PROSPECTUS OF SANTANDER MANAGED INVESTMENTS OEIC 2

Santander Managed Investments OEIC 2 (PRN 491223) is an investment company with variable capital registered in England and Wales under registered number IC000727

17 February 2025

This Prospectus is dated and valid as at 17 February 2025.

This document constitutes the Prospectus for Santander Managed Investments OEIC 2 (the "**Company**") and has been prepared in accordance with the Open-Ended Investment Companies Regulations 2001 and the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority as part of its Handbook of Rules and Guidance (together the "**Regulations**").

This Prospectus has been issued for the purpose of section 21(1) of the Financial Services and Markets Act 2000 by the ACD.

Copies of this Prospectus have been sent to the Financial Conduct Authority, the Auditors and the Depositary.

The Prospectus is based on information, law and practice as at the date hereof but where it refers to any statutory provision or regulation this includes any modification or re-enactment that has been made. The Company is not bound by any out of date prospectus and potential investors should check that they have the most recently published prospectus.

Santander Asset Management UK Limited, the authorised corporate director ("**ACD**") of the Company, is responsible for the information contained in this Prospectus and accepts such responsibility accordingly. The ACD has taken all reasonable care to ensure that, to the best of its knowledge and belief, the information in this document does not contain any untrue or misleading statement or omit any matters required by the Regulations to be included in it. No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The Depositary is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility for such information under the FCA Regulations or otherwise.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares are not listed on any investment exchange. Prospective Shareholders should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisors concerning the acquisition, holding or disposal of Shares.

The United Kingdom government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". As a result, the Company may need to disclose the name, address, taxpayer identification number and investment information relating to certain Shareholders to HM Revenue & Customs, who may in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company may be required to report it to HM Revenue & Customs.

The provisions of the Instrument of Incorporation are binding on all Shareholders (who are taken to have notice of them) and a copy of the Instrument of Incorporation is available on request from the ACD.

All communications in relation to this Prospectus shall be in English.

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DEFINITIONS

"**ACD**" means Santander Asset Management UK Limited, the authorised corporate director of the Company.

"**Act**" means the Financial Services and Markets Act 2000 (as amended).

"**Approved Bank**" has the meaning ascribed to it in the FCA Regulations.

"**Approved Counterparty**" means an approved counterparty as defined in COLL 5.2.23(1)(a-e).

"**Auditors**" means PricewaterhouseCoopers LLP, or such other company as may be appointed auditors to the Company from time to time.

"**Business Day**" means a day on which the London Stock Exchange is open for business.

"**Class**" means, according to the context, all of the Shares in a single Fund or a particular class of Share related to a single Fund.

"**Client Money**" means money which the ACD holds or receives on behalf of a Shareholder or potential Shareholder which is held separately from the ACD or the Company's own money.

"**Client Money Rules**" means the client money rules in CASS 7 of the FCA's Client Asset Sourcebook within the FCA Regulations.

"**Collective Investment Scheme**" means an investment fund used for collective investment by investors. Their money is invested on a pooled basis by an investment manager in return for a fee.

"**COLL Sourcebook**" means the Collective Investment Schemes Sourcebook (or, as appropriate, a chapter or rule thereof) which forms part of the Financial Conduct Authority's Handbook of Rules and Guidance, as amended, restated or replaced from time to time.

"**Company**" means Santander Managed Investments OEIC 2.

"**Custodian**" means Bank of New York Mellon London Branch, or such other company as may be appointed custodian of the Company from time to time.

"**Depositary**" means NatWest Trustee and Depositary Services Limited, or such other company as may be appointed depositary of the Company from time to time.

"**EEA State**" means a member state of the European Union and any other state which is at that time a party to The EEA Agreement.

"**EEA UCITS**" means a Collective Investment Scheme established in accordance with the UCITS Directive in an EEA State.

"**Eligible Institution**" has the meaning ascribed to it in the FCA Regulations.

"**FCA**" means the Financial Conduct Authority.

"**FCA Regulations**" means the FCA's Handbook of Rules and Guidance.

"**Fund**" means a sub-fund of the Company, details of which are set out in Appendix 1.

"**Income Allocation Date**" means the date that any income attributable to a Share is either paid out as an income distribution (for income Shares) or is reinvested in the value of the Share (for accumulation Shares).

"**Instrument of Incorporation**" means the instrument of incorporation of the Company, as amended from time to time.

"**ISA**" means an individual savings account, a form of UK investment which is exempt from tax on its returns.

"**KIID**" means the key investor information document for each Class.

"**OEIC Regulations**" means the Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time.

"**Net Asset Value**" or "**NAV**" means the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument of Incorporation.

"**PRA**" means the Prudential Regulation Authority.

"**PRN**" means product reference number which can be found on the FCA's Financial Services Register.

"**Register**" means the register of Shareholders.

"**Regulations**" means the OEIC Regulations and the FCA Regulations.

"**Section**" means a numbered section of the main body of this Prospectus.

"**Shares**" means shares in the capital of the Company, which relate to a particular Class.

"**Shareholder**" means a holder of Shares.

"**Sub-Investment Manager**" means a sub-investment manager appointed by the ACD.

"**Third Party Bank**" means a Client Money banking provider external to the ACD.

"**UCITS Directive**" means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended, and which applies to EEA UCITS.

"**UK UCITS**" means a UK UCITS as defined in the FCA Regulations.

"**United Kingdom**" and "**UK**" means England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man).

"**Valuation Point**" means 12 noon UK time on each Business Day in each calendar month.

Terms (other than those defined above) which are defined in the glossary section of the FCA Regulations have the same meaning, unless the context otherwise requires, when used in this Prospectus.

1. THE COMPANY AND ITS FUNDS

1.1 The Company

Santander Managed Investments OEIC 2 is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000727 and authorised and regulated by the FCA with effect from 20 February 2009 with Product Reference Number: 491223. Please note that approval by the FCA in this context refers only to approval under the OEIC Regulations and does not in any way indicate or suggest endorsement or approval of the Funds as an investment.

1.2 Head Office

The head office of the Company is 287 St. Vincent Street, Glasgow G2 5NB, United Kingdom. This is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

1.3 Share Capital

The maximum Share capital of the Company is £100 billion and the minimum Share capital of the Company is £100. Shares have no par value and therefore the Share capital of the Company at all times equals its Net Asset Value.

Shareholders are not liable for the debts of the Company.

1.4 Base Currency

The base currency of the Company is Pounds Sterling. However, the Company has the power to issue one or more Classes denominated in a currency other than Pounds Sterling, subject to and in accordance with the FCA Regulations.

2. COMPANY STRUCTURE

The Company is a UK UCITS and structured as an umbrella company under the Regulations. Provision exists for an unlimited number of Funds and each Fund would be a UK UCITS if it were itself an investment company with variable capital in respect of which an authorisation order made by the FCA were in force.

The assets of each Fund are treated as separate from those of every other Fund and are invested in accordance with that Fund's own investment objective and policy. In addition, each Fund may have more than one Class allocated to it. Where a new Fund or Class is established, an updated prospectus will be prepared as soon as reasonably practical setting out the relevant information concerning the new Fund or Class.

The Shares of each Class allocated to a Fund will rank equally except for the level of fees and expenses to be charged and the minimum subscription and holding.

The Funds in which Shares are currently available are:

- Santander Sterling Bond Income Portfolio.

Details of each Fund, including its investment objective and policy and the risks relevant to investment in it, are set out in Appendices 1, 2, 3 and 4. Investment of the assets of each Fund must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund.

Each Fund has a specific portfolio of assets and investments to which its assets and liabilities are attributable and potential investors should view each Fund as a separate investment entity.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Each Fund is charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Funds charges are allocated between Classes in accordance with the terms of issue of those Classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to Shareholders as a whole, but will normally be allocated to all Funds pro rata to the Net Asset Value of each Fund.

Please also see Appendix 2, section 2.8 titled "Liabilities of the Company and the Funds".

2.1 Investment Objectives and Policies of the Funds

The investment objective and policy of each Fund is set out in Appendix 1.

2.2 Investment Powers and Safeguards

The assets of each Fund are invested with the aim of achieving the investment objective and policy of that Fund. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA Regulations, the Instrument of Incorporation and this Prospectus.

A summary of the investment powers and safeguards applicable to each Fund is set out in Appendix 3.

Each of the Funds is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing costs. The ACD may at its discretion refuse to accept applications for or switching of Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the relevant Fund(s). For these purposes the ACD may consider an investor's trading history in the Funds or other funds managed by the ACD and accounts under common ownership or control.

2.3 ISA Qualification

The Company's policy for achieving the investment objective of certain Funds includes ensuring that Shares in certain Funds are and remain qualifying investments for the purpose of the Individual Savings Account Regulations 1998 (as amended).

2.4 Investor Profile

The Funds are currently available to retail and institutional investors. Retail investors may only invest in a Fund through authorised intermediaries such as fund platforms, nominees or a financial adviser.

Santander Sterling Bond Income Portfolio may be appropriate for investors seeking an annual income. The Funds are not suitable as a short-term investment as they are likely to demonstrate short-term volatility, and investors should be looking to invest for a minimum period of five years. Investors must be prepared to accept the risk of capital loss that comes with an investment in a Fund. Risks associated with investing in the Funds are detailed in Appendix 2.

Further Funds may be added to the Company in due course which may be aimed at a different category of investor depending on the nature of the Fund.

3. SHARES

3.1 Classes within the Funds

Each Fund may have income or accumulation Classes. The Classes currently available in each Fund are set out in the table below:

Fund	**Share Classes**
Santander Sterling Bond Income Portfolio	R Income Shares R Accumulation Shares

Income attributable to accumulation Shares is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each applicable interim and/or annual accounting period and is reflected in the relevant Share price. Income attributable to income Shares is distributed to Shareholders in respect of each accounting period and will be paid on the Income Allocation Dates specified in Appendix 1.

Each Class may attract different charges and expenses and so monies may be deducted from the scheme property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Further Classes may be established from time to time by the ACD with the agreement of the Depositary, and where relevant the approval of the FCA, and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the details of such new Fund or Class.

4. MANAGEMENT AND ADMINISTRATION

4.1 Authorised Corporate Director

The ACD of the Company is Santander Asset Management UK Limited, which is a private company limited by shares incorporated in Scotland on 14 September 1987 under registration number 106669. The ultimate holding company of the ACD is Banco Santander, S.A., which is incorporated in Spain.

4.2 Registered Office

The registered office of the ACD is at 287 St. Vincent Street, Glasgow G2 5NB, United Kingdom. This is also the address in the United Kingdom for service on the ACD of notices or other documents required or authorised to be served on it.

4.3 Issued Share Capital

The issued share capital of the ACD is 15,000,000 ordinary shares, which have been fully paid up.

4.4 Head Office

The head office of the ACD is at 287 St. Vincent Street, Glasgow G2 5NB, United Kingdom.

4.5 Regulatory Authority

The ACD is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, United Kingdom, and is authorised to carry on investment business in the United Kingdom.

4.6 Terms of Appointment of the ACD

The appointment of the ACD was made under an agreement dated 20 February 2009 between the Company and the ACD, as subsequently restated on 21 December 2017 (the "**ACD Agreement**"), a copy of which will be provided to any Shareholder on request.

The ACD is responsible for managing and administering the Company's affairs in compliance with the

FCA Regulations. Under the terms of the ACD Agreement, the ACD provides investment management services in respect of the Funds. The ACD also provides administrative, accounting and secretarial and registrar services to the Company. The ACD may delegate these functions, as well as its function as registrar and the fund accounting and pricing functions. No separate registrars fee is payable to the ACD for its services to the Company.

The ACD has delegated certain aspects of the following administration functions to FNZ TA Services Limited, which is authorised and regulated by the FCA (firm reference number 438687):

(i) customer enquiries;

(ii) tax returns;

(iii) maintenance of the Register;

(iv) distribution of income;

(v) issues and redemptions of Shares;

(vi) contract settlements, including certificate dispatch; and

(vii) record keeping.

The ACD has also delegated the following functions to Santander Asset Management, S.A, S.G.I.I.C.:

(i) contract settlements; and

(ii) dealing on behalf of Funds.

Santander Asset Management, S.A, SGIIC is incorporated in Spain and is a member of the same group as the ACD.

The ACD has delegated the following administration functions to The Bank of New York Mellon (International) Limited, which is authorised by the PRA and regulated by the FCA and the PRA in the conduct of its investment business with firm reference number 183100:

(i) Fund valuation and pricing; and

(ii) preparation of report and accounts.

All delegations by the ACD of management functions will be managed in line with the ACD's Conflicts of Interest Policy.

The ACD Agreement commenced on the date of incorporation of the Company and provides that the appointment of the ACD will continue in force unless and until terminated in specified circumstances. It may be terminated by either party giving the other written notice if the other party is in material breach which has not been remedied within 30 days. The Company may terminate the ACD Agreement on six months' notice in writing and the ACD may terminate it on six months' notice in writing (subject to the appointment of a successor). Termination cannot take effect until the FCA has approved the appointment of a successor.

The Company may at any time by giving notice in writing to the ACD terminate the ACD Agreement with immediate effect or require the ACD to resign for the purposes of the FCA Regulations (but subject to the appointment of a successor) in any of the following events:

(i) the ACD goes into or takes any step to initiate liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation);

(ii) the ACD is unable to pay its debts or a receiver is appointed over any of its assets;

(iii) an administration order is obtained in respect of the ACD or if some event having an equivalent effect occurs;

(iv) the ACD commits any material breach of its obligations under the ACD Agreement and (if such breach is capable of remedy) fails within 30 days of receipt of notice served by the Company requiring it so to do to make good such breach, provided that such breach is continuing; or

(v) the ACD ceases to be permitted to act as such under the FCA Regulations or the Act.

The ACD Agreement includes an indemnity from the Company to the ACD in respect of any liabilities incurred by it by reason of its performance or non-performance of its obligations or functions under the Agreement except in the event of fraud, negligence, wilful default, breach of trust or breach of duty by the ACD.

The ACD may provide similar services for other clients but will endeavour to ensure fair treatment as between the Company and other customers whose funds are managed or advised by the ACD. Details of the fees payable to the ACD are set out in Section 21.1. The ACD (or its associates or any affected person) is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares it has redeemed.

4.7 Remuneration Policy of the ACD

The ACD must establish and apply remuneration policies and practices that are consistent with and promote sound and effective risk management. Details of the ACD's remuneration policy, , including up-to-date details of how remuneration and benefits are calculated and the identities of the persons responsible for awarding remuneration and benefits, are available on the ACD's website at www.santanderassetmanagement.co.uk. Paper copies of the ACD's remuneration policy are also available free of charge from Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom by calling 0800 328 1328.

4.8 Other Schemes Managed / Operated by the ACD

The ACD currently also acts as authorised corporate director / manager of the following regulated Collective Investment Schemes:

- Santander Multi-Manager OEIC;
- Santander Managed OEIC;
- Santander Managed Investments OEIC;
- Santander Managed Investments OEIC 3;
- Santander Premium Fund;
- Santander UK Growth Unit Trust;
- Santander Equity Income Unit Trust; and
- Santander Max 70% Shares Unit Trust.

