and we are formalising plans, undertaking appropriate due diligence and governance, to take steps in 2021 to enhance the value proposition.









5 year cumulative total return



Cost (OCF%) compared to similar funds



Santander Max 30% Shares Income Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund has an annual yield target of 3% per annum after the deduction of fees, although this is not guaranteed.

Performance

- In 2020, the fund underperformed its annual income target of 3% mainly due to market conditions related to the global pandemic which affected many income focused funds. Central banks cut interest rates to near zero forcing bond yields to their lowest in history and many companies listed on stock markets around the world either reduced or cancelled their dividend payments. However, the fund has consistently paid income above its target over the preceding four years and we are confident in the longer-term outlook for this objective.
- The fund achieved its secondary target of delivering capital growth over a 5 year period with a total return of 24.28%.

Cost comparisons

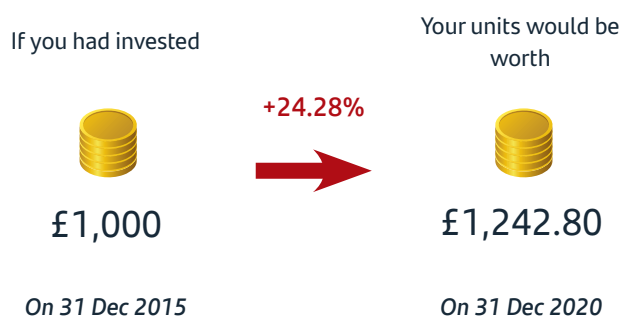
- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

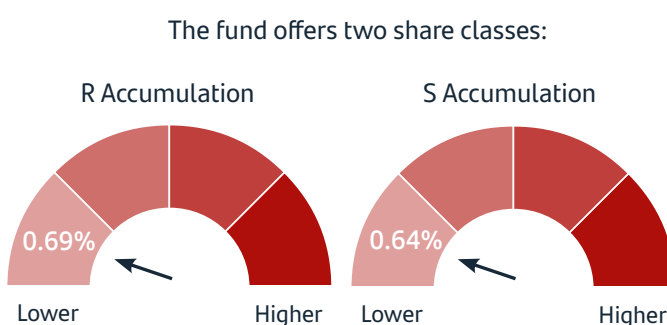
The fund has received an overall green value rating this year. Due to exceptional market conditions caused by the COVID-19 global pandemic, the fund has underperformed its 3% yield target in 2020. Investors were made aware of the revised income expectations in June 2020. We remain confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

The fund's OCF is currently operating close to its cap. If it exceeds it, SAM UK has a control in place to ensure that investors do not pay more than the cap, providing certainty as to maximum level of costs.









5 year cumulative total return



Cost (OCF%) compared to similar funds



Santander Max 60% Shares Income Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 50% FTSE All Share Index, 37.5% Markit iBoxx £ Non Gilt Index and 12.5% FTSE Actuaries UK Conventional Gilts All Stocks Index.

Performance

- In 2020, the fund underperformed its annual income target of 4% mainly due to market conditions related to the global pandemic which affected many income focused funds. Central banks cut interest rates to near zero forcing bond yields to their lowest in history and many companies listed on stock markets around the world either reduced or cancelled their dividend payments. However, the fund has consistently paid income above its target over the preceding four years and we are confident in the longer-term outlook for this objective.
- The fund achieved its secondary target of delivering capital growth over a 5 year period with a total return of 20.26%.
- The fund has underperformed its target benchmark over the past 3 years, however over the shorter period there has been positive improvement and the fund is on the path to a green rating.
- The fund is designed to deliver a level of income to investors and not to outperform. To that effect, in early 2021 we updated our investor disclosures, removing the outperformance target and retaining the income objective. This has clarified the value proposition for this fund and aligned with investor expectation – i.e. invest for income.

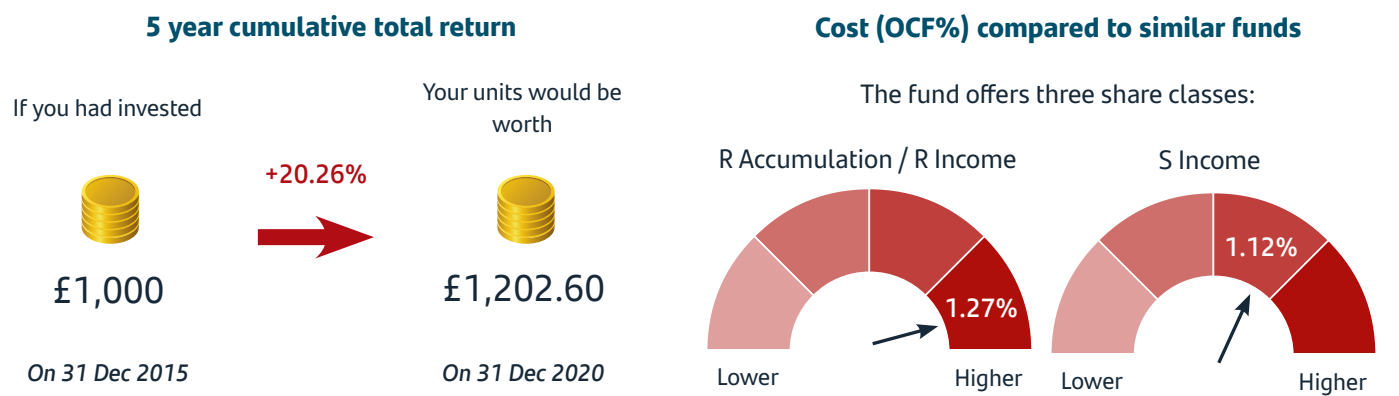
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 75% of the funds in its peer group. This is due to both a high AMC and high OCF driven by the management fees paid when investing in other funds. The fund is rated red for costs relative to its peers and following a review of the product design earlier this year, a review of rates is now an area of focus in parallel to defining our income funds' product strategy for execution in 2022.









