

Santander Sterling Bond Income Portfolio

Prospectus changes following updates to Fund Documents

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

Santander Sterling Bond Income Portfolio

	Previous	Updated
Investment Objective	<p>The Fund's objective is to provide an income, with some potential for capital growth, over a 5+ year time horizon.</p>	<p>The Fund's objective is to provide an income.</p> <p>The Fund aims to provide an annual income that is greater than the annual income of the following composite Target Benchmark: 90% Markit iBoxx Sterling Corporates Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR, although no level of income is guaranteed.</p>
Investment Policy	<p>The Fund aims to achieve its objective by investing at least 80% in a wide range of bonds issued by companies and denominated in or Hedged to UK Pounds Sterling and rated as investment grade.</p> <p>To obtain exposure to these assets the Fund will invest directly. The Fund may also invest indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the ACD or other companies within the Santander Group.</p> <p>Subject to the Constraint Benchmark and Tracking Error stated below, the ACD has the discretion to manage the Fund according to its investment views and opportunities identified as market and economic conditions change. It will select investments that it believes will best achieve the Fund's objective. An assessment will be completed on all investment opportunities before any investment decisions are made.</p> <p>At least 80% of the Fund will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as bonds, shares, cash, near cash and other money market instruments.</p> <p>The Fund is managed with reference to the following composite Constraint Benchmark: 90% Markit iBoxx GBP Corporates Index, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index. The Fund targets a maximum Tracking Error of 2% allowing it to vary a proportion of its investments from this Benchmark.</p> <p>The Fund may use Derivatives for Efficient Portfolio Management.</p>	<p>The Fund is actively managed (by the appointed Sub-Investment Manager) and aims to achieve its objective by investing at least 95% in bonds.</p> <p>The Fund invests:</p> <ul style="list-style-type: none"> a minimum of 70% in bonds issued by companies and other non-sovereign entities; and a maximum of 30% in bonds issued by governments. <p>The Fund may invest in developed markets globally but at least 70% of its investments in bonds must be denominated in Pounds Sterling, and at least 95% of its investments in bonds denominated in or Hedged to Pounds Sterling.</p> <p>At least 90% of the Fund's investment in bonds will be in those which are, at the time of purchase, investment grade. Up to 10% can be in those which are at the time of purchase, sub-investment grade and up to 5% can be unrated (where the Sub-Investment Manager will determine whether the bonds have quality equivalent to investment grade or sub-investment grade).</p> <p>The Fund's investment in bonds can include those which are "non-standard" (up to 30% of the Fund). These may, for example, be bonds which can make payments earlier than their target maturity date, or have terms where the principal amount of the bond can be paid back over the term of the bond, instead of being paid at the bond's maturity date, or asset backed or mortgage backed securities (investments whose return is generated from and backed by a basket of debt, for example mortgages). With regard to asset backed and mortgage backed securities, exposure will be limited to 5% of the Fund.</p> <p>The Fund's investment in bonds can also include (up to 20% of the Fund) those which are "index linked" (bonds which have their coupon payments adjusted for inflation by linking the payments to an inflation indicator), although this is not a key part of the Fund's investment strategy.</p>

		<p>The Fund invests directly in bonds, and not indirectly by purchasing units in Collective Investment Schemes.</p> <p>The Fund may also invest up to 5% in cash, cash like and other money market instruments.</p> <p>The Fund may use Derivatives for Efficient Portfolio Management (including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.</p> <p>Investment Strategy and Process</p> <p>The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and has put in place the investment guidelines which the Sub-Investment Manager must follow.</p> <p>The ACD has in place an internal analysis and due diligence process to monitor the Sub-Investment Manager's management of the Fund, and it can change the Sub-Investment Manager at its discretion if it believes that this is in the best interests of Shareholders in the Fund.</p> <p>The Sub-Investment Manager actively manages the Fund. This means that, subject to the investment guidelines agreed with the ACD, it has discretion to select assets according to its investment views and opportunities identified as market and economic conditions change, and it will select investments that it believes will achieve the Fund's investment objectives. The Sub-Investment Manager will complete an assessment before any investment decisions are made.</p> <p>The investment guidelines the ACD has put in place for the Sub-Investment Manager include an objective to aim to provide an annual income greater than the annual income of the Target Benchmark.</p> <p>In addition the investment guidelines contain:</p> <ul style="list-style-type: none"> • an objective to outperform the Target Benchmark on average each year measured over rolling 3 year periods, with the aim of producing the annual income for distribution; and • risk management measures, including a maximum Tracking Error, detailed below which reference the Target Benchmark. These will be commensurate to the outperformance objective noted above. <p>The primary way the Sub-Investment Manager intends to provide an annual income is by selecting bonds which will outperform the Target Benchmark.</p> <p>When selecting bonds, the Sub-Investment Manager will consider risks including credit risk (the potential risk that issuers of bonds will be unable to honour their payment obligations), and how changing interest rates might impact the value of a bond in order to help determine which bonds to invest in. For example increasing interest rates will usually lower the value of an existing bond, and if the bond has a long time until maturity there could be more of an impact on its value.</p>
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		investments will reflect the constituents of the Target Benchmark.
Further Information	<p>The Constraint Benchmark for the Fund is a composite of different Indices as shown above, which means the ACD is specifically limited to manage the Fund, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the ACD may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets providing it stays within the Tracking Error stated above. This Constraint Benchmark has been selected for the Fund as it best represents the investments that the ACD has to choose from as specified in its investment objective and policy.</p> <p>Variable remuneration of individual fund managers for the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment may be made by comparing Fund performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.</p>	<p>At the start of each annual accounting period the ACD will agree with the Sub-Investment Manager the estimated level of income expected to be available for allocation over an annual accounting period. The ACD will aim to allocate this income in equal amounts each month for 11 months, with a final balancing payment in the twelfth month which may be lower or higher than the previous monthly payments based on prevailing market conditions. There is no guarantee that the Fund will achieve its annual income, or that distributions will not change throughout the annual accounting period. See Section 21.11 for further information.</p> <p>The Target Benchmark for the Fund has been selected as it is representative of the Fund's investment in bonds and therefore broadly in line with the investment policy of the Fund.</p> <p>The Target Benchmark is provided by IHS Markit Administration Limited and FTSE International Limited, respectively, which as at the date of this Prospectus are included in the public register of administrators and benchmarks established and maintained by the FCA.</p> <p>If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.</p> <p>Variable remuneration of those individuals employed by the ACD who are responsible for the selection and ongoing oversight of the Sub-Investment Manager is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Fund performance relative to the Target Benchmark.</p>