4.9 Directors of the ACD

The Directors of the ACD are:

- Brian Russell Odendaal;
- Jocelyn Dehnert (Non-Executive Director);
- Richard Royds (Non-Executive Director);

- Miguel Ángel Sánchez Lozano (Non-Executive Director);
- Lázaro de Lázaro Torres (Non-Executive Director); and
- Cassandra Lisette Waller.

Jocelyn Dehnert is also a director of Lamarck Limited and Coinvestor Limited.

Miguel Ángel Sánchez Lozano is also director of SAM Asset Management, S.A. de C.V., Sociedad Operadora de Fondos de Inversión.

Lázaro de Lázaro Torres is also a director of Santander Asset Management S.A.,S.G.I.I.C., Santander Pensiones S.A., E.G.F.P., Santander Towarzystwo Funduszy Inwestycyjnych S.A., Santander Asset Management SGOIC S.A. and Santander Pensões - Sociedade Gestora de Fundos de Pensões, S.A.

The other business activities of the Directors are not of significance to the business of the Company.

5. THE DEPOSITARY

The Depositary of the Company is NatWest Trustee and Depositary Services Limited, incorporated in England and Wales as a private limited company. Subject to the Regulations the Depositary is responsible for the safekeeping of the property of the Company entrusted to it and has a duty to take reasonable care to ensure that the Company is managed in accordance with the provisions of the Regulations relating to the pricing of, and dealing in, Shares and to the allocation of the income of the Company.

5.1 Registered and Head Office

The Registered Office of the Depositary is at 250 Bishopsgate, London EC2M 4AA, United Kingdom.

5.2 Ultimate Holding Company

The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.

5.3 Principal Business Activity

The principal business activity of the Depositary is the provision of trustee and depositary services.

5.4 Regulatory Organisation and Terms of Appointment of the Depositary

The appointment of the Depositary was made under an agreement dated 29 October 2018 between the Company, the ACD and the Depositary (the "**Depositary Agreement**").

The Depositary is authorised and regulated by the FCA. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by the regulator.

The Depositary is responsible for the safekeeping of the scheme property of the Company, monitoring the cash flows of each Fund and ensuring that certain processes carried out by the Company are performed in accordance with applicable rules and the Prospectus and Instrument of Incorporation. The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of scheme property however the Depositary's liability shall not be affected by any delegation of its safekeeping functions under the Depositary Agreement.

The Depositary has delegated its safekeeping function to Bank of New York Mellon London Branch, as Custodian, to assist in the safekeeping of scheme property under the terms of a custody agreement. The head address of the Custodian is One Canada Square, London E14 5AL, United Kingdom. The Custodian has sub-delegated certain custodial duties to AllFunds Bank Limited. The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Funds may invest. A list of sub-custodians is at Appendix 5. Investors should note that the list of sub-custodians is updated only at each prospectus review. An up to date list of sub-custodians can be obtained upon request from the ACD.

The Depositary has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the FCA Regulations relating to pricing of, and dealing in, Shares and income of the Funds.

The Depositary Agreement provides for termination by either the Company or the Depositary giving not less than 90 days' prior notice in writing to the other party or earlier on certain breaches or insolvency of a party. However, the Depositary may not retire voluntarily except on the appointment of a new depositary. The Depositary Agreement shall be terminated by notice in writing if the FCA obtains a court order to remove the Depositary or the Depositary is wound up. However, termination of the Depositary Agreement will not take effect until the appointment of a new depositary.

Under the Depositary Agreement the Depositary is liable to the Company for any loss of the financial instruments held in custody as a result of the Depositary's negligent or intentional failure to fulfil its obligations. The Depositary also accepts responsibility for its acts and omissions in the event of its fraud, negligence or wilful default. However, the Depositary Agreement excludes the Depositary from any liability except in the case of wilful default, negligence or failure to exercise due care and diligence on its part. It also provides that the Company will indemnify the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

In the absence of express written authorisation from the ACD or the Company, neither the Depositary nor any sub-custodian or custody agent shall be allowed to lend, use or hypothecate any Fund assets for its own purpose or benefit.

The Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian. As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties. In addition, the Depositary may act as depositary of other Collective Investment Schemes but does not anticipate any conflicts of interest arising as a result of such appointment. No conflicts of interest have been identified as a result of the sub-delegation from the Depositary to the Custodian.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall to the extent of any conflict be overridden by the FCA Regulations.

Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available by the ACD to Shareholders on request.

The Depositary is entitled to receive remuneration out of the property of the Funds for its services, as detailed in Section 21.2. The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with dealings in Shares, any transaction in scheme property or the supply of services to the Company.

6. INVESTMENT MANAGER AND SUB-INVESTMENT MANAGERS

The ACD acts as investment manager to the Funds and may appoint Sub-Investment Managers. The ACD is responsible for day to day discretionary investment management of the assets of the Funds in accordance with the relevant investment objectives and policies. The ACD shall have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by it under the Instrument of Incorporation or the FCA Regulations to manage the investment of the scheme property of the Funds.

The fees payable to the ACD as investment manager are included in the fees payable by each Fund to the ACD and are not an obligation of the Company.

Sub-Investment Managers

The ACD may appoint one or more Sub-Investment Managers to whom it may delegate all or part of the day-to-day conduct of its investment management responsibilities in respect of any Fund. Sub-Investment Managers may be members of the same group of companies as the ACD or third party companies. If more than one Sub-Investment Manager is appointed to a Fund, the ACD shall allocate the assets of the Fund between the Sub-Investment Managers in such proportions as it shall, at its discretion, determine. The ACD will monitor the performance of the Sub-Investment Manager(s) for each Fund in order to assess the need, if any, to make changes / replacements. Shareholders will be notified of any such change appropriately. The ACD has appointed the following Sub-Investment Managers.

Sub-Investment Manager	**Registered office**
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London EC2N 2DL, United Kingdom

The principal activity of each Sub-Investment Manager is the provision of investment management services.

Details of the Sub-Investment Manager(s) appointed to each Fund can be found in Appendix 1.

Terms of appointment

Each Sub-Investment Manager was appointed by an agreement between the ACD and the relevant Sub-Investment Manager, as amended from time to time (each a "**Sub-Investment Management Agreement**") as set out below:

Funds	**Sub-Investment Manager**	**Terms of appointment**
Santander Sterling Bond Income Portfolio	BlackRock Investment Management (UK) Limited (authorised and regulated by the FCA)	Date of agreement: 20 February 2023 (as amended from time to time) The Sub-Investment Management Agreement may be terminated by either the ACD or BlackRock Investment Management (UK) Limited on 3 months' written notice to the other party. The Sub-Investment Management Agreement may also be terminated immediately on the happening of certain events including material breach by the other party. The Sub-Investment Management Agreement will terminate automatically in the event of BlackRock Investment Management (UK) Limited's insolvency.

In the exercise of the ACD's investment functions, each Sub-Investment Manager shall (subject to the overall policy and supervision of the ACD) have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the ACD under the Instrument of Incorporation or the FCA Regulations to manage the investment of the scheme property of the relevant Fund(s).

7. ADMINISTRATOR AND REGISTRAR

The ACD is responsible for providing administration and registrar services to the Company. No separate fees are payable to the ACD for the provision of these services.

As set out in Section 4.6, the ACD currently delegates the provision of registrar and other administration functions to FNZ TA Services Limited and Santander Asset Management, S.A, S.G.I.I.C.

8. AUDITORS

The Auditors of the Company are PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, United Kingdom.

9. GENERAL

The Company, the ACD and the Depositary must each comply with the relevant requirements of the

FCA Regulations in a timely manner unless delay is lawful and also in the interests of the Company.

The ACD and the Depositary may retain the services of the other, or third parties to assist them in fulfilling their respective roles. The only exceptions are that: the Depositary may not delegate oversight of the Company to the Company, the ACD or any associate of the Company or the ACD, or custody or control of scheme property to the Company or the ACD; and any delegation of custody of scheme property must be under arrangements which allow the Custodian to release documents into the possession of a third party only with the Depositary's consent.

Where functions are performed by third parties, the ACD remains responsible for the management of scheme property and, if the third party is an associate of the ACD, any other functions which are within the role of the ACD.

The FCA Regulations contain various requirements relating to transactions entered into between the Company and the ACD, any Sub-Investment Manager(s) and / or any associate of them which may involve a conflict of interest. These are designed to protect the interests of the Company.

Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the instigation of the Company in certain circumstances.

The ACD and other companies within the Santander Asset Management group may from time to time act as managers to other Collective Investment Schemes which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Fund or between the Company and the other Collective Investment Schemes managed by the ACD. The ACD will take all appropriate steps to identify and prevent or manage such conflicts and will have regard in any event of this kind to its obligations under the ACD Agreement and in particular to its obligation to act in the best interests of the Company and the Shareholders so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and the Shareholders and any other Collective Investment Schemes it manages are fairly treated. The ACD maintains a written conflicts of interest policy.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure with reasonable confidence that risk of damage to the interests of the Company and Shareholders will be prevented. Should such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to Shareholders in an appropriate format. Details of the ACD’s conflicts of interest policy are available on request from the ACD.

10. REGISTER OF SHAREHOLDERS

Ownership of Shares is evidenced by an entry on the Register, which is maintained by FNZ TA Services Limited at Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom. The Register may be inspected by any Shareholder or his duly authorised agent during normal business hours at that address without charge. Share certificates are not issued.

All Shares are in registered form. Transfers of Shares may be effected by contacting the ACD. The ACD does not currently accept the transfer of title to Shares on the basis of an authority communicated by electronic means. Copies of the entries on the Register relating to a Shareholder are available on request by that Shareholder without charge, or may be made available for downloading via an online portal where available.

At least once each year, the ACD will send a statement to each person who holds or has held Shares since the time of issue of the last statement. In the case of joint shareholdings, statements are sent to the first named Shareholder. The statement will describe any current holding of Shares in the Company as at the date of the statement and any transactions in Shares in the Company carried out by or on behalf of that person since the date of the last statement. Individual statements will also be issued at any time on request by the registered shareholder.

11. BUYING, SELLING AND SWITCHING SHARES

11.1 General

The Funds are intended for both retail and institutional investors. Retail investors may only invest in a Fund through authorised intermediaries such as fund platforms, nominees or a financial adviser.

The ACD's delegate, FNZ TA Services Limited, is available to deal with requests from institutional investors (or authorised intermediaries) to buy, redeem (sell) or switch Shares between 9am and 5pm on each Business Day. Such applications and instructions may be made by post or electronic means where available. The Shares are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Fund after the receipt by FNZ TA Services Limited of the investor's instructions.

Please contact FNZ TA Services Limited at investorqueries@fnztaservices.com for any enquiries related to applications and instructions to buy, redeem (sell) or switch Shares.

Subject to the ACD's internal approvals for new investors including the anti-money laundering measures detailed in Section 13:

- valid requests received prior to the 12 noon Valuation Point are dealt that day;
- if valid requests are received after the Valuation Point, they are marked at the price at the next Valuation Point; and
- valid requests are processed at the next applicable Valuation Point following receipt of the request except in the case where dealing in a Fund has been deferred or suspended as set out in Section 15 titled "Suspension of Dealing in Shares".

Share Prices are published on each Business Day on the Financial Express Fundinfo website (www.trustnet.com) and the ACD's website (www.santanderassetmanagement.co.uk), and are also available via other data vendors or by calling +44 (0)330 024 0785. Shares are not listed or dealt on any investment exchange.

Client Money

Any monies received by the ACD from a Shareholder or prospective Shareholder for the purchase of Shares, owed to a Shareholder following a redemption or switch of Shares or otherwise designated as Client Money, will be held by the ACD in accordance with the Client Money Rules with a Third Party Bank until invested in the relevant Fund(s) or paid out to the relevant Shareholder, as applicable.

In cases where a trade is settled to the Depositary before payment has been received by the ACD (see "Buying and Selling Shares" below), any monies received thereafter by the ACD from the applicant in respect of the settled trade will not be protected as Client Money, although the applicant's underlying investment will be protected as a custody asset by the Depositary.

Client Money will be deposited in one or more Sterling accounts held with Third Party Banks in the UK. There is no interest earned on Client Money bank accounts and therefore no interest will be paid to Shareholders or potential Shareholders in relation to the period money is held as Client Money.

Client Money accounts may also include sums which the ACD holds in the normal course of business for or in relation to other Shareholders, so Client Money held on behalf of an individual Shareholder or potential Shareholder is part of a common pool of money. An individual Shareholder or potential Shareholder does not have a claim against a specific Client Money account, rather the ACD's Client Money pool in general which is segregated from the ACD and the Company's own money.

If the Third Party Bank where Client Money is held becomes insolvent the ACD will have a claim on behalf of its clients against this bank. If however the Third Party Bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them. Individual Shareholders may also be entitled as individuals to claim from the Financial Services Compensation Scheme (FSCS) up to £85,000 in respect of the total cash the individual Shareholders hold directly and indirectly with the failed bank. To the extent the ACD is permitted to exclude liability under applicable law and regulation, the ACD is not responsible for losses incurred by Third Party Banks appointed by it to hold Client Money.

In holding Client Money in accordance with the Client Money Rules, the ACD has in place adequate record keeping, accounts and reconciliation procedures to safeguard Client Money, as well as procedures regarding selection, approval and monitoring of Third Party Banks used to hold Client Money.

International reporting requirements (including FATCA)

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including FATCA), the Company or its agent may collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. By subscribing for Shares, each Shareholder is agreeing to provide all necessary information upon request from the Company or its delegate for the purposes of all applicable international tax compliance provisions.

Please note that the Company may treat Shareholders as a Specified U.S. Person where the ACD acting as administrator is unable to establish that this is not the case, or redeem compulsorily their holding in accordance with Section 14 titled “Compulsory Transfer or Redemption of Shares”.

11.2 Minimum Subscriptions and Holdings

Fund	**Minimum Initial Subscription and Minimum Holding**	**Minimum Subsequent Subscription**	**Minimum Withdrawal Amount**
Santander Sterling Bond Income Portfolio	£500	£1.50	£1.50

The minimum holdings, minimum withdrawal amounts and minimum purchase amounts referred to above may be waived by the ACD in its discretion.

11.3 Buying and Selling Shares

Following a request to purchase Shares, a contract note will be sent, or made available via online portal where available, normally by the close of the next Business Day after the Valuation Point following receipt of the application. This will show the number of Shares purchased and the applicable price. Payment to satisfy a request to purchase Shares should be cleared through the ACD’s relevant bank account by the close of the fourth Business Day after the relevant Valuation Point.

As the Depositary / ACD will net settle trades to purchase Shares by close of business on the fourth Business Day following the relevant Valuation Point, the relevant trade may have been settled before the payment from the applicant is received by the ACD. At the point the trade is settled the Register will be updated and the applicant will become the legal and beneficial owner of the Shares, irrespective of whether payment has been received by the ACD.