Conclusion

The fund has received an overall amber value rating this year. Due to exceptional market conditions caused by the COVID-19 global pandemic, the fund has underperformed its 4% yield target in 2020. This is largely due to central banks cutting interest rates to near zero forcing bond yields to their lowest in history and many companies listed on stock markets around the world either reduced or cancelled their dividend payments. Investors were made aware of the revised income expectations in June 2020. Nonetheless, the fund is flagged for full transparency. The fund has consistently paid income above its target over the preceding four years and we are confident in the longer-term outlook for this objective and ability to deliver a good level of income.

The fund's OCF is currently operating close to its cap. If it exceeds it, SAM UK has a control in place to ensure that investors do not pay more than the cap, providing certainty as to maximum level of costs.



Santander Multi Index 1

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 45% Markit iBoxx Sterling Non Gilts Overall Index, 27% FTSE A British Govt All Stocks Index, 13% FTSE All Share Index, 5% BofA Merrill Lynch Global High Yield (GBP Hedged) Index, 4% FTSE USA Index, 3% FTSE World Europe Ex UK Index and 3% LIBOR GBP Overnight Rate.

Performance

- The fund was launched on 15 March 2016 and therefore does not have a 5 year history. However, since launch the fund has achieved its main objective, delivering a total return of 29.20% (R Accumulation Class).
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

Cost comparisons

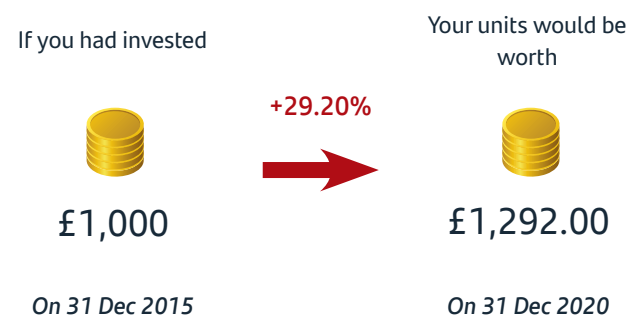
- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year. But we are working with the investment team to address past underperformance and progress will be monitored closely. We have clarified the value proposition within updated investor disclosures. The portfolio managers are confident that the fund's investment philosophy and process are appropriate to enable the fund to achieve its investment objective over the longer period.

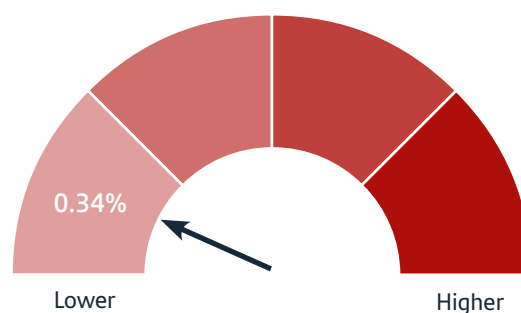
The OCF cap in place for this fund is currently in use and we cover all costs to investors above the cap so that they are protected against high costs. The OCF cap will be retained until the fund reaches economies of scale and the cap is no longer deemed necessary.

Cumulative return since launch











Cost (OCF%) compared to similar funds

The fund offers one share class: R Accumulation.



Santander Multi Index 2

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 45% Markit iBoxx Sterling Non Gilts Overall Index, 18% FTSE All Share Index, 15% FTSE A British Govt All Stocks Index, 7.5% FTSE World Europe Ex UK Index, 5.5% FTSE USA Index, 4% FTSE Japan Index, 3% LIBOR GBP Overnight Rate and 2% FTSE World Asia Pacific Ex Japan Index.

Performance

- The fund was launched on 15 March 2016 and therefore does not have a 5 year history. However, since launch the fund has achieved its main objective, delivering a total return of 34.40% (R Accumulation Class).
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

Cost comparisons

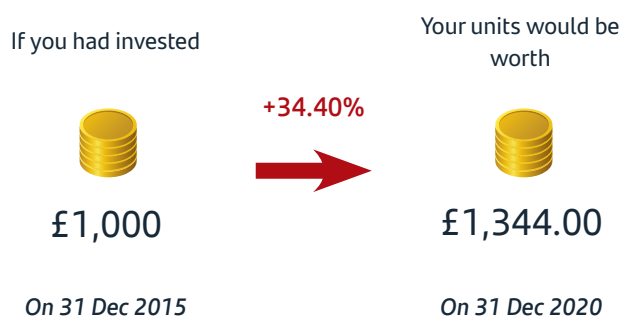
- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year, but we are working with the investment team to address past underperformance and progress will be monitored closely. We have clarified the value proposition within updated investor disclosures. The portfolio managers are confident that the fund's investment philosophy and process are appropriate to enable the fund to achieve its investment objective over the longer period.