If payment is not received from the applicant by the close of the fourth Business Day after the relevant Valuation Point the ACD reserves the right to cancel the relevant subscription of Shares and the relevant applicant will not be entitled to any interest, income or capital earned on these Shares. Shares that have not been paid for by the applicant cannot be redeemed by the applicant.

Share certificates will not be issued. A notice of the applicant's right to cancel the purchase will be sent separately within seven days of the relevant Valuation Point. Subscription monies representing less than the purchase price of a whole Share will not be returned to the applicant. Fractions of Shares will be issued in such circumstances to the nearest whole thousandth of a Share.

Instructions to redeem Shares may be made in writing, or electronic means where available (as detailed in Section 11.1). A contract note will be issued, or made available via online portal where available, giving details of the Shares sold and the price used.

Payments to satisfy a request to sell Shares should be made by direct credit and will normally be issued by the close of the fourth Business Day after the later of the relevant Valuation Point and receipt by the ACD of a written and signed renunciation request in respect of the appropriate number of Shares, or electronic means where available.

Apart from circumstances in which a Shareholder is selling his entire holding of Shares in a Fund:

(a) fractions of Shares will be credited to a Shareholder where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than one thousandth of a Share; and

(b) sale monies representing less than one thousandth of a Share will not be returned to a Shareholder, but will be retained by the Company in order to defray administration costs.

Once a request to sell Shares has been given, it cannot subsequently be withdrawn.

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a request to sell Shares if the value of the Shares in any Fund to be sold is less than the minimum stated in respect of the appropriate Class in the Fund in question (see Appendix 1 and the table at Section 11.2).

11.4 Switching between Funds

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in one Fund for Shares of a different Class in that Fund, where available, or Shares of the same or a different Class in a different Fund, provided they meet the entry requirements of the Class they wish to acquire.

Switching may be requested in writing or by electronic means where available to the ACD's delegate FNZ TA Services Limited as detailed in Section 11.1. In the case of joint Shareholders, the request must be signed by all the joint holders.

A switch involves a sale of the Shares held and a purchase of new Shares. If a requested switch would result in a Shareholder holding original or new Shares of a number or value which is less than the minimum holding in the relevant Fund(s), the ACD may, if it thinks fit, either convert the whole of the Shareholder's original holding or refuse to switch any of the original holding.

Please note that under United Kingdom tax law a switch of Shares from one Fund to another Fund is treated as a redemption of the original Shares and a purchase of new Shares and will, for persons subject to United Kingdom taxation, be a realisation of the original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances. Switching Shares of one Class within a Fund for Shares of another Class within the same Fund will not generally be a disposal for the purposes of capital gains tax.

A Shareholder who switches Shares in one Fund for Shares in any other Fund (or who switches between Classes) will not be given a right by law to withdraw from or cancel the transaction.

11.5 Dealing Charges

Initial Charge

The ACD may impose an initial charge on the purchase of Shares. The rate of the initial charge (as a percentage of the amount being subscribed) for each Class is set out in the details of each Fund in Appendix 1. In practice the initial charge may be lower than the amount stated or may be waived in the ACD's discretion.

Redemption Charge

The ACD does not currently impose a redemption charge on a cancellation or redemption of any Shares.

Switching Charge

The ACD may impose a switching charge on a switch of Shares for Shares of the same Class of another Fund only where that other Fund has a higher initial charge. The charge will be the difference between the two initial charges.

12. SHARE PRICES

12.1 Price of a Share

Shares are priced on a single mid-market pricing basis in accordance with the FCA Regulations.

The price of a Share is the Net Asset Value attributable to the relevant Class divided by the number of Shares of that Class in issue.

The Net Asset Values attributable to each Class of each Fund will normally be calculated at 12 noon UK time on each Business Day.

The ACD reserves the right to revalue a Class or Fund at any time at its discretion.

12.2 Dilution Adjustment

For the purpose of calculating the price at which Shares in a Fund are to be issued or sold, the values of investments are calculated by using mid-market prices (see Section 17 titled "Calculation of Net Asset Value"). The actual cost of buying or selling a Fund's investments maybe higher or lower than the mid-market values used in calculating the Share price, for example due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances this will have an adverse effect on the continuing Shareholders in a Fund. This effect is called "dilution".

For the purpose of reducing dilution in a Fund, the ACD may make a dilution adjustment to the price of a Share so that it is above or below that which would have resulted from a mid-market valuation of the Fund's investments. This will give a more accurate value of the actual price paid or received.

A dilution adjustment will be applied where a Fund is experiencing issues and redemptions of Shares on an aggregated basis. The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of Shares in a Fund, it is not possible to predict accurately whether dilution will occur at a future point in time or how frequently however, based on historical data, the ACD expects to make a dilution adjustment as detailed above on most occasions when Shares are issued or redeemed. A typical adjustment, based on historical data, is expected to be between 0% and 2% for the issue and redemption of Shares.

The ACD's dilution adjustment policy is as follows:

- dilution adjustments per Fund are at the discretion of the ACD and for the benefit of all Shareholders. The ACD reserves the right to disapply any dilution adjustment;
- dilution adjustments per Fund are reviewed quarterly based on actual costs to the Fund over the preceding quarter;
- where a Fund swings to bid the dilution adjustment reduces the price of Shares and where a Fund swings to offer the dilution adjustment increases the price of Shares.

The ACD's swing basis policy is as follows:

- in the event that on any one day there is net cash flow arising from the issue and / or redemption of Shares in a Fund, the ACD maintains the right to set the swing basis to match the direction of cash flow;

- in the event that on any one day there is no cash flow received for a Fund, the ACD maintains the right to apply no swing where the published Share price will be the mid-market Share price.

13. PREVENTION OF MONEY LAUNDERING

As a result of legislation in force in the United Kingdom to prevent money laundering, companies conducting investment business are responsible for compliance with money laundering regulations. In certain circumstances, investors will be asked to provide proof of identity when buying, selling or switching Shares. Normally this will not result in any delay in carrying out instructions but should the ACD request additional information; this may mean that instructions will not be carried out until the information is received. In these circumstances, the ACD may refuse to issue or sell Shares, release the proceeds of redemption or carry out such instructions.

14. COMPULSORY TRANSFER OR REDEMPTION OF SHARES

The ACD may impose the restrictions it thinks necessary to ensure that no Shares are acquired or held by any person in breach of law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. The ACD may in its sole discretion reject any application for or sale of Shares or any exchange notice given.

If the ACD becomes aware that: any Shares are owned directly or beneficially in breach of any law or governmental regulation; or the Shareholder in question is not eligible to hold such Shares or if it reasonably believes this to be the case, it may give notice requiring the transfer or repurchase of such Shares. If any person does not take those steps within 30 days, he shall then be deemed to have given a written request for the sale of all of his Shares.

A person who becomes aware that he holds or owns Shares in breach of any law or governmental regulation, or is not eligible to hold those Shares, must either: transfer all those Shares to a person qualified to own them; or give a request in writing for the sale of all such Shares, unless such person has already received a notice from the ACD to transfer the Shares or for them to be repurchased.

In addition to the provisions above, if it comes to the attention of the ACD that a person is registered as holding Shares in any of the Funds directly, rather than via a platform, a financial adviser or in a nominee name, and is therefore in breach of the restrictions set out in this Prospectus at Section 3.1, the ACD reserves the right to redeem those Shares as soon as practically possible.

15. SUSPENSION OF DEALINGS IN SHARES

Where due to exceptional circumstances it is in the interest of all Shareholders in any or all of the Funds, the ACD may with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend dealings in Shares and ensure notification of the suspension is made to Shareholders as soon as practicable after it commences, ensuring that it publishes (on its website or by other general means) sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. The ACD must inform the FCA of such suspension immediately, stating the reason for the suspension, and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as justified having regard to the interests of all relevant Shareholders.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days, and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealing in Shares. Re-calculation of Share price(s) will commence at the next relevant Valuation Point after the period of suspension has ended.

16. SHARE CLASS CONVERSIONS

The ACD may in its sole discretion effect a conversion of Shares of a particular Class into Shares of another Class within the same Fund, provided there is no detriment to any affected Shareholders, and Shareholders whose Shares are being converted have been given at least 60 days' notice.

17. CALCULATION OF NET ASSET VALUE

The Net Asset Value of the scheme property of the Company or a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

17.1 All scheme property (including receivables) of the Company or a Fund is to be included, subject to the following provisions.

17.2 Property which is not cash (or other assets dealt with in Section 17.4) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a Collective Investment Scheme:

(i) if a single price for buying and selling units or shares is quoted, at that price;

(ii) if separate buying and selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) any other transferable security:

(i) if a single price for buying and selling the security is quoted, at that price;

(ii) if separate buying and selling prices are quoted, at the average of the two prices; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

(c) property other than that described in (a) and (b) above:

at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

17.3 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

17.4 Property which is a contingent liability transaction shall be treated as follows:

(a) if a written option and the premium for writing the option has become part of the relevant scheme property, deduct the amount of the valuation of the option. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and the Depositary;

(b) if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

(c) if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, include at a valuation method agreed between the ACD and the Depositary.

17.5 In determining the value of the relevant scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

17.6 Subject to the provisions below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the relevant valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

17.7 Futures or contracts for differences which are not yet due to be performed, unexpired, and unexercised written or purchased options shall not be included under Section 17.6.

17.8 All agreements are to be included under Section 17.6 which are, or ought reasonably to have been, known to the person valuing the property.

17.9 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax value added tax, stamp or other transfer or financial transaction taxes or duties.

17.10 Deduct an estimated amount for any liabilities payable out of the relevant scheme property and any tax thereon treating periodic items as accruing from day to day.

17.11 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

17.12 Add an estimated amount for accrued claims for tax of whatever nature, which may be recoverable.

17.13 Add any other credits or amounts due to be paid into the relevant scheme property.

17.14 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

17.15 Currencies or values in currencies other than the base currency of the Company or (as the case may be) the designated currency of a Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

18. IN SPECIE REDEMPTION

If a Shareholder requests the redemption or cancellation of Shares, the ACD may, if it considers the deal substantial in relation to the total size of the Fund concerned, arrange for the Company to cancel the Shares and transfer scheme property to the Shareholder instead of paying the price of the Shares in cash,. A deal involving Shares representing 5% or more in value of a Fund will normally be considered substantial, although the ACD may in its discretion agree an in specie redemption with a Shareholder whose Shares represent less than 5% in value of the Fund concerned.

Before the transfer of scheme property, the ACD may give written notice, or notice by way of electronic means where available, to the Shareholder that scheme property will be transferred to that Shareholder.

The ACD will select the property to be transferred in consultation with the Depositary.

The ACD will ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

19. ISSUE OF SHARES IN EXCHANGE FOR IN SPECIE ASSETS

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the Company's acquiring those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders. The ACD will ensure that the beneficial interest in assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

20. U.S. PERSONS

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold in the United States of America or its territories and possessions, or offered or sold to U.S. Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940 (as amended). The ACD has not been and will not be registered under the United States Investment Advisors Act of 1940.

"**U.S. Person**" means:

(a) a resident of the United States of America;

(b) a partnership or corporation organised or incorporated under the laws of the United States of America;

(c) any estate or trust the executor, administrator or trustee of which is a U.S. Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a U.S. Person, a trustee who is not a U.S. Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;

(d) any estate or trust the income of which from sources outside the United States of America is includable in gross income for purposes of computing United States income tax payable by it;

(e) any agency or branch of a foreign entity located in the United States of America;

(f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a U.S. Person;

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a U.S. Person;

(h) any firm, corporation or other entity, regardless of citizenship, domicile, status or residence if under the income tax laws of the United States of America from time to time in effect, the ownership thereof would be attributed to one or more U.S. Persons;

(i) any partnership, corporation or other entity which is: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) owned or formed by a U.S. Person or U.S. Persons principally for the purpose of investing in securities not registered under the Securities Act (including but not limited to Shares in a Fund); or

(j) any other person or entity whose ownership of Shares or solicitation for ownership of Shares the ACD (through their officers or Directors) determines may violate any securities law of the United States of America or any state or other jurisdiction thereof.

The United States of America includes all of its territories and possessions.

21. FEES AND EXPENSES

21.1 ACD's Fees and Expenses

Initial Charge

The ACD may impose an initial charge on the purchase of Shares. The rate of the initial charge for each

Class (which is a percentage of the amount being subscribed) is set out in the details of each Fund in Appendix 1. In practice the initial charge may be lower than the amount stated or may be waived in the ACD's discretion. The ACD may only change the current initial charge in accordance with the FCA Regulations.

Redemption Charge

The ACD does not currently impose a redemption charge on a cancellation or redemption of any Shares. The ACD may only change the current redemption charge in accordance with the FCA Regulations. If such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e. those not previously subject to a redemption charge).

Annual Management Charge

The rate of annual management charge for each Class of each Fund is set out in Appendix 1. In practice this charge may be lower than the amount stated at the discretion of the ACD. The annual management charge is payable to the ACD who is responsible for paying any Sub-Investment Managers from this amount.

The annual management charge accrues daily and is payable monthly in arrears from the scheme property. The daily calculation is based on the value of the scheme property of the relevant Fund attributable to that Class valued as at 12 noon UK time on the previous day, adjusted to take account of instructions which have been received to buy or sell Shares in the relevant Fund.

The extent to which all or part of the ACD's annual management charge may be charged against the capital of a Fund instead of against the income of a Fund will only be carried out with the approval of the Depositary. This treatment of the ACD's annual management charge may increase the amount of income available for allocation to Shareholders in the Fund concerned but may constrain capital growth.

For Santander Sterling Bond Income Portfolio all of the ACD's annual management charge will be charged against capital. See Section 21.8 for further details.

The current annual management charge payable to the ACD for a Share Class may only be increased, or a new type of remuneration introduced, in accordance with the FCA Regulations

Sub-Investment Managers' Fees

The fees and expenses of any Sub-Investment Manager are paid by the ACD out of its remuneration under the ACD Agreement.

Expenses

The ACD is entitled to recover out of the scheme property of the Company all reasonable and properly evidenced out-of-pocket expenses incurred in the performance of its duties as ACD as well as any expenses incurred for the establishment and maintenance of the Register. The list set out at Section 21.5 includes the types of expenses which may be incurred by the ACD and which are recoverable from the scheme property of the Company.

Expenses accrue daily and are payable monthly or quarterly depending on the expense.

21.2 Depositary's Fees and Expenses

The Depositary receives for its own account a periodic fee. This fee accrues and is payable from the scheme property in respect of the same accrual intervals and on the same dates as the ACD's annual management charge. The Depositary's current fees and charges for each Fund are:

- if the total net assets of the Company are equal to or less than £250,000,000, 0.01%;
- in respect of net assets in excess of £250,000,000 and equal to or less than £500,000,000, 0.0075%;
- in respect of net assets in excess of £500,000,000 and equal to or less than £1,000,000,000,

0.005%;

- in respect of net assets above £1,000,000,000, 0.002%.

These rates may be varied from time to time with the agreement of the ACD in accordance with the FCA Regulations.

21.3 Transaction and Custody Charges

The Custodian is entitled to receive out of the scheme property of the Company transaction and custody charges as agreed between the Depositary and the ACD from time to time.

Transaction charges vary depending on the jurisdiction in which the particular property of the Funds is held. Transaction charges for the likely investment areas of the Funds range from £4 to £25 depending on the location and are made in respect of individual transactions and accrue at the time the transactions are effected. Custody charges vary according to geographic location and market value of holdings, and range from 0.00125% to 0.18% per annum. These charges are calculated as a percentage rate of the value of the property of each Fund under custody in the various jurisdictions, and are payable monthly in arrears.

21.4 Expenses

The Depositary is also entitled to recover out of the scheme property of the Company reasonable out of pocket expenses properly incurred by it (as well as, where agreed with the ACD, its sub-custodians and agents) in the performance of its duties and responsibilities as Depositary. The duties and responsibilities for which reimbursement to the Depositary may be made include:

(a) delivery and receipt of scheme property of the Company (including registration thereof);

(b) holding, acquiring, realising or otherwise dealing with any scheme property of the Company (including insuring any scheme property);

(c) registration and custody of scheme property of the Company and documents relating to them;

(d) exercise of voting rights attaching to scheme property of the Company;

(e) collection of income and capital;

(f) effecting banking and currency transactions and transmitting money;

(g) preparation of the Depositary's annual report and other reports to Shareholders;

(h) enquiry into the ACD's conduct;

(i) enquiry into the Company's management;

(j) obtaining advice pertinent to its role as Depositary including legal, accountancy and valuation advice;

(k) instituting and conducting legal proceedings;

(l) preparing for, convening (if necessary) and attending general meetings or Class meetings of the Company;

(m) such other duties, powers and responsibilities the Depositary is required or empowered, or may be so required or empowered from time to time, by the Depositary Agreement, the OEIC Regulations, the FCA Regulations or by other applicable law to perform or, where appropriate, the successor, re-enactment or modification of such; and

(n) any value added tax that may be payable on any of the above expenses.

21.5 Other Expenses

The Company may pay the following expenses out of the property of the Company:

(a) fees and expenses payable to the ACD and the Depositary as described above;

(b) stamp taxes and other transaction taxes, brokerage or other expenses incurred in acquiring and disposing of investments or the sale, redemption, creation or cancellation of Shares;

(c) fees in respect of publication and circulation of Net Asset Value and Share prices;

(d) fees and expenses of the Auditors as well as tax, legal and other professional advisors of the Company;

(e) brokers' bond and errors and omissions insurance taken out and maintained in relation to the Company;

(f) costs of meetings of the Company, the Funds or a Class of a Fund;

(g) costs of producing, printing and distributing reports, accounts, notices to Shareholders and the Prospectus to Shareholders;

(h) costs incurred as a result of an update of the Prospectus or amendment of the Instrument of Incorporation and any other administrative expenses;

(i) costs in relation to allocations of income and related notifications to Shareholders;

(j) interest on borrowings and charges incurred in negotiating borrowings or varying the terms of such borrowings;

(k) costs of listing Shares of any Fund;

(l) fees of the FCA under section 17 of Schedule 1 of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares of any Fund may be marketed, and any related costs incurred in relation to obtaining and / or maintaining a regulatory status in a country or territory outside the United Kingdom;

(m) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books, the Register and other documentation required to be maintained by the Company;

(n) such other expenses as the ACD resolves are properly payable out of the scheme property of the Company; and

(o) any value added tax that may be payable on any of the above expenses.

The ACD and, where relevant, the Sub-Investment Managers use internal and external research to inform their decision making. The ACD and all Sub-Investment Managers currently pay for the research they use out of their own resources.

21.6 Allocation of Fees and Expenses between Funds

Fees and expenses which are directly attributable to a particular Class of any Fund are charged to that Class.

Fees and expenses which are attributable to a particular Fund are charged to that Fund. If there is more than one Class in issue in the relevant Fund, they will normally be allocated pro rata to the value of the scheme property attributable to those Classes.

Fees and expenses which are attributable to the Company generally will normally be charged to each of the Funds (and its Classes) pro rata to the value of the scheme property attributable to that Fund (and its Classes).

The ACD has discretion to allocate these fees and expenses in a different manner which it considers fair to Shareholders as a whole.

21.7 Profits or Benefits Made from Dealings in Shares or Other Transactions

The Company, the Depositary, the Custodian, the ACD, the Auditors or any other "affected persons" are not liable to account to each other or to Shareholders for any profits or benefits made or received which derive from or in connection with dealings in the Shares or any transaction in the scheme property of the Company or the supply of services to the Company.

21.8 Allocation of Payments to Capital or Income

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the ACD's fees and expenses, and/or other fees and expenses, may be charged against capital instead of against income. This will only be done with the approval of the Depositary. This treatment of the fees and expenses will increase the amount of income available for allocation to Shareholders in the Fund concerned, but may constrain capital growth. However, if the ACD is of the opinion that that there is insufficient capital in a Fund to meet the relevant fees and expenses, such fees and expenses may be deducted from income. Where fees and expenses for a Fund are charged against income, this will reduce the amount of any income available for allocation to Shareholders in the Fund concerned, but may preserve capital growth.

Currently all payments out of scheme property, including the annual management charge, for Santander Sterling Bond Income Portfolio are taken from capital.

21.9 OCF Cap

A Fund may operate with an "OCF cap" in respect of one or more of its Share Classes. This means that the ongoing charges figure ("OCF") the Share Class is subject to is set at a fixed maximum amount. Where a Share Class has an OCF cap this will be included in Appendix 1.

Where a Share Class has an OCF cap, if the costs which are included in the OCF calculation exceed the amount of the cap then the ACD will pay any excess out of its own resources. Where the OCF calculation is equal to or below the OCF cap, the Share Class will pay this amount.

21.10 Investment in Other Collective Investment Schemes

Where a Fund invests any amount in units in another Collective Investment Scheme(s) it will be subject to the charges applicable to investing in that Collective Investment Scheme(s), including the management fees and any initial charge (on the purchase of units) and redemption charge (on the sale of units).

However, where the other Collective Investment Scheme(s) is managed or operated by the ACD (or another company in the same group of companies as the ACD), the ACD must pay to the Fund any initial or redemption charges (where these are applied) which the Fund has paid when buying or selling units, as applicable, in that other Collective Investment Scheme(s). The ACD is under no obligation to pay to the Fund the annual management fee payable to the ACD (or other group company) which the Fund had to pay when investing in that other Collective Investment Scheme(s). However, for Collective Investment Schemes managed or operated by the ACD, the ACD has rebate arrangements in place in relation to the annual management fee it charges when investment is made in that other Collective Investment Scheme(s), meaning some of that fee will be paid back to the Fund. For Collective Investment Schemes managed or operated by another group company, the ACD may have rebate arrangements in place in relation to the annual management fee that group company charges when investment is made in that other Collective Investment Scheme(s), meaning some of that fee may be paid back to the Fund. None of the Collective Investment Schemes managed or operated by the ACD have initial or redemption charges.

22. INCOME

22.1 Accounting Periods

The annual accounting period of the Company ends each year on 15 September. Details of the accounting periods and Income Allocation Dates for each Fund are set out in Appendix 1.

22.2 Income Distributions

No distributions of income will take place in respect of accumulation Shares. Income attributable to accumulation Shares is automatically transferred to (and retained as part of) the capital assets of the relevant Fund at the end of each interim and/or annual accounting period and is reflected in the Share price.

The amount attributable to each Class in any accounting period is calculated by:

- taking the aggregate of the income property received or receivable for the account of the relevant Fund for that accounting period;
- deducting the charges and expenses of the Fund paid or payable out of income property for that accounting period;
- adding the ACD's best estimate of tax relief on these expenses and charges; and
- making certain other adjustments which the ACD considers appropriate in relation to tax and other issues.

Available income is allocated between Classes based on the respective values of the property of those Classes on a daily basis. Where a negative income position exists on a Class at the Income Allocation Date a transfer is made from the capital of the Fund to the income in order to preserve full distribution for other Classes.

In respect of income Shares that may be in issue, distributions of income are made on or before the Income Allocation Date in respect of the income attributable to each Class in each accounting period.

Where income Classes are available, the relevant Income Allocation Dates for each income Class are set out in Appendix 1. Distributions of income will take place by BACS transfer.

Any cash (other than unclaimed distributions) or assets due to shareholders which are unclaimed for a period of six years (for cash) or twelve years (for assets) will cease to be Client Money or client assets and may be paid to a registered charity of the ACD’s choice. The ACD will take reasonable steps to contact Shareholders regarding unclaimed cash or assets in accordance with the requirements set out in the FCA Handbook before it makes any such payment to charity. Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

If the Client Money or client assets are equal to or below a de minimis amount set by the FCA (£25 or less for retail Shareholders and £100 or less for professional Shareholders), the steps the ACD must take to trace the relevant Shareholders before paying the money or assets to charity are less but the ACD will still make efforts to contact the relevant Shareholders.

22.3 Income Equalisation

Part of the purchase price of a Share reflects the relevant share of the accrued income of the Fund. The first allocation of income in respect of a Share issued during an accounting period includes a capital sum by way of income equalisation.

For each Class the amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares of that Class issued in an accounting period by the number of those Shares, and applying the resultant average to each of the Shares.

23. REPORTS TO SHAREHOLDERS

The annual reports of the Company are published on or before 15 January and half yearly reports by 15 May each year. Reports will not be published in respect of any other interim accounting dates.

Copies of annual and half-yearly long reports may be requested from the ACD or inspected at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom.

24. UNITED KINGDOM TAXATION

24.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of the Funds and of Shareholders who are United Kingdom resident (except where indicated) and hold Shares as investments. Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future. Prospective investors who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are recommended to take professional advice.

24.2 The Funds

Each Fund is treated as a separate entity for United Kingdom tax purposes. The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments or securities (including interest-paying securities and derivatives but excluding non-reporting offshore funds) held within them.

Dividends from companies are generally exempt from tax when received by a Fund. In some cases dividends from non-United Kingdom companies may be subject to foreign withholding tax. The Company will normally be able to recover part of any tax withheld from the foreign tax authority under the United Kingdom's double taxation agreements. Where a Fund suffers any irrecoverable foreign tax on income received then it may be able to set that foreign tax against any United Kingdom tax payable on the income, otherwise it will be a cost to the Fund.

Other (non-dividend) income received by a Fund will, after deduction of allowable management fees and other costs, as well as interest distributions where relevant, normally be subject to corporation tax at 20%.

Where a Fund invests through a United Kingdom authorised investment fund which pays dividend distributions, the Fund will generally need to treat the distribution as comprising a dividend stream reflecting the dividends received by the underlying fund which is also exempt from tax and a non-dividend stream.

A Fund which is over 60% invested in interest paying and economically equivalent investments for the whole of its distribution period can pay interest distributions.

24.3 Income

A Fund may pay either dividend distributions or interest distributions depending on the investments held by it, and these are automatically retained in the relevant Fund in the case of accumulation Shares.

Equity Funds

Where a Fund pays dividend distributions, these are paid without any deduction of tax. The first £1,000 of dividends, including dividend distributions from a Fund, paid to an individual (or, in the case of accumulation Shares, retained in a Fund and reinvested) in any tax year are tax-free (the dividend allowance). Where an individual’s total dividends from all sources paid or treated as paid to an individual are more than the dividend allowance in a tax year (falling to £500 for future tax years), then the amount over the allowance is taxable at dividend tax rates which depend on the individual’s circumstances. These rates are (in 2023/24): 0% for an individual with unused personal allowance, 8.75% for a basic rate taxpayer, 33.75% for a higher rate taxpayer or 39.35% for an additional rate taxpayer.

Corporate Shareholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing income which has been liable to corporation tax in the Fund must be treated by the corporate Shareholder as an annual payment made after deduction of income tax at the basic rate, and corporate Shareholders may be subject to tax on the grossed up amount, with the benefit of a 20% deemed income tax deduction, or be able to reclaim part or all of the deemed tax deducted (excluding any representing foreign tax) as shown on the tax voucher. The remainder (including any part representing dividends received by the Fund from a company) will be treated as dividend income and, consequently, will be exempt from corporation tax.

This will satisfy the tax liability of corporation tax payers, or they may be able to reclaim from HM Revenue & Customs part or all of the tax deemed to have been deducted as shown on the tax voucher.

Non-United Kingdom resident Shareholders will generally have no United Kingdom tax liability on dividend distributions.

Bond Funds

A Fund which is over 60% invested in interest-paying and economically equivalent investments for the whole of its distribution period can pay interest distributions. These are generally known as "bond funds" for United Kingdom tax purposes. The only Fund which is currently a bond fund is Santander Sterling Bond Income Portfolio. Funds which are bond funds pay interest distributions (instead of dividend distributions) which will be automatically retained in the relevant Fund in the case of accumulation Shares in such Funds, or distributed to Shareholders in the case of income Shares in such Funds. Any such interest distributions to Shareholders will be paid gross (that is, without any income tax being deducted and paid to HM Revenue & Customs) and Shareholders will be responsible for paying any income or other tax they are liable to on their interest distributions.

Individuals have been entitled to a personal savings allowance in each tax year (£1,000 for nil or basic rate taxpayers, £500 for higher rate taxpayers and zero for additional rate taxpayers). Where a UK individual taxpayer's interest and interest distribution have used up the applicable personal savings allowance for a tax year, then any remaining amount will be liable to basic rate income tax at 20% or higher rate income tax at 40%, as appropriate. Additional rate taxpayers will be liable to income tax at 45% on the entire amount.

If a United Kingdom corporate taxpaying investor owns Shares and, during the investor's accounting period the relevant Fund has at any time more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or in holdings in unit trusts, open-ended investment companies or other offshore funds with, broadly, more than 60% of their investments similarly invested, then the loan relationship rules will apply to the investor for its relevant accounting period. All such Shareholders subject to United Kingdom corporation tax must treat their holding in the Fund as a creditor loan relationship, including the amount of any distributions, subject to a fair value basis of accounting, and they will be liable to tax accordingly.

Non-United Kingdom resident Shareholders are also entitled to receive interest distributions without any deduction of income tax and they will not generally have any UK tax liability on the income.

24.4 Income Equalisation

The first income distribution received by a Shareholder after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the Shareholder as part of the purchase price, and is a return of capital and not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes, except when it is credited in respect of accumulation shares. Equalisation is applied on all of the Funds.

24.5 Gains

Shareholders who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Shareholder, corporation tax on gains arising from the redemption, transfer or other disposal of Shares (but not usually on switches between Classes within a Fund).

Part of any increase in value of accumulation Shares represents the accumulation of income. The net amount of income accumulated (including equalisation but after deduction of tax, where relevant) may be treated as additional acquisition costs when calculating the capital gain realised on their disposal.