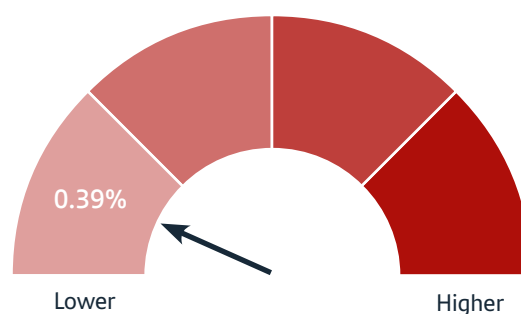
The OCF cap in place for this fund is currently in use and we cover all costs to investors above the cap so that they are protected against high administration costs. The OCF cap will be retained for the foreseeable future until the fund reaches economies of scale and the cap is no longer deemed necessary.

Cumulative return since launch











Cost (OCF%) compared to similar funds

The fund offers one share class: R Accumulation.



Santander Multi Index 3

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 30% Markit iBoxx Sterling Non Gilts Overall Index, 25% FTSE All Share Index, 12% FTSE World Europe Ex UK Index, 11% FTSE A British Govt All Stocks Index, 10% FTSE USA Index, 6% FTSE Japan Index, 3% FTSE World Asia Pacific Ex Japan Index and 3% LIBOR GBP Overnight Rate.

Performance

- The fund was launched on 15 March 2016 and therefore does not have a 5 year history. However, since launch the fund has achieved its main objective, delivering a total return of 39.00% (R Accumulation Class).
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

Cost comparisons

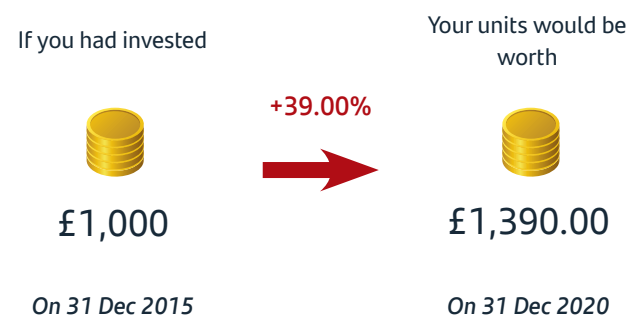
- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year, but we are working with the investment team to address past underperformance and progress will be monitored closely. We have clarified the value proposition within updated investor disclosures. The portfolio managers are confident that the fund's investment philosophy and process are appropriate to enable the fund to achieve its investment objective over the longer period.

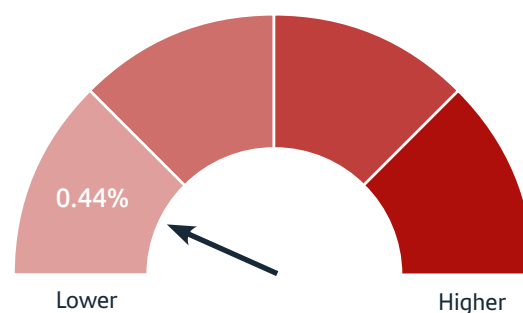
The OCF cap in place for this fund is currently in use and we cover all costs to investors above the cap so that they are protected against high costs. The OCF cap will be retained for the foreseeable future until the fund reaches economies of scale and the cap is no longer deemed necessary.

Cumulative return since launch











Cost (OCF%) compared to similar funds

The fund offers one share class: R Accumulation.



Santander Multi Index 4

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 34% FTSE All Share Index, 17% Markit iBoxx Sterling Non Gilts Overall Index, 13% FTSE World Europe Ex UK Index, 11% FTSE USA Index, 7% FTSE Japan Index, 5% FTSE World Asia Pacific Ex Japan Index, 5% MSCI Emerging Markets Net Total Return GBP Index, 5% FTSE A British Government All Stocks Index and 3% LIBOR GBP Overnight Rate.

Performance

- The fund was launched on 15 March 2016 and therefore does not have a 5 year history. However, since launch the fund has achieved its main objective, delivering a total return of 14.07% (R Accumulation Class).
- Whilst, the fund has underperformed its target benchmark over the past 3 years, however we have taken steps to better align portfolio manager performance evaluation with fund objectives, as well as investing in our global investment capabilities.

Cost comparisons

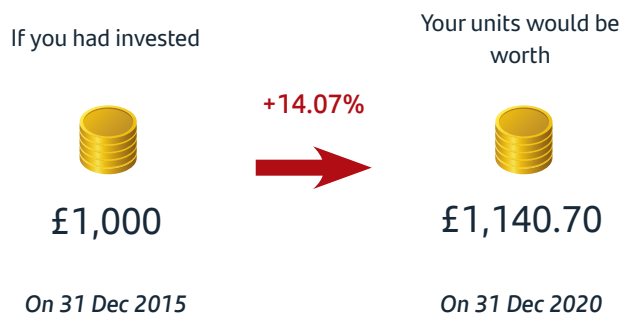
- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year, but we are working with the investment team to address past underperformance and progress will be monitored closely. We have clarified the value proposition within updated investor disclosures. The portfolio managers are confident that the fund's investment philosophy and process are appropriate to enable the fund to achieve its investment objective over the longer period.