Corporation taxpayers holding Shares in any Fund that is invested 60% or more in interest- paying investments or economically equivalent assets at any time in the investor's accounting period must treat their shareholding as a creditor relationship subject to a fair value basis of accounting for that period. Any chargeable gain for previous periods when the 60% limit was not exceeded is taxable only when the holding is realised.

Individual Shareholders will find further information in HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

24.6 Reporting Requirements

In order to comply with legislation implementing the United Kingdom's obligations relating to the automatic exchange of information to improve international tax compliance (including United States FATCA), the Company may collect and report information about Shareholders and their investments in the Funds including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

By subscribing for Shares in the Company, each Shareholder is agreeing to provide all necessary information upon request from the Company or its delegate.

25. CHANGE PROCESS

Changes to a Fund or the Company may be made in accordance with the method of classification below.

(a) A fundamental change is a change or event which:

- (i) changes the purpose or nature of a Fund;
- (ii) may materially prejudice a Shareholder;
- (iii) alters the risk profile of a Fund; or
- (iv) introduces any new type of payment out of relevant scheme property.

The ACD will obtain prior approval from relevant Shareholders to any fundamental change by way of an extraordinary resolution of the Shareholders of the relevant Fund.

(b) A significant change is a change or event which the ACD has determined is not a fundamental change but is a change which:

- (i) affects a Shareholder's ability to exercise his rights in relation to his investment;
- (ii) would reasonably be expected to cause a Shareholder to reconsider his participation in a Fund;
- (iii) results in any increased payments out of the scheme property of the relevant Fund to the ACD or any of its associate companies; or
- (iv) materially increases other types of payment out of scheme property of the relevant Fund.

The ACD will give Shareholders at least 60 days' notice before implementing any significant change.

(c) A notifiable change is any change or event, other than a fundamental change or a significant change unless the ACD concludes that the change or event is insignificant.

The ACD will write to Shareholders in respect of any fundamental change or significant change. Depending on the nature of the change, the ACD will inform Shareholders of notifiable events either by: sending of an immediate notification to Shareholders; publishing information about the change on its website; or including the information in the next report for the relevant Fund.

26. SHAREHOLDER MEETINGS AND VOTING RIGHTS

The ACD has chosen to dispense with the need to hold annual general meetings. Additional general meetings may be convened at any time and notice of the date, place and time of any general meeting of Shareholders will be provided to them.

The convening and conduct of Shareholder meetings and the voting rights of Shareholders at those meetings is governed by the FCA Regulations and summarised below.

A meeting of all Shareholders in the Company, any Fund or any Class may be convened. All references below to a meeting apply equally to Company, Fund and Class meetings.

26.1 Requisitions of Meetings

The ACD may convene a meeting at any time. Shareholders may require that a meeting be convened. A requisition by Shareholders must state the objects of the meeting, be dated, signed by Shareholders who, at that date, are registered as the holders of Shares representing not less than one tenth in value of all the Shares in issue and then deposited at the Company's registered office. The ACD must then convene a meeting no later than eight weeks after receipt of such requisition.

26.2 Notice and Quorum

Shareholders will receive at least 14 days' notice of a meeting (inclusive of the date of service and the date of the meeting). They are entitled to attend and vote at a meeting either persononally or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. Attending 'personally' includes attending remotely in the case of a virtual or hybrid meeting.

A general meeting may be convened as:

(a) a 'physical meeting', a general meeting convened at a physical location where Shareholders, or their proxy, must be physically present;

(b) a 'virtual meeting', a general meeting where Shareholders, or their proxy, may attend and vote remotely; or

(c) a 'hybrid meeting', a general meeting which allows Shareholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely.

Details of the format of the general meeting and any relevant instructions for attending will be provided in the meeting notice. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses (or email addresses).

26.3 Voting Rights

Every Shareholder who attends personally, or (being a corporation) by its properly authorised representative, shall have one vote on a show of hands. A Shareholder may vote in person or by proxy on a poll vote, and any Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

For some resolutions, for example to approve certain amendments to the Instrument of Incorporation, an extraordinary resolution is required. For an extraordinary resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of it.

For other resolutions, an ordinary resolution is required. For an ordinary resolution to be passed, more than 50% of the votes cast at the meeting must be in favour of it.

The rights attached to a Class may only be varied in accordance with the FCA Regulations.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if itself the registered Shareholder, would be entitled to vote and from whom the ACD or its associate has received voting instructions.

Shareholders for the purposes of attending and voting at a meeting means those on the date seven days before the notice of the relevant meeting was sent out, but excludes holders those who are known to the ACD not to be Shareholders at the time of the meeting.

Any joint Shareholders may vote provided that if more than one joint holder of a Share votes, the most senior joint Shareholder in the Register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholder.

27. WINDING UP OF THE COMPANY OR TERMINATING A FUND

27.1 The Company

The Company may not be wound up except:

- by a court as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Regulations.

To wind up the Company under the FCA Regulations, the ACD must notify the FCA of the proposal, confirming that the Company will be able to meet all its liabilities within the following 12 months.

Under the FCA Regulations the Company must be wound up or a Fund terminated:

(a) if an extraordinary resolution is passed to that effect;

(b) if the FCA agrees to a request by the ACD for revocation of the order in respect of the winding up of the Company or termination of a Fund (provided no material change in any relevant factor occurs prior to the date of the relevant revocation);

(c) on the occurrence of an event specified in the Instrument of Incorporation as triggering a winding up of the Company or termination of a Fund;

(d) when the period (if any) fixed for duration of the Company or a particular Fund by the Instrument of Incorporation expires or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example if the Net Asset Value of a Fund is less than £5,000,000 at any time more than one year after the first issue of Shares in that Fund);

(e) in the case of the Company, on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;

(f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold scheme property; or

(g) on the date when all Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- FCA Regulations relating to dealing, valuation, pricing, investment and borrowing will cease to apply to the Company or the Fund;
- the Company will cease to issue and cancel Shares in the Company or the Fund;
- the ACD will cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the Fund;
- no transfer of Shares will be registered and no change to the Register will be made without the sanction of the ACD;

- where the Company is to be wound up, it will cease to carry on its business except as is required for its beneficial winding up; and

- the corporate status and corporate powers of the Company and (subject to the provisions above) the powers of the ACD continue until the Company is dissolved.

The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate) realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund.

If the ACD has not previously notified Shareholders of the proposals to wind up the Company or to terminate the Fund, it will, as soon as practicable after the commencement of the winding up of the Company or termination of the Fund, give written notice of this commencement to Shareholders. When the ACD has caused all of the relevant property and all of the liabilities of the Company or the particular Fund to be realised, it will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or a particular Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary will notify the FCA that the winding up or termination has been completed.

Following the completion of a winding up of the Company or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the property was distributed. The Auditors will make a report in respect of the final account stating their opinions as to whether it has been properly prepared. This final account and the Auditors' report on it must be sent to the FCA and to each affected Shareholder (or the first named of joint Shareholders) within four months of the completion of the winding up or termination.

As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets and any liabilities attributable or allocated to a particular Fund shall be met out of the property attributable, or allocated to, that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Regulations, may be re-allocated by the ACD provided that such re-allocation shall be done in a manner which is fair to Shareholders generally.

28. GENERAL INFORMATION

28.1 Unclaimed Income Distributions

Any income distribution payment in respect of income Shares is paid by BACS. If payment is not claimed within six years of the date of payment, it is forfeited by the Shareholder and reverts to the capital property of the relevant Fund.

28.2 Documents of the Company

The following documents may be inspected free of charge between 9am and 5pm on every Business Day at FNZ TA Services Ltd, Level 7, 2 Redman Place, Stratford, London E20 1JQ, United Kingdom:

(a) the most recent annual and half yearly reports of the Company;

(b) the Prospectus;

(c) the Instrument of Incorporation;

(d) the ACD Agreement; and

(e) the KIID for each Class.

Shareholders may obtain copies of the above documents free of charge from the same address and documents (a), (b) and (e) are available at www.santanderassetmanagement.co.uk.

28.3 Complaints

Complaints concerning the operation or marketing of the Funds may be referred to the ACD by email to SAMUKComplaints@santanderam.com, or by post to Santander Asset Management UK: Commercial Team, 287 St. Vincent Street, Glasgow G2 5NB, United Kingdom. Complaints may also be made direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR, United Kingdom.

28.4 Compensation

A Shareholder's investments in a Fund may be covered by the Financial Services Compensation Scheme. Depending on the claimant's eligibility and the circumstances of the claim, Shareholders may be entitled to compensation from this scheme if the Company or the ACD cannot meet their obligations. Most types of investments are covered by this scheme up to £85,000. Further information regarding the conditions governing compensation and the formalities which must be completed to obtain compensation are also available from the ACD on request.

28.5 Governing Law

All deals in Shares are governed by the Laws of England and Wales.

28.6 Telephone recording

Please note that the ACD (and if any are appointed any Sub-Investment Manager(s)) will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Funds or the management of the Funds. The ACD may also record telephone calls for security, training and monitoring purposes, to confirm investors' instructions and for any other regulatory reasons. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years.

28.7 Socially Responsible Investment Policy

In accordance with Santander Group policies, Santander Sterling Bond Income Portfolio applies Environmental, Social and Governance ("ESG") and controversial weapon screens which seek to avoid holding certain companies operating in sensitive sectors. The Fund does not, however, have specific sustainable objectives or sustainability characteristics.

The Socially Responsible Investment Policy is available on the Santander Asset Management Global website at www.santanderassetmanagement.com.

29. RISK MANAGEMENT PROCESS

The ACD is required to employ a risk management process in respect of the Funds which enables it to accurately monitor and manage the global exposure from financial derivative instruments which each Fund gains. The ACD uses two different methodologies to calculate a Fund's global exposure: the "Commitment Approach" or "Value at Risk" ("VaR").

The Commitment Approach is used to calculate global exposure for Funds which use less sophisticated derivative strategies and / or are internally limited to using derivatives for efficient portfolio management purposes. It involves measuring the exposure to derivatives by calculating the equivalent position, for each derivative, to the underlying asset. Such exposure may not exceed 100% of the net value of the scheme property of the relevant Fund.

For Funds which utilise more complex derivative instruments and strategies, VaR is used to measure the global exposure of the Funds and manage the potential loss to them due to market risk. There are two types of VaR measure which can be used to monitor and manage the global exposure of a Fund, either on a comparative basis or with an appropriate benchmark: "relative VaR" or "absolute VaR" (commonly used for absolute return style funds). The ACD's selection of the VaR measure to be utilised must be justifiable based on the complexity of the relevant Fund.

The ACD must ensure that the global exposure methodology selected for a Fund is appropriate, taking into account the investment strategy pursued by the Fund, the types and complexities of the derivatives and forward transactions used by it and the proportion of its scheme property comprising derivatives and forward transactions.

The type of measure used for each Fund is set out in Appendix 1.

30. BEST EXECUTION

The ACD's order execution policy sets out the basis upon which it will effect transactions and place orders in relation to the Company. The ACD will act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. It will take all sufficient steps to obtain, when executing decisions to deal on behalf of the relevant Fund, the best possible result for each Fund taking into account factors such as price and costs. Details of this order execution policy are available on the ACD's website at www.santanderassetmanagement.co.uk

31. INDUCEMENTS

The ACD will not accept and retain any fees, commissions or monetary benefits, or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of that party. However, this does not apply to minor non-monetary benefits that are capable of enhancing the quality of the service provided to a Fund, and are of a scale and nature such that they could not be judged to impair the ACD's compliance with its duty to act honestly, fairly and professionally in the best interests of the relevant Fund.

In the event that the ACD receives any fees, commissions or monetary benefits from a third party in relation to any services provided to a Fund, the ACD will return these to the relevant Fund as soon as reasonably possible and inform Shareholders in the Fund about such fees, commissions and/or monetary benefits, as applicable.

APPENDIX 1

INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

Investment of the assets of each Fund must comply with the COLL Sourcebook and the Fund's own investment objective and policy.

Details of each Fund are set out below, including information on its investment objective and policy, available Classes, accounting reference dates, charges, minimum investment levels and Income Allocation Dates.

The risks relevant to each Fund are contained in Appendix 2. A detailed statement of the investment and borrowing restrictions applicable to each Fund is contained in Appendix 3. A list of the eligible securities and derivatives markets on which each Fund may invest is contained in Appendix 4.

GENERAL INFORMATION AND GLOSSARY OF TERMS USED IN INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

1. Benchmarks

A Fund's benchmark will be defined in one of three ways:

(i) as a "**Target Benchmark**", whereby a target for the Fund's performance has been set, or a payment out of Fund property is permitted, by reference to a comparison of one or more aspects of the Fund property or price with fluctuations in the value or price of an Index or Indices or any other similar factor;

(ii) as a "**Constraint Benchmark**", whereby, without being a Target Benchmark, arrangements are in place in relation to the Fund according to which the composition of the portfolio of the Fund is, or is implied to be, constrained by reference to the value, the price or the components of an Index or Indices or any other similar factor;

(iii) as a "**Comparator Benchmark**", whereby, without being a Target Benchmark or a Constraint Benchmark, the Fund's performance is compared against the value or price of an Index or Indices or any other similar factor.

Although a Fund's Benchmark will be defined in one of these ways, the full extent of how the Benchmark is relevant to the Fund will be explained in its investment objective and policy.

The ACD is required to produce and maintain robust written plans setting out the actions the ACD will take in the event that certain Indices used by the ACD in relation to one or more of the Funds materially changes or ceases to exist. Further information on the ACD's plans in this regard are available from the ACD on request. As at the date of this Prospectus this is applicable to all of the Funds.

An "**Index**" is a hypothetical portfolio of investments which represents a segment of the financial market.

"**Tracking Error**" is a measure of the variation at a given time between the potential realised returns of: (i) a Fund's investments, and (ii) the investments which make up an Index. In general, the lower the Tracking Error, the lower the degree of variation of the Fund's potential realised returns from those of the relevant Index. However as the Tracking Error of an equity fund is calculated relative to an equity Index, whereas that of a bond fund is calculated relative to a bond Index, and also as the expected return and volatility levels between equities and bonds is different, comparing the level of Tracking Error for an equity fund against that for a bond fund may not be meaningful.

Where a Fund is managed with reference to an Index and subject to a Tracking Error, the ACD uses a forward looking measure and assumptions to calculate the Tracking Error (this is known as "ex-ante Tracking Error"), and consequently it is not guaranteed that the realised Tracking Error (this is known as "ex-post Tracking Error" as measured using historic Fund and Index returns) for the Fund will be equal to the Tracking Error specified.

2. Collective Investment Schemes

A "**Collective Investment Scheme**" is an investment fund used for collective investment by investors. Their money is invested on a pooled basis by an investment manager in return for a fee.