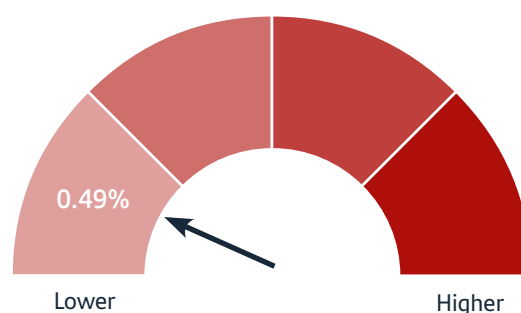
The OCF cap in place for this fund is currently in use and we cover all costs to investors above the cap so that they are protected against high costs. The OCF cap will be retained for the foreseeable future until the fund reaches economies of scale and the cap is no longer deemed necessary. Details of the actions we are taking to improve value can be found in section 5 of this report, above.

Cumulative return since launch



Cost (OCF%) compared to similar funds

The fund offers one share class: R Accumulation.



Santander UK Equities

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units

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

The fund will also aim to outperform (after the deduction of fees), measured over a rolling 3 year time period, the FTSE All Share Index TR (Target Benchmark).

Performance

- The fund has achieved its main objective, delivering a total return of 22.44% (Sterling A Class) over 5 years.
- The fund has also outperformed its target benchmark over a 3 year period.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year and we consider the fund to have delivered value for the investor.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+22.44%

Your units would be worth

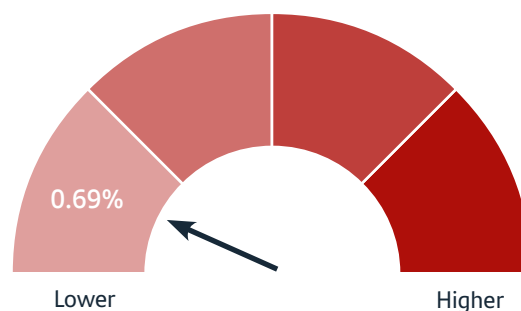


£1,224.40









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers one share class: S Accumulation.



Santander US Equities

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 101.17% (Sterling A Class) over 5 years.

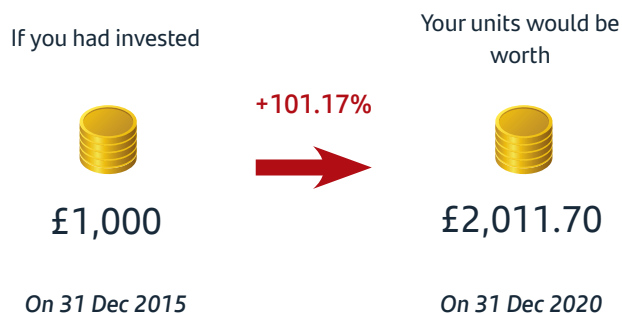
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

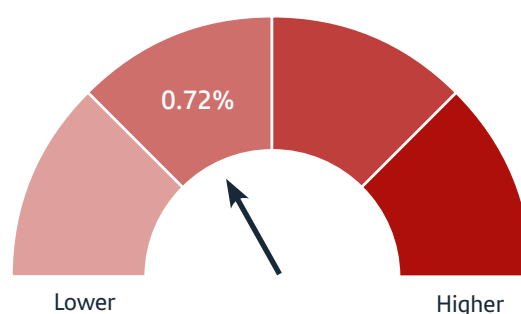
The fund has received an overall green value rating this year. Whilst the fund has delivered against its 2020 objective, we intend to improve the fund's value proposition during 2021 by formalising, in our investor disclosures, an expected level of outperformance after deduction of fees to enable investors to make an informed decision about their investment. We are working with the fund's sub-investment manager to increase the current performance target and the levels of active risk to achieve it. This may include a small change in the investment process and will be reflected in next year's Value Assessment.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers one share class: Accumulation A.



Santander Europe (ex UK) Equities

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 51.88% (Sterling A Class) over 5 years.

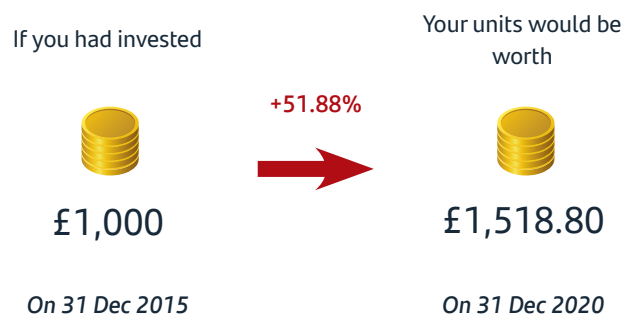
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

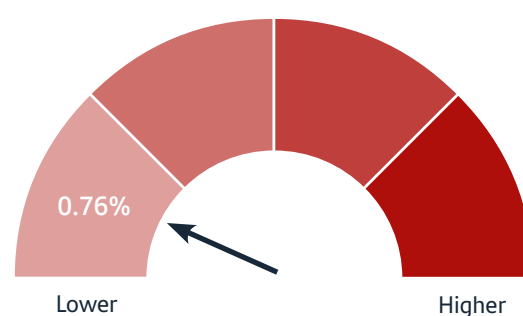
The fund has received an overall green value rating this year. We are however updating the objective and setting a clear target at fund level by formalising, in our investor disclosures, the expected level of outperformance after deduction of fees, to enable investors to make informed decisions about their investment. The SAM UK portfolio manager responsible for this fund is not satisfied with the outcomes being delivered by the current sub-investment management arrangements and is exploring options to make changes to these. This will result in some change to the investment process and this will be reflected in next year's Value Assessment.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers one share class: Accumulation A.



Santander Japan Equities

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 56.05% (Sterling A Class) over 5 years.