An "**Actively Managed Collective Investment Scheme**" is one where the fund manager seeks to add value by using its expertise and discretion to select investments which aim to meet the fund's investment objective, whereas a "**Passively Managed Collective Investment Scheme**" is designed to track the performance of an Index or another investment.

3. Derivatives

A "**Derivative**" is a contract which derives its value / price from an underlying asset, such as shares or bonds. A Fund may employ Derivatives in one or both of two ways:

(i) for "**Efficient Portfolio Management**", which means that Derivatives may be used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk of the Fund;

(ii) for "**Investment Purposes**", which means that a Fund may also use them more widely as an investment strategy to meet its objective.

4. Hedging

A Fund may buy assets which are denominated in a foreign currency but "**Hedged to UK Pounds Sterling**". Hedging is used by a Fund to reduce the effects of exchange rate movements between UK Pounds Sterling and the value of a foreign currency in which assets are traded. Hedging may also be used in other ways for Efficient Portfolio Management.

5. Duration of Bonds

The "**Duration**" of bonds in which a Fund may invest is a mathematical calculation of the average life of a bond (or bonds in a bond fund) that serves as a measure of its price risk. Each year of duration represents an expected 1% change in the net asset value of a bond fund for every 1% immediate change in interest rates. For example, if a bond fund has an average duration of four years, its net asset value will fall about 4% when interest rates rise by 1%. Conversely, the bond fund's net asset value will rise about 4% when interest rates fall by 1%.

6. ACD Exclusions Policy

In accordance with Santander Group policies the Fund applies Environmental, Social and Governance and controversial weapon screens which seek to avoid holding certain companies operating in sensitive sectors. Further details are available in the Socially Responsible Investment Policy which is available on the Santander Asset Management Global website at www.santanderassetmanagement.com.

7. Index Disclaimers

The Funds are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively the "**LSE Group**"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE Actuaries UK Conventional Gilts All Stocks Index TR (the "**FTSE Index**") vest in the relevant LSE Group company which owns the FTSE Index. FTSE® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. The FTSE Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the FTSE Index or (b) investment in or operation of a Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from a Fund or the suitability of the FTSE Index for the purpose to which it is being put by the ACD.

Santander Sterling Bond Income Portfolio
PRN 642420

Investment Objective and Policy

Objective

The Fund's objective is to provide an income.

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.

Policy

The Fund is actively managed (by the appointed Sub-Investment Manager) and aims to achieve its objective by investing at least 95% in bonds.

The Fund invests:

- a minimum of 70% in bonds issued by companies and other non-sovereign entities; and
- a maximum of 30% in bonds issued by governments.

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.

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).

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.

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.

The Fund invests directly in bonds, and not indirectly by purchasing units in Collective Investment Schemes.

The Fund may also invest up to 5% in cash, cash like and other money market instruments.

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.

Investment Strategy and Process

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.

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.

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.

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.

In addition the investment guidelines contain:

- 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.

The primary way the Sub-Investment Manager intends to provide an annual income is by selecting bonds which will outperform the Target Benchmark.

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. Therefore, the Sub-Investment Manager may choose to reduce the Fund's sensitivity to a change in interest rates if it expects them to rise or vice versa.

When selecting company bonds, the Sub-Investment Manager's will assess a company with respect to four key factors: industry attractiveness, competitive position, management quality and financial position. This will assign the company a score which the Sub-Investment Manager will consider as part of its overall selection process when determining which bonds to invest in.

When selecting government bonds it will use a number of tools to assess the impact of key economic and socio-political factors in order to determine a forward-looking view on the medium and long-term risk that the government may be unable to meet its payment obligations on the bonds. In doing so, it will consider factors such as the government's cash flow.

The Sub-Investment Manager will also factor in the value of a bond, by assessing the interest payments the bond will make, and look for opportunities where they believe bonds have been mispriced. In addition, as the ACD aims to allocate the Fund's annual income in equal amounts through the annual accounting period (as explained in the Fund's Further Information section below) the Sub-Investment Manager may also look to invest in bonds which provide regular interest payments.

Fees and expenses are charged to capital, which may reduce (but not exclude) the potential for capital growth opportunities.

The Fund's strategy is complemented by the use of Derivatives for Efficient Portfolio Management. It is expected that Derivatives will be used regularly in circumstances such as managing risk, for example to manage currency risk by hedging to Pounds Sterling or to manage interest rate risk, or responding quickly to developments in financial markets.

The Fund overall will typically be managed with a Tracking Error (against the Target Benchmark) of up to 1.5%. The Tracking Error of the Fund's portfolio may occasionally (for instance during volatile market conditions) be higher than 1.5% provided this is consistent with the investment strategy of the Fund. The Sub-Investment Manager is also subject to some investment restrictions which reference an index in the Target Benchmark, relating to the credit rating of bond issuers, and the Duration of bonds, as part of its investment process. These are risk management measures.

The risk management measures mean that although the Sub-Investment Manager has discretion to select investments, the degree to which the Fund's portfolio is permitted to deviate from the Target Benchmark will be restricted, which will limit the extent to which the Fund might outperform the Target Benchmark and therefore the level of annual income it can achieve. The Sub-Investment Manager does not have to invest in the same assets that make up the Target Benchmark or in the same amounts, and may hold significantly fewer assets than those which make up the Target Benchmark, but some of the Fund's investments will reflect the constituents of the Target Benchmark.

Further Information

The Fund will make income distributions to Shareholders on the Income Allocation Dates listed below. Whilst Shareholders will always receive the income earned by the Fund, tax implications for a Shareholder may vary based on whether they subscribed or redeemed units in the Fund during a financial year, and on their individual tax situation.

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.

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.

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.

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.

Sub-Investment Manager	BlackRock Investment Management (UK) Limited
Classes	R Income Shares
	R Accumulation Shares
Currency of Denomination	Pounds Sterling
Minimum Initial Investment	£500
Minimum Subsequent Investment	£1.50
Minimum Withdrawal	£1.50
Minimum Holding	£500
Initial Charge	0%
ACD's Annual Management Charge	0.60%
Annual Accounting Date	15 September
Interim Accounting Dates	15 January, 15 February, 15 March, 15 April, 15 May, 15 June, 15 July, 15 August, 15 October, 15 November, 15 December

Income Allocation Dates	15th of each month
Global Exposure Measurement Used	Commitment Approach

If there are insufficient or trivial amounts of income in a Fund, the ACD reserves the right not to make a distribution.

APPENDIX 2

RISK FACTORS

The amount of risk to which Shareholders are exposing their capital will vary. There are a number of factors which affect the level of risk. Where relevant, potential investors should take the following factors into account before investing in the Company.

The value of an investment in a Fund, and any income generated from it, will be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which a Fund invests.

Past performance should not be taken as a guide to the future and there is no guarantee that any investment will make profits or that losses may not be incurred. No assurance is given that a Fund's objective will be achieved, investors should therefore ensure that they are satisfied with the risk profile of the relevant Fund.

Only risks that are considered material and that are currently known have been disclosed. Risks may arise in the future which could not have been anticipated in advance. Risk factors may apply to each Fund to varying degrees, and this exposure will also vary over time. This Prospectus will be updated as required to reflect any changes to the Risk Factors detailed in this Prospectus.

1. Summary of Fund Specific Risks

A detailed description of the risks is set out in Part 2 (General Risks) and Part 3 (Specific Risks).

General Risks are applicable to all of the Funds. The table below indicates the Specific Risks applicable to each Fund which are related to the risks specifically associated with the management of a Fund and its portfolio of assets.

Santander Managed Investments OEIC 2	
Risk Factor	**Sterling Bond Income Portfolio**
Bond Risk	✓
Capital Erosion Risk	✓
Country Risk	✓
Derivatives Risk	✓
Income Risk	✓
Leverage Risk	✓

2. General Risks

2.1 Climate Risk

Climate change is an evolving risk which may affect the value of the underlying investments of a Fund. Climate change risk includes i) transition risks which are risks associated with markets transitioning to a lower-carbon economy (including policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change) and ii) physical risks which may be acute (e.g. extreme weather events) or chronic (e.g. longer term shifts in climate patterns such as sustained higher temperatures. For the avoidance of doubt, none of the Funds are managed with reference to climate change.

2.2 Counterparty Risk

A Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund. This would include the counterparties to any derivative trade that it enters into. Trading in derivatives that have not been collateralised gives rise to direct counterparty exposure. A default by the counterparty may result in a reduction in the value of the relevant Fund. A Fund will also be exposed to the risk of insolvency of a counterparty providing services to the Fund such as safekeeping of assets, which may expose the Fund to financial losses. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The ACD maintains an active oversight of counterparty exposure for each Fund.

2.3 Custody Risk

The Depositary is responsible for the safekeeping of the scheme property of the Company. The Depositary has delegated this function to the Custodian. The Custodian does not keep all the assets of the Funds itself but uses a network of sub-custodians. Shareholders are exposed to the risk of of loss that could result from the insolvency, negligence or fraudulent action of the Depositary, Custodian or any sub-custodian to the extent that the Depositary may face difficulties ensuring the restitution of the securities to the Fund in all or in part or a timely manner. Securities of the Funds will normally be identified in the Depositary's books as belonging to the Funds and segregated from other assets which mitigates but does not exclude the risk of non-restitution in case of insolvency. The Funds may invest in markets which custodial and/or settlement systems are not fully developed and is thus exposed to additional risks.

2.4 Cyber Security Risk

The ACD and its service providers may be impacted by cyber security incidents which can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, an illegal or malicious attempt to harm or gain access to IT infrastructure for the purposes of compromising security or causing other operational disruption. Such attacks could lead to the inability to operate a service or the loss of information (including personal data).

Cyber-attacks affecting the ACD, Administrator or Depositary or other service providers, such as Intermediaries, have the ability to cause disruption and impact business operations. For example, dealing in a Fund may be impacted, or it may not be possible to calculate the NAV.

The ACD seeks to ensure that it has appropriate safeguards in place to mitigate the risk of a cyber-attack and to minimise any adverse consequences arising from the attack. However, as it is not possible to predict all types of such attack, the ACD is not able to guarantee that all risks of a cyber-attack have been assessed.

2.5 Dilution Risk

A Fund may suffer a reduction in the value of its assets due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD applies a dilution adjustment (also known as "dynamic swing pricing") to the price of a Share when bought or as a deduction when sold (see section 12.2 for further details).

2.6 Inflation and Interest Rate Risk

Over time the real value and return of an investment may be impacted by inflation and interest rates. Generally, when interest rates decline, the value of fixed income securities (such as bonds) can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline (see Bond Risk for further information on this). The performance of any investments in securities denominated in a foreign currency will also depend on the interest rate environment in the country issuing the currency. Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's investments could decline.

2.7 Liabilities of the Company and the Funds

As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets to which any liabilities attributable to that Fund shall be met. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body including the Company or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable solely to one Fund which are allocated in accordance with the FCA Regulations, may be reallocated by the ACD provided that such reallocation shall be done in a manner which is fair to Shareholders in the Company generally.

Shareholders are not however liable for the debts of the Company, nor to make any further payment to the Company after paying in full for the purchase of Shares.

2.8 Liquidity Risk

Investments made by the Funds may be subject to liquidity constraints, which means that underlying shares may trade less frequently and in small volumes, for instance smaller companies. Securities of certain types, such as bonds or structured credit products, may also be subject to periods of lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases it may not be possible to sell an underlying security at the last market price or at a value considered to be fairest.

Large Redemptions Risk

If large numbers of shares in a Fund were to be redeemed at or around the same time, the Fund may be required to sell a large portion of its investments quickly to cover these deals. This might result in a reduction in the value of the Fund and in the prices achieved for securities sold by the Fund. The value of securities within the Fund may also be affected if other collective investment schemes investing in the same types of Investments to a Fund find themselves in the same situation.

2.9 Political, legal and regulatory risk

The management and operation of a Fund is heavily prescribed by the FCA Handbook. Through a Fund's lifecycle, the requirements which a Fund, or the ACD (or its service providers), are subject to may change, and new requirements may be imposed. There is a risk that value of a Fund's investments may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, changes in regulation, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. For example, assets could be compulsorily re-acquired without adequate compensation. Where an investor is resident outside of the UK, they should note that the regulatory system relevant to UK funds may be different from that relevant to funds in their relevant jurisdiction.

2.10 Public health issues and pandemics

Epidemics, pandemics, outbreaks of disease, public health issues such as COVID-19 (or other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, and Severe Acute Respiratory Syndrome (SARS) could materially adversely affect the ACD and any third party service provider it appoints, as well as the activities, operations and investments of the Funds.

COVID-19 spread rapidly around the world since its initial emergence in December 2019 and negatively affected (and may continue to negatively affect or materially impact) the global economy and markets (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks).

Notable disruptions as a result of public health issues and pandemics may include material uncertainty in the ability to value the assets and lack of available investments. This may impact a Fund's performance and liquidity.

Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, had material adverse effects on the economies, private markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which could adversely affect the business, financial condition, operations and liquidity of the ACD, its service providers (including the Investment Manager), a Fund and/or the assets that it invests in. Should these or other major public health issues, including pandemics, arise or spread (or continue to worsen), the ACD, its service providers (including the Investment Manager) and/or a Fund could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on the ACD's, or its service providers' (including the Investment Manager's) and/or the Fund's operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

2.11 Suspension of Dealing Risk

In certain circumstances, the Shareholders' right to redeem Shares may be suspended (see Section 15 titled "Suspension of Dealings in Shares").

2.12 Value of Investment Risk

The capital value of the investor's original investment is not guaranteed. The value of investments and the income from them may go down as well as up and the investor may not get back the amount invested.

3. Specific Risks

3.1 Bond Risk

Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds. However, the capital value of a bond fund and the level of its income may fluctuate.

Bonds are a type of fixed income security. Generally, they tend to be less volatile than pure equity. However, the can be exposed to other risks. Fixed income securities carry the risk that the issuer may be unable to meet principal and interest payments on the obligation and may also be subject to price volatility, which may be due to interest rate sensitivity, market perception of the creditworthiness of the issuer or general market liquidity. It might not be possible to realise the expected market value of a fixed income security in a timely manner if that security becomes illiquid or if markets become illiquid. Fixed income securities are interest rate sensitive and their value may be reduced where interest rates increase, or may be increased where interest rates decrease. If interest rates change there is a risk that the reinvestment by a Scheme of interest payments it receives from a fixed income security will be subject to a different market rate of return compared to that at the time of purchase of the fixed income security. The performance of a Scheme investing in such securities will depend on the ability to anticipate and respond to changes in market interest rates and creditworthiness, and to utilise appropriate strategies to maximise returns, whilst attempting to reduce associated risks to capital investment.

Sub-investment grade & emerging markets bonds

Sub-investment grade fixed income and emerging market fixed income often generate a higher yield but carry an increased risk of the issuer being unable to meet principal and interest payments on the obligation, which may affect the capital value of a Scheme investing in them. Investment in higher yielding bonds with lower credit ratings may result in a greater risk of default and have a detrimental impact on income and capital value.