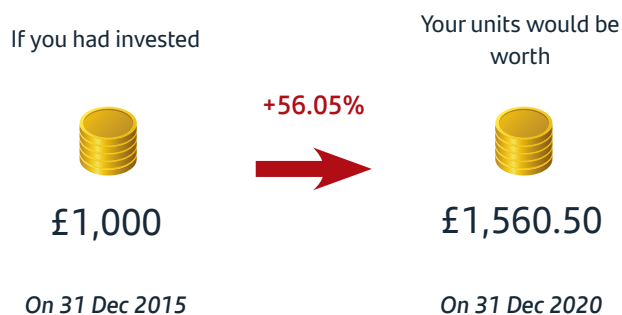
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

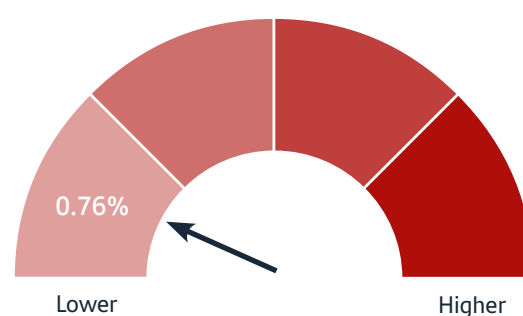
The fund has received an overall green value rating this year. Whilst the fund has delivered against its 2020 objective, we intend to improve the fund's value proposition during 2021 by formalising, in our investor disclosures, an expected level of outperformance after deduction of fees to enable investors to make an informed decision about their investment. We are working with the fund's sub-investment manager to increase the current performance target and the levels of active risk to achieve it. This will include some change to the investment process and this will be reflected in next year's Value Assessment.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers one share class: Accumulation A.



Santander Pacific Basin (ex Japan) Equities

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 91.73% (Sterling A Class) over 5 years.

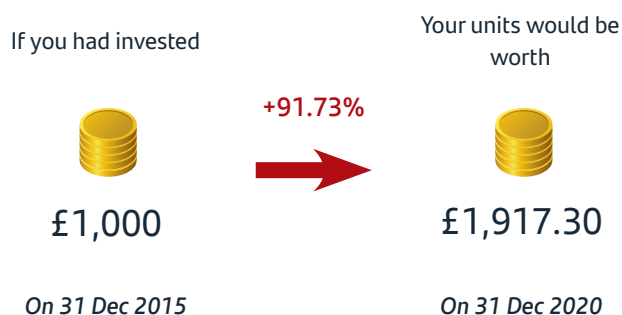
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

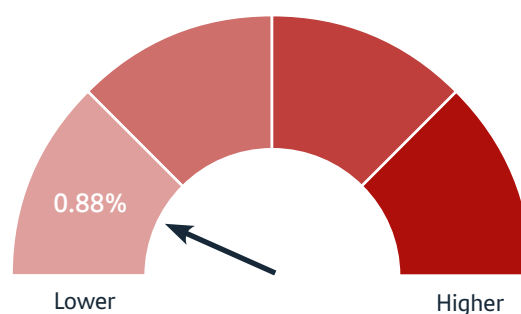
The fund has received an overall green value rating this year. Whilst the fund has delivered against its 2020 objective, we intend to improve the fund's value proposition during 2021 by formalising, in our investor disclosures, an expected level of outperformance after the deduction of fees to enable investors to make informed decisions about their investment. This will be reflected in next year's Value Assessment.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, Accumulation A and Accumulation B. Both are priced the same.



Santander Sterling Bond

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 28.88% (Sterling A Class).

Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 50% of the funds in its peer group. The fund is rated amber for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year. Whilst the fund has delivered good outcomes in line with its 2020 objective, we are updating the objective of the fund to reflect how the fund is being managed by the sub-investment manager and formalising the expected level of outperformance after the deduction of fees to enable investors to make informed decisions about their investment. This will be reflected in next year's Value Assessment.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+28.88%



Your units would be worth

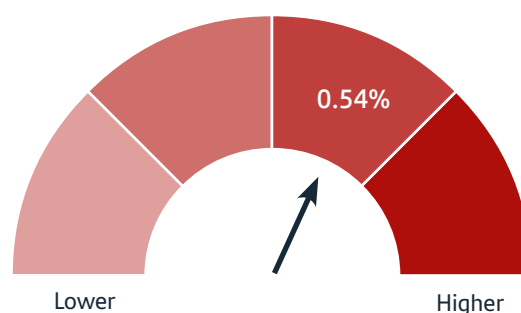


£1,288.80









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers one share class: Accumulation A.



Santander UK Growth Unit Trust

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) its Target Benchmark (FTSE All Share Index TR) measured over a rolling 3 year time period. It is expected that the average outperformance for the fund will typically not be greater than 1.35% per annum (after the deduction of fees) in excess of the Target Benchmark over a rolling 3 year period, although no level of outperformance is guaranteed.

Performance

- The fund has achieved its main objective, delivering a total return of 28.08% (R Accumulation Class).
- The fund has also outperformed its target benchmark over the past 3 years.

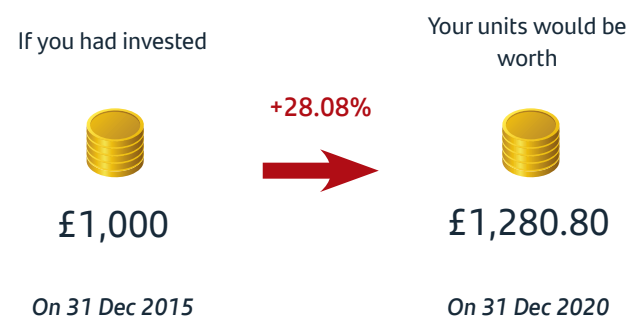
Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

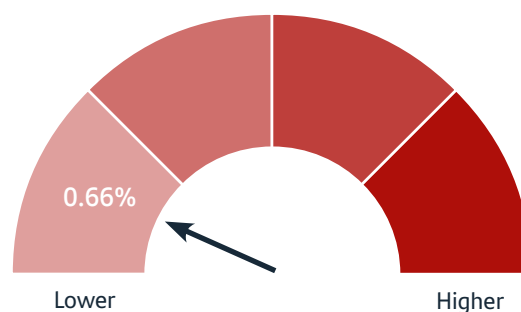
The fund has received an overall green value rating this year and we consider the fund to have delivered value for the investor.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, R Accumulation and R Income. Both are priced the same.



Santander Equity Income Unit Trust

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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. The fund has a target income (although this is not guaranteed) of at least 90% of the yield of the FTSE All Share Index TR (Target Benchmark) over a 1 year period, and 100% of the yield of the Target Benchmark over a rolling 3 year period.

Performance

- The fund has achieved its main objective, delivering a total return of 24.57% (R Income Class).
- The fund has delivered its target income over 1 and 3 years in line with objectives.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year and we consider the fund to have delivered value for the investor.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015



Your units would be worth

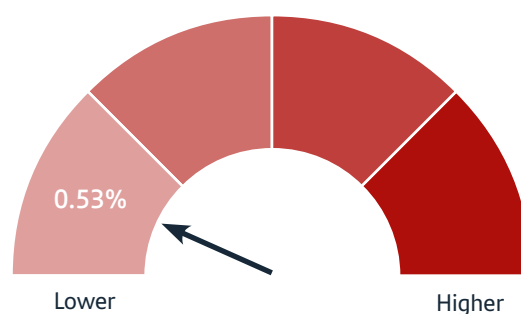


£1,245.70









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers two share classes, R Accumulation and R Income. Both are priced the same.



Santander Enhanced Income Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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. The fund has a target annual income of 5%, although this is not guaranteed.

Performance

- In 2020, the fund underperformed its annual income target of 5% mainly due to market conditions related to the global pandemic. Central banks cut interest rates to near zero forcing bond yields to their lowest in history and many companies listed on stock markets around the world either reduced or cancelled their dividend payments. However, the 3 and 5 year income return for the fund places it in the first quartile against its peers and is delivering an exceptional level of income given the circumstances. We are also very pleased with how this fund is managing the challenging environment, retaining top level performance against peers and being recognised in the industry as delivering market leading returns.
- The fund achieved its secondary target of delivering capital growth over a 5 year period with a total return of 27.79%.

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year. Due to exceptional market conditions caused by the COVID-19 global pandemic, the fund has slightly underperformed its 5% yield target in 2020. Investors were made aware of the revised income expectations in June 2020. We remain confident that the fund's investment philosophy and process remains appropriate and continues to enable the fund to achieve its investment objectives.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+27.79%



Your units would be worth

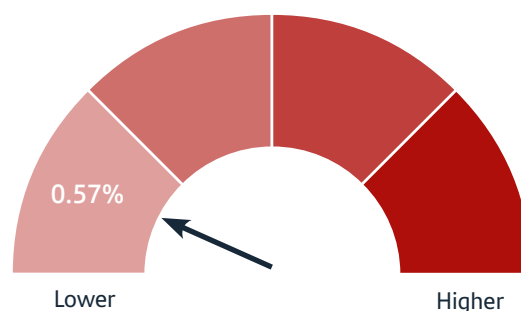


£1,277.90









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers two share classes, I Accumulation and I Income. Both are priced the same.



Santander Balanced International Tracking Fund

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

The fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 37.5% FTSE All Share, 22.8% FTSE USA, 15% Markit iBoxx £ Non Gilt, 10% FTSE Actuaries UK Conventional Gilts All Stock, 8.6% FTSE World Europe Ex UK and 6.1% FTSE World Japan.

Performance

- The fund has achieved its main objective, delivering a total return of 39.31% (R Accumulation Class).
- The fund has underperformed its target benchmark over the past 3 years. Due to charges, more detail of which is set out below, this fund is unlikely to deliver outperformance and we are taking steps to clarify this for investors.

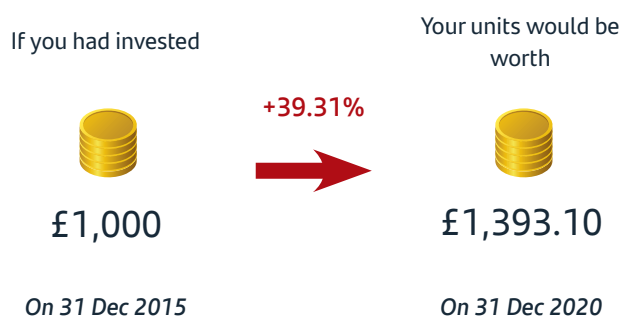
Cost comparisons

- The R Accumulation share class has an OCF of 1.50%. It is held by one large intermediary institutional client only who is a provider of CTFs. As the fund was launched for the benefit of CTF customers, this share class represents over 99% of the fund's holdings. The fees are mandated via contractual agreement with the institutional investor and the majority is paid back to the investor for administering the CTFs. As a result, we have compared the cost of this fund/class against other CTF funds/share classes in the market and found it to be slightly more expensive than the median. The fund is rated amber for costs relative to its peers. However, we recognise that whilst the rating may be amber, the fees are high and have negative impact on the fund's ability to outperform after fees. We are taking action to clarify the level of performance and to close the non-CTF share class (1% of the fund's holdings). We are also changing the name to better reflect the fund's design.