Asset-backed (“ABS”) and Mortgage-backed (“MBS”) Securities

MBS are a type of bond issued in the United States backed by a pool of mortgages, whereas ABS are backed by loans other than mortgages. In addition to the general risks associated with investing in bonds described above, investment in ABS or MBS carries a prepayment risk, whereby the borrowers of the underlying loans make larger than anticipated repayments, which may lead to a lower amount of interest being payable on these loans and therefore a lower interest payment being received by the ABS or MBS, and the value of the ABS or MBS reducing.

3.2 Capital Erosion Risk

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the ACD’s fees and expenses and / or other fees and expenses, may be charged against capital instead of against income and may constrain the capital growth of the Fund. This may result in capital erosion or constrain the capital growth of the Fund. See Section 21.8 of the main body of the Prospectus for further details.

3.3 Country Risk

Investing all or significant proportions of a Fund’s assets into a single country is generally considered higher risk than investing more globally as the Fund will be exposed to the fluctuations of a single market and, in most cases, a single currency. Furthermore, shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country, and bonds in a single country will be sensitive to that country’s interest rate environment. As a result, shares and bond price fluctuations may be greater.

3.4 Currency Risk

If investors choose a Fund which invests overseas, they should note that, as the Funds are denominated in Pounds Sterling and contain foreign investments, they will be affected by fluctuations in rates of currency exchange in addition to the usual stock market fluctuations.

3.5 Derivatives Risk

In accordance with the investment limits and restrictions set out in Appendix 1, each of the Funds may use derivatives for efficient portfolio management (including for hedging) to reduce risk, reduce cost, or to generate additional capital or income if consistent with the risk profile of the Fund. The use of derivatives is not intended to significantly alter the overall risk profile of the Fund.

However, the use of derivatives may expose a Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the derivative, sensitivity to price movements in the underlying asset, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when using derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and / or variation margin assets with the counterparty. For derivatives that require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

Additional risks associated with using derivatives may include a counterparty breaching its obligations to provide collateral, or operational issues such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty. There may also be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised, but each Fund will continue to observe the limits set out in Appendix 3.

The use of derivatives may also expose a Fund to legal risk, being the loss due to the unexpected application of a law or regulation or because a court declares a contract not legally enforceable.

The ACD uses a risk management process to monitor and measure as frequently as appropriate the risk of a Fund's portfolio and contribution of its underlying investments to the overall risk profile of the Fund. A collateral management policy is detailed within the ACD's risk management policy and is subject to change and regular review. This policy will define "eligible" collateral including any applicable haircuts. Collateral will generally be of high quality and liquid (eg cash and government securities), and will include any additional restrictions deemed appropriate by the ACD.

All collateral used to reduce counterparty risk will comply with the following criteria at all times:

- highly liquid and traded on a regulated market;
- valued at least daily;
- of high quality;
- not highly correlated with the performance of the counterparty;
- sufficiently diversified in terms of country, markets and issuers (in accordance with ESMA's Guidelines on ETFS and other UCITS issues – ESMA/2012/832EN);

- held by the depositary or a third party custodian subject to prudential supervision who is unrelated to the provider of the collateral; and

- capable of being fully enforced by the ACD at any time without reference or approval from the counterparty.

Permitted collateral includes (where applicable):

- cash;

- government or other public securities;

- certificates of deposit issued by relevant institutions; and

- bonds or commercial paper issued by relevant institutions.

Non-cash collateral will not be sold, re-invested or pledged. Cash collateral will only be: placed on deposit with an Approved Bank; invested in high-quality government bonds; or invested in short-term money market funds as defined in ESMA's (then CESR's) Guidelines on a Common Definition of European Money Market Funds.

The exposure to a counterparty will, at all times, meet the requirements of article 52 of the COLL Sourcebook. Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions.

Collateral received is not rehypothecated in any circumstances and is valued on a daily basis.

Options

Buying options involves less risk than selling options because if the price of the underlying asset moves against the buyer, the buyer may allow the option to expire. The maximum loss is limited to the premium paid to buy the option plus any commission or other transaction charges. However, buying a call option on a futures contract which is later exercised would lead to acquiring the futures and would generate a gain for a Fund.

The risk involved in writing options is considerably greater than buying options. A Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, that Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against it, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset that is contracted to sell (known as "covered call options") the risk is reduced along with the upside potential. If the Fund does not own the underlying asset (known as "uncovered call options") the risk can be unlimited although this risk can be considerably reduced by holding investments with exposure to the same markets as the derivatives. The ACD is currently only allowed to write covered call options, with the aim of generating additional income although surrendering the chance of greater gains in the future.

Particular risks of over-the-counter derivative transactions

In general there is less governmental regulation and supervision of transactions in the over the counter (OTC) markets than organised stock exchanges. Many of the protections afforded to transactions on organised exchanges, such as the performance guarantee of an exchange clearing house, may not exist for OTC transactions. The risk of counterparty default therefore exists. To mitigate this risk the ACD will only use preferred counterparties that it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the use of letters of credit or collateral. However, there can be no guarantee that a counterparty will not default or that a Fund will not sustain losses as a result. In addition to the above, the OTC market may be illiquid and it may not always be possible to execute a transaction quickly at an attractive price. From time to time, the counterparties with which a Fund effects transactions might cease, or be prevented, from making markets or quoting prices in certain instruments, for instance due to there being restrictions on trading in the underlying investments. In such instances, a Fund might be unable to enter into a desired transaction or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance.

In contrast to exchange traded instruments, forward, spot and option contracts on currencies, do not generally provide the ACD and / or any Sub-Investment Managers with the possibility to precisely offset the relevant Fund's obligations through an equal and opposite transaction. For this reason, when entering into forward, spot or options contracts on currencies, a Fund must always be able to perform its obligations under the contracts as it may be required to do so.

3.6 Income Risk

Certain Funds may have a target income yield although this rate of income is not guaranteed. These Funds will make income distributions to Shareholders on the Income Allocation Dates listed for each Fund in Appendix 1. During periods of market uncertainty there is an increased risk that a Fund's target yield will not be achieved due to factors such as dividends issued by companies in which the Fund invests being reduced or investment by the Fund in fixed income assets yielding less income than expected.

Whilst Shareholders in each of these Funds will always receive the income earned by the relevant Fund, tax implications for a Shareholder may vary based on whether they subscribed or redeemed units in the Fund during a financial year, and on their individual tax situation.

2.13 Investment Style and Management Risk

Shareholders in a Fund face a risk that the investment choices made by the ACD and / or any Sub-Investment Manager(s) for that Fund on their behalf deliver returns that are inferior to alternative choices. Depending on market and economic conditions and investor sentiment, specific types of instruments or investment styles may shift in and out of favour. A Fund with one investment style may outperform or underperform other Funds that employ different investment styles.

Examples of different investment styles are those that favour shares that are priced low (have a value bias) or those that favour shares that are expected to grow faster than average (have a growth bias)

Further, each Fund is subject to the risk that the ACD and / or any Sub-Investment Manager(s) appointed for that Fund may not select instruments which optimally achieve the implementation of an investment style for that Fund.

3.7 Leverage Risk

A Fund may contain leveraged positions which increase the exposure of the Fund through cash borrowing or use of derivatives. Such positions may lead to an increased risk of loss due to greater sensitivity to movements in market levels of underlying asset values. Global exposure is calculated using the commitment approach or the Value at Risk ("VaR") approach.

APPENDIX 3

INVESTMENT POWERS AND SAFEGUARDS

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in this Section and Chapter 5 of the FCA Regulations (the Collective Investment Schemes Sourcebook "COLL" 5.2 to 5.5) which are applicable to UK UCITS Schemes. These limits apply to each Fund as summarised below:

1. General rules of investment

Subject to the investment objective and policy of a Fund, the scheme property of a Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

(a) transferable securities;

(b) approved money market instruments;

(c) units in permitted Collective Investment Schemes;

(d) permitted derivatives and forward transactions; and

(e) permitted deposits.

It is not intended that any Fund will have an interest in any immovable property or tangible movable property.

2. Prudent Spread of Risk

The ACD must ensure that, taking account of the investment objective and policy of each Fund, the scheme property of that Fund aims to provide a prudent spread of risk.

3. Cover

(a) Where the COLL Sourcebook allow a transaction to be entered into or an investment to be retained only if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5 (for example, investment nil and partly paid securities and the general power to accept or underwrite), it must be assumed that the maximum possible liability of a Fund under any other of those rules has also to be provided for.

(b) Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transactions, or the retention, or other similar transactions, are covered:

 (i) it must be assumed that in applying any of those rules, a Fund must also simultaneously satisfy any other obligation relating to cover; and

 (ii) no element of cover must be used more than once.

4. Transferable Securities

(1) A transferable security is an investment which is any of the following:

 (a) a share;
 (b) a debenture;
 (c) an alternative debenture;
 (d) a government and public security;
 (e) a warrant; or

(f) a certificate representing certain securities.

(2) An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with consent of a third party.

(3) In applying (2) above, to an investment which is issued by a body corporate, and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

(4) An investment is not a transferable security unless the liability of the holder of it to contributed to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

5. Closed end funds constituting transferable securities

A unit or share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a UK UCITS scheme, provided it fulfils the criteria for transferable securities set out in COLL 5.2.7A R, and either:

(a) where the closed end fund is constituted as an investment company or a unit trust:

(1) it is subject to corporate governance mechanisms applied to companies; and

(2) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

(b) where the closed end fund is constituted under the law of contract:

(1) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

(2) it is managed by a person who is subject to national regulation for the purpose of investor protection.

6. UK UCITS – general

(1) The property of each Fund may only, except where otherwise provided in the FCA Rules consists of any or all of:

(a) transferable securities;

(b) approved money money-market instruments;

(c) permitted units in collective investment schemes;

(d) permitted derivatives and forward transactions;

(e) permitted deposits; and

(f) moveable and immovable property that is necessary for the direct pursuit of the Funds' business.

7. Investment in transferable securities

(1) A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

(a) the potential loss which a Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

(b) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Units at the request of any qualifying Unitholder under the FCA Handbook;

(c) reliable valuation is available for it as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

(ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(d) appropriate information is available for it as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

(ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

(e) it is negotiable; and

(f) its risks are adequately captured by the risk management process of the ACD.

(2) Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

(a) not to compromise the ability of the ACD to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and

(b) to be negotiable.

8. Spread

(1) This rule on spread does not apply to government and public securities.

(2) This paragraph 8 on spread does not apply to government and public securities (see below). For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2009, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

(3) Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

(4) Not more than 5% of the value of a Fund is to consist of transferable securities or approved money-market instruments issued by a single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of a Fund. Covered bonds need not be taken into account for the purposes of applying the limit of 40%. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

(5) The limit of 5% in (4) above is raised to 25% in value of a Fund in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% in value of a Fund.

(6) In applying (4) and (5), certificates representing certain securities are to be treated as equivalent to the underlying security.

(7) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of a Fund. This limit is raised to 10% where the counterparty is an approved bank.

(8) Not more than 20% in value of a Fund is to consist of transferable securities and approved money-market instruments issued by the same group (as referred to above).

(9) Not more than 20% in value of the Fund is to consist of the units of any one collective investment scheme.

(10) In applying the limits in (3), (4), (5), (6) and (7) in relation to a single body and subject to (c), not more than 20% of value in a Fund is to consist of any combination of two or more of the following:

(a) transferable securities (including covered bonds) or approved money-market instruments issued by; or

(b) deposits made with; or

(c) exposures from OTC derivatives transactions made with that body.

9. Counterparty Risk and Issuer Concentration

(1) An authorised fund manager of a UK UCITS scheme must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in COLL 5.2.11R(7) and (10).

(2) When calculating the exposure of a UK UCITS scheme to a counterparty in accordance with the limits in COLL 5.2.11R(7), the authorised fund manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

(3) An authorised fund manager may net the OTC derivative positions of a UK UCITS scheme with the same counterparty, provided:

(a) it is able legally to enforce netting agreements with the counterparty on behalf of the UCITS scheme; and

(b) the netting agreements in (a) do not apply to any other exposures the UK UCITS scheme may have with that same counterparty.

(4) An authorised fund manager of a UK UCITS scheme may reduce the exposure of the scheme property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

(5) An authorised fund manager of a UK UCITS scheme must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in COLL 5.2.11R(7) when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the UK UCITS scheme.

(6) Collateral passed in accordance with paragraph 9.5 may be taken into account on a net basis only if the authorised fund manager is able legally to enforce netting arrangements with this counterparty on behalf of the UK UCITS scheme.

(7) An authorised fund manager of a UK UCITS scheme must calculate the issuer concentration limits referred to in COLL 5.2.11R on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

(8) In relation to exposures arising from OTC derivative transactions, as referred to in COLL 5.2.11R(10), the authorised fund manager must include in the calculation any counterparty risk relating to the OTC derivative transactions.

10. Spread: Government and Public Securities

(1) The following applies to a transferable security or an approved money-market instrument ("**such securities**") issued by:

(a) the United Kingdom or an EEA State,

(b) a local authority of the United Kingdom or an EEA State,

(c) a non-EEA State, or

(d) a public international body to which the UK or one or more EEA state belong:

(2) Where no more than 35% in value of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

(3) A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- before such investment is made the Depositary is consulted with and as a result the ACD considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Fund;

- no more than 30% in value of a Fund consists of such securities of any one issue;

- a Fund includes such securities issued by that or another issuer, of at least six different issues; and

- the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.

(4) In relation to such securities: (i) issue issued and issuer include guarantee, guaranteed and guarantor; and (ii) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

(5) Notwithstanding COLL 5.2.11R(1) and subject to COLL 5.2.11R(2) and COLL 5.2.11R(3), in applying the 20% limit in COLL 5.2.11R(10) with respect to a single body, such securities issued by that body shall be taken into account.

11. Eligible Markets

(1) An eligible securities market is:

(a) a regulated market (as defined in the FCA Handbook);

(b) a market established in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

(c) any market within (2) below.

(2) If a market does not fall within (a) or (b) above, it may be eligible if the ACD, after consultation with and notification to the Depositary, decides that; or

(a) the market is appropriate for the purpose of investment of or dealing in the property of the Company;

(b) a market is included in the list in the Prospectus; and

(c) the Depositary has taken reasonable care to determine that: adequate custody arrangements can be provided for the investment dealt in or that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

(3) The market in (c) above must not be considered appropriate unless it is regulated having regard to the relevant criteria in the FCA Regulations, including that the relevant market is included in a list in the Prospectus. These markets must operate regularly and be regulated, recognised and open to the public, be adequately liquid and have adequate arrangements for the unimpeded transmission of income and capital to or for the order of investors.

(4) The eligible markets for any Fund as at the date of this Prospectus are shown in Appendix 4. Further eligible securities markets may be added in accordance with the Change Process detailed in Section 24.

In addition, any Fund may invest up to 10% of its value in transferable securities and money-market instruments which are non-approved securities, generally being unlisted securities.

12. Investment in collective investment schemes

(1) A Fund may invest up to 100% in units of collective investment schemes (each a "**Second Scheme**") provided that such investment is permitted under each of paragraphs 12.2 to 12.5 and provided that no more than 30% of the value of the Fund is invested in Second Schemes within paragraph 12.2(b) to (e).

(2) A Second Scheme must:

(a) comply with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(b) is a scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.213AR are met); or

(c) be a Non UCITS Retail Scheme ("**NURS**") (provided the requirements of COLL 5.2.13AR (1), (3), and (4) are met); or

(d) be authorised in another EEA State (provided the requirements of COLL 5.2.13AR are met); or

(e) be authorised by the competent authority of an OECD member country (other than an EEA State) which has signed the IOSCO Multilateral Memorandum of Understanding and approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of COLL 5.2.13AR are met).

(3) The Second Scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).

(4) The Second Scheme must have terms that prohibit it from having more than 10% in value of its property consisting of units or shares in collective investment schemes.

13. Investment in nil and partly paid securities

(1) A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.

14. Investment in approved money market instruments

(1) An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, it liquid and has a value which can be accurately determined.

(2) A money-market instrument will be regarded as normally dealt in on the money market if it:

(a) has the maturity at issuance of up to and including 397 days:

(b) has a residual maturity of up to and including 397 days;

(c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

(d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) or is subject to yield adjustments as set out in (c).

(3) A money-market instrument will be regarded as liquid if it can be sold at limited costs in an adequately short time frame, taking into account to obligation of the ACD to redeem shares at the request of any qualifying Shareholder.

(4) A money-market instrument will be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria are available:

(a) enabling the ACD to calculate the net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arms' length transaction; and

(b) based either on market data or on valuation models including systems based on amortised costs.

(5) A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determinate at any time unless there is information available to the ACD that would lead to a different determination.

15. Money-market instruments with a regulated issuer

(1) In addition to instruments admitted to or dealt in on an eligible market, the Company may invest in an approved money-market instrument provided it fulfils the following requirements:

(a) the issue or the issuer is regulated for the purposes of protecting investors and savings; and

(b) the instrument is issued or guaranteed in accordance with COLL 5.2.10B R.

(2) The use or the issuer of a money-market instrument, other than on dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and saving if:

(a) the instrument is an approved money-market instrument;

(b) appropriate information is available for the investment (including information which allowed an appropriate assessment of the credit risks related to the investment in it), in accordance with COLL 5.2.10C R; and

(c) the instrument is freely transferrable.

16. Issuers and guarantors of money-market instruments

(1) The Company may invest in an approved money-market instrument if it is:

(a) issued or guaranteed by any one of the following:

- a central authority of the UK or an EEA State or, if the EEA State is a federal state, or if the members making up the federation;

- a regional or local authority of the UK or an EEA State;
- the Bank of England, the European Central Bank or a central bank of an EEA State;
- the European Union or the European Investment Bank;
- a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- a public international body to which the United Kingdom or one or more EEA Sates belong; or

(2) issued by a body, any securities of which are dealt in on an eligible market; or

(3) issued or guaranteed by an establishment which is:

(a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or

(b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

(4) An establishment shall be considered to satisfy the requirements in (3) above if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- it is located in the European Economic Area;
- it is located in the OECD Country belonging to the Group of Ten;
- it has at least investment grade rating;
- on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

17. Investment in deposits

A Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

18. Derivatives

Under the COLL Sourcebook, a UCITS Scheme is permitted to use derivatives for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both.

Unless otherwise stated in Appendix 1 for a particular Fund, the ACD may only use that Fund's Scheme Property to invest in derivatives and forward currency transactions under the COLL Sourcebook for efficient portfolio management.

(1) A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is:

(a) of a kind specified in paragraph 18.3 below; and

(b) covered, as required by COLL 5.3.3AR.

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraph 8 (Spread: General) and paragraph 10 (Spread: government and public securities). Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this paragraph.

(2) A transaction in a derivative must be either in an "approved derivative" (i.e. a derivative which is traded or dealt in on an eligible derivatives market) or one which complies with paragraph 18.6, and in either case, the underlying must consist of any one or more of the following to which the Fund is dedicated:

(a) transferable securities admitted to or dealt in on an eligible market within paragraph 3.3 or 3.4or dealt in on an eligible market within paragraph 3.3(b) or recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue);

(b) approved money-market instruments admitted to or dealt in on an eligible market within paragraph 3.3 or 3.4 or dealt in on an eligible market within paragraph 3.3 (b) or approved money-market instruments not admitted to or dealt in on an eligible market which satisfy the requirements of paragraph 15;

(c) deposits permitted under paragraph 17;

(d) derivatives permitted under paragraph 18.3;

(e) collective investment scheme units permitted under paragraph 12;

(f) financial indices (which satisfy the criteria set out in COLL 5.2.20AR);

(g) interest rates;

(h) foreign exchange rates; or

(i) currencies.

(3) A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. The eligible derivatives markets for each Fund are set out in Appendix 4.

(4) A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the instrument constituting the scheme and the most recently published prospectus.

(5) A transaction in a derivative must not be effected if the intended effect is to create the potential for an uncovered sale of:

(i) transferable securities;

(ii) approved money-market instruments;

(iii) units in collective investment schemes; or

(iv) derivatives.

Any forward transaction must be made with an eligible institution or an approved bank. The ACD must ensure compliance with COLL 5.3.7R.

A Fund may not undertake transactions in derivatives on commodities.

(6) A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund may be entered into only if:

(a) that property can be held for the account of the Fund; and

(b) the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the COLL Sourcebook.

(7) No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

(a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and

(b) the property and rights at (a) are owned by the Fund at the time of the agreement.

The above requirement does not apply to a deposit or where:

(i) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

(ii) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one of the following asset classes:

(A) cash;

(B) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards; or

(C) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

For these purposes, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

(8) A transaction in an OTC derivative must be:

(a) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

(i) an eligible institution or an approved bank; or

(ii) a person whose permission (including any requirements or limitations), as published in the FCA Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

(b) on approved terms; the terms of the transaction in derivatives are approved only if the ACD,

(i) carries out, at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and

(ii) can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value.

(c) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

(i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

(ii) if the value referred to in (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

(d) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

(i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

(ii) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

(9) A Fund's global exposure relating to derivatives and forward transactions held by it may not exceed the net value of the Scheme Property. For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

(10) The Investment Adviser of a Fund must calculate its global exposure on at least a daily basis.

(11) A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R(3) (Requirement to cover sales) are satisfied.

(12) The aim of generating additional income allows the ACD to write call options on existing assets where it considers the transaction will result in the Fund deriving a benefit, even if the benefit obtained results in the surrendering of the chance of greater benefit in the future. The writing of a put option allows the ACD to generate income at the risk of having to purchase stock at a pre-determined price greater than the prevailing market price. The purchase of a call option permits the Fund to gain in the increase of a share price above a pre-determined set price at the cost of the premium paid. The purchase of a put option allows the ACD, at the expense of the premium paid, to gain from the reduction in market value of a particular stock by selling the stock at a pre-determined higher price.

(13) Use of derivatives will not be permitted to contravene any relevant investment objective of the Funds.

19. Cash and near cash

A Fund may hold cash and "near cash": at times it may be appropriate for a Fund not to be fully invested, and any Fund may hold cash or near cash where this may reasonably be regarded as necessary in order to enable:

(i) the pursuit of the Fund's investment objective;

(ii) the redemption of Shares in that Fund;

(iii) any other purpose which may reasonably be regarded as ancillary to the investment objective of the Fund.

During a Fund's initial offer period its scheme property may consist of cash and near cash without limitation.

20. Requirement to cover sales

No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

(a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

(b) the property and rights at (a) are owned by the Fund at the time of agreement.

This requirement to cover sales does not apply to a deposit.

21. Significant Influence

The Company must not acquire transferable securities issued by a body corporate carrying rights to vote (whether or not substantially all matters) at a general meeting of that body if:

(a) immediately before the acquisition, the aggregate number of such securities held by the Company gives it power to influence significantly the conduct of business of that body; or

(b) the acquisition gives the Company such power.

For the purposes of paragraph 25 the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

22.Schemes replicating an index

(1) Notwithstanding COLL 5.2.11R, the Fund may invest up to 20% in value of the Fund Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

(2) Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of Efficient Portfolio Management.

(3) The 20% limit can be raised up to 35% in value of the Fund Property, but only in respect of one body and where justified by exceptional market conditions.

(4) In the case of the Fund replicating an index the Fund Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

23. Relevant indices

(1) The indices referred to above are those which satisfy the following criteria: The composition is sufficiently diversified if;

(a) the index represents an adequate benchmark for the market to which it refers; and

(b) the index is published in an appropriate manner.

(2) The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this paragraph.

(3) An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

(4) An index is published in an appropriate manner if:

(a) it is accessible to the public; and

(b) the index provider is independent from the index-replicating UCITS scheme. This does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

24. Concentration

The Company may not hold:

(i) transferable securities issued by a company which do not carry rights to vote at a general meeting of that company and represent more than 10% of the issued share capital of that company;

(ii) more than 25% of the units of a Collective Investment Scheme;

(iii) more than 10% of the debt securities issued by a single body; or

(iv) more than 10% of the approved money market instruments issued by a single body.

The Company need not comply with the limits in (ii) to (iv) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

25. Warrants

A warrant may only be invested in by a Fund if: there is no change to the Fund's scheme property between the acquisition of the proposed warrant and its exercise; and the rights conferred by the proposed warrant and all other warrants forming part of the Fund's scheme property at the time of the acquisition of the proposed warrant will be exercised or it is reasonably foreseeable that the right conferred by the warrant could be exercised by the Fund, without contravening the investment restrictions applicable to the Fund.

Up to 5% in value of the property of any Fund may consist of warrants. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the FCA Regulations.

26. Partly Paid Shares

Transferable securities on which any sum is unpaid may only be held if it is reasonably foreseeable that the amount of any existing or potential call for any sum unpaid in relation to a Fund could be paid by the ACD on behalf of that Fund at any time when the payment is required without contravening the FCA Regulations.

27. Power to Underwrite or Accept Placings

Underwriting and sub-underwriting contracts and placings may be entered into for the account of a Fund subject to certain conditions set out in the FCA Regulations.

28. EPM

EPM involves techniques and instruments which relate to transferable securities and approved money market instruments, and which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost effective way;

(b) they are entered into for one or more of the following specific aims:

(i) reduction of risk;

(ii) reduction of cost;

(iii) generation of additional capital or income for a Fund with a risk level which is consistent with the risk profile of that Fund and the risk diversification rules laid down in COLL.

These transactions may not include speculative transactions. The types of transaction which may be effected (except in the case of stocklending transactions more particularly referred to below) include:

- forward currency transactions with permitted counterparties, which include eligible institutions and listed money market institutions;

- transactions in approved derivatives (i.e. futures, options and contracts for differences effected on or under the rules of an eligible derivatives market);

- transactions in certain off-exchange options with an Approved Counterparty on approved terms which are capable of being valued; and

- transactions in "synthetic futures".

The use of derivatives in this way is not intended to increase the risk profile of the Funds. The ACD uses a risk management process to monitor and measure, as frequently as appropriate, the risk of a Fund's portfolio and the contribution of its underlying investments to the overall risk profile of the Fund.

Eligible derivatives markets are those which the ACD has decided are appropriate for the purpose of investment of, or dealing in, the property of the Funds with regard to the relevant criteria set out in the FCA Regulations and the guidance issued by the FCA as amended from time to time. The eligible derivatives markets for any Fund as at the date of this Prospectus are set out in Appendix 4. Further eligible derivatives markets may be added to an existing list for the Funds if:

- the ACD and the Depositary agree in writing that the addition is of minimal significance to the investment strategy of the Funds and the ACD has revised this Prospectus accordingly;

- where required, the ACD has given at least 60 days' written notice of the proposed addition to the Depositary and Shareholders and has revised this Prospectus to include reference to the new market and the effective date of the revision; or

- the addition has been approved by a resolution of Shareholders in the Funds and the ACD has revised this Prospectus accordingly.

There is no limit on the amount or value of the property of the Funds which may be used for efficient portfolio management. However the FCA Regulations provide that a particular transaction must be fully and appropriately "covered" by (as and when permitted under the FCA Regulations for such a transaction) cash, near cash or other property or rights considered under the FCA Regulations to be sufficient to meet any obligation to pay or deliver that could arise.

There are various possible ways in which economically appropriate transactions are permitted. These include:

(a) closing out: the ACD may utilise the property of a Fund to enter into a transaction which closes out (i.e. off-sets) another transaction; and

(b) economic appropriateness: the ACD may enter into a transaction on behalf of a Fund which (alone or in combination with other transactions) is reasonably regarded by it as economically appropriate to the efficient portfolio management of any Fund.

The ACD must reasonably believe that:

(a) where it undertakes a transaction to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which is sensible to reduce; and

(b) where it undertakes a transaction to generate additional capital or income, the relevant Fund is certain to derive a benefit from the transaction (barring certain events which are not reasonably foreseeable).

The ACD is permitted to enter into transactions it reasonably regards as economically appropriate with a view to generating additional income or capital for a Fund with no, or an acceptably low level of, risk but only on the basis that the ACD reasonably believes that such Fund is certain (barring certain events which are not reasonably foreseeable) to derive a benefit from the transaction by:

- arbitrage - i.e. taking advantage of pricing imperfections in the markets; or

- writing options: a call option may be written, which gives a Fund an obligation to sell transferable securities if called upon to do so. If a call option is written, the Fund must hold sufficient property to which the call option relates in the Fund which may not be disposed of while the option is outstanding and which may be called on if the holder of the option decides to exercise it. A put option may be written, which gives a Fund an obligation to receive or take delivery of transferable securities if called on to do so. These may be written on property which the Fund holds or may properly hold or on an index of securities wholly related to or reasonably congruent with such property. If a put option is written it must have an expiry date within a reasonable time and must relate to property which the ACD wishes to include within the property of a Fund at the time of writing or exercise of the option.

29. Stocklending

The ACD may from time to time enter into stocklending transactions on behalf of any Fund as a method of efficient portfolio management.

There is no limit on the value of the property of any Fund which could be the subject of stocklending transactions. Stocklending transactions would be of a kind approved under section 263B of the Taxation of Chargeable Gains Act 1992, and would also have to comply with the relevant requirements of the FCA Regulations and the guidance on stocklending issued by the FCA as amended from time to time.

30. Borrowing

The ACD may borrow money for the use of any Fund (on terms that the borrowing is to be repayable out of the property of the relevant Fund) from an “eligible institution” (as defined by COLL 5.5.4R and the FCA Regulations) or an Approved Bank. Borrowings may be arranged with the Depositary, which is an eligible institution or an Approved Bank. The ACD must ensure that any such borrowings comply with the FCA Regulations.

Any borrowing on behalf of a Fund must be on a temporary basis and not exceed a term of 3 months without the prior consent of the Depositary. The Depositary’s consent may be given only on conditions which appear appropriate to