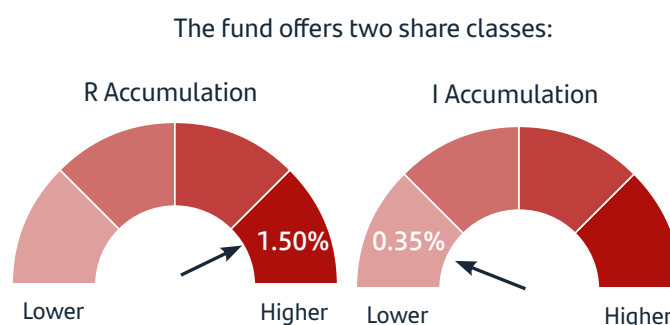
Conclusion

The fund has received an overall red value rating this year. With performance affected by fees, we are taking active steps to clarify the expected outcomes for investors as this fund is unlikely to outperform the benchmark after the deductions of fees. The R Accumulation share class which has a higher fee is not actively marketed and is closed to new investors.









5 year cumulative total return



Cost (OCF%) compared to similar funds



Santander Corporate Bond Fund

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 31.74% (I Accumulation Class).

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year. Whilst the fund has delivered good outcomes in line with its 2020 objective, we are updating the objective of the fund to reflect how the fund is being managed by the sub-investment manager and formalising the expected level of outperformance after the deduction of fees to enable investors to make informed decisions about their investment. This will be reflected in next year's Value Assessment.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+31.74%



Your units would be worth

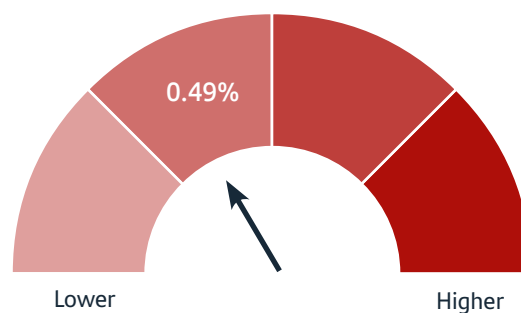


£1,317.40









On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers two share classes, I Accumulation and I Income. Both are priced the same.



Santander Strategic Bond Fund

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 23.47% (I Accumulation Class).
- In light of the pressure on bond markets we also considered the fund's performance against benchmark and peers. The fund has consistently underperformed over 1, 3 and 5 years and has failed to outperform the majority of peers.

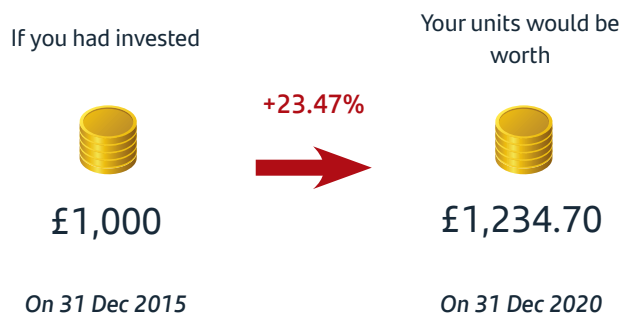
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 50% of the funds in its peer group. The fund is rated amber for costs relative to its peers.

Conclusion

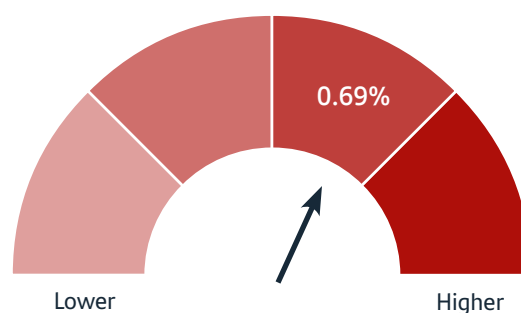
We have fully reviewed the value proposition of this fund considering both the underperformance and the cost against its peers. The fund has also failed to gain scale and deliver efficiencies for investors. It has been concluded that the fund does not offer long-term value to its investors and a decision has therefore been taken by the SAM UK Board to close this fund. Investors were notified of the closure at the start of January and the fund was closed at the end of March.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers two share classes, I Income and I Accumulation. Both are priced the same.



Santander Sterling Government Bond Fund

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 29.62% (I Accumulation Class).

Cost comparisons

- When compared to similar competitor funds, the fund has a lower cost than the median and is less expensive than at least 50% of the funds in its peer group. The fund is rated green for costs relative to its peers.

Conclusion

The fund has received an overall green value rating this year, however we recognise that the bond market is experiencing real challenges with low inflation and continued government intervention putting pressure on bond yields, meaning that high quality bonds are unlikely to deliver real returns in line with recent history. This is even more prominent in relation to government bonds. Being able to produce a moderate level of outperformance whilst managing costs is an increasing challenge. We have seen many peers close their bond funds and we continue to monitor our bond range. We are not looking to close this fund at this stage, as the fund has delivered good outcomes in line with its 2020 objective and offers diversification in portfolio holdings. However, we are updating the objectives of the fund and clarifying the typical moderate level of outperformance investors may expect.

5 year cumulative total return

If you had invested



£1,000

On 31 Dec 2015

+29.62%



Your units would be worth

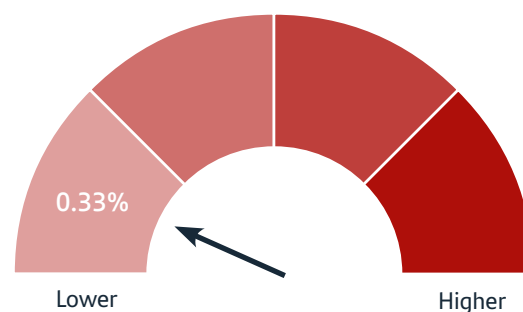


£1,296.20








On 31 Dec 2020

Cost (OCF%) compared to similar funds

The fund offers two share classes, I Income and I Accumulation. Both are priced the same.



Santander Investment Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 27.46% (R Accumulation Class).

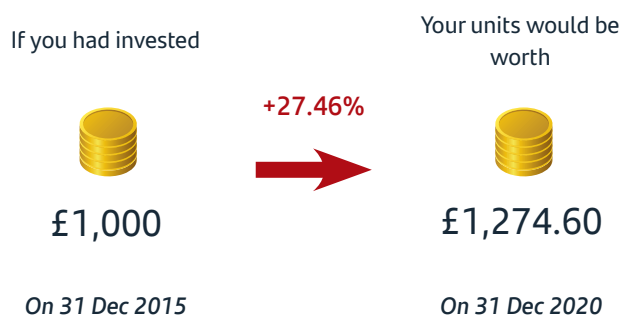
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 75% of the funds in its peer group. The fund is rated red for costs relative to its peers.

Conclusion

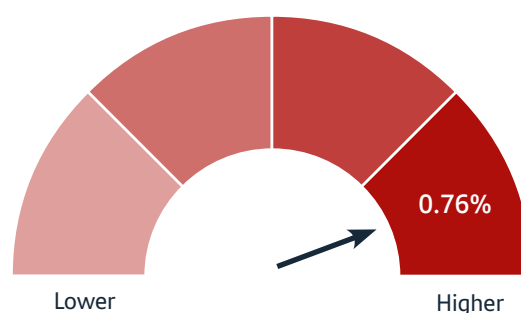
The fund has received an overall amber value rating this year. The fund's higher cost relative to its peers has led to a strategic review of the fund's value proposition. In 2021 we will be changing the structure of this fund to a directly invested fund which will have a positive impact by reducing costs to investors and improving the value proposition. We will also change the investment objective and formalise the expected level of outperformance after the deduction of fees to enable investors to make informed decisions about their investment. This will be reflected in next year's Value Assessment.

5 year cumulative total return











Cost (OCF%) compared to similar funds

The fund offers one share class: R Accumulation.



Santander Investment Income Portfolio

Overall fund rating	Quality of service	Performance	AFM costs	Economies of scale	Comparable market rates	Comparable services	Classes of units
							

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

Performance

- The fund has achieved its main objective, delivering a total return of 33.34% (R Income Class).
- Whilst the fund does not have a specific income target, both the 1 year income return and 5 year income return for the fund places it in the first quartile against its peers. It also distributes income in a smoothed manner which is a key differentiating product design feature valued by our investor base.

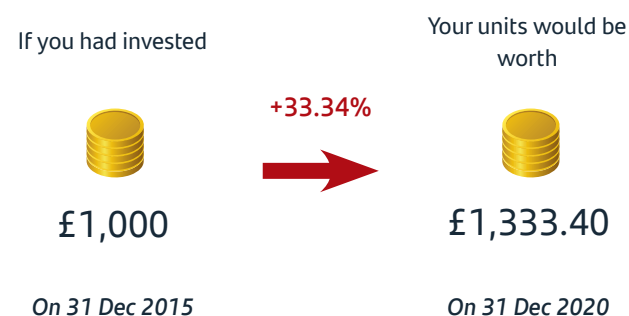
Cost comparisons

- When compared to similar competitor funds, the fund has a higher cost than the median and is more expensive than at least 75% of the funds in its peer group. The fund is rated red for costs relative to its peers.

Conclusion

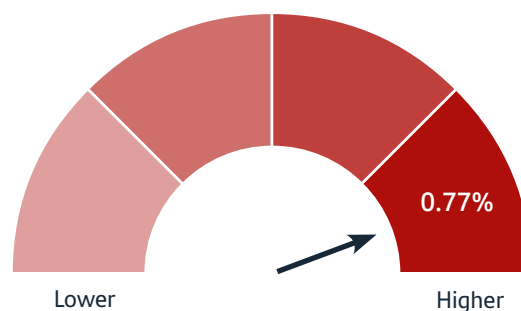
The fund has received an overall amber value rating this year. The fund's higher cost versus its peers led to a strategic review of the fund's value proposition. On the basis of the analysis, the SAM UK Board made a decision, balancing positive performance with peer analysis and challenging bond market conditions, to reduce the AMC on this fund to directly benefit investors. This will become effective shortly after publication of this report.

5 year cumulative total return



Cost (OCF%) compared to similar funds

The fund offers two share classes, R Income and R Accumulation. Both are priced the same.





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.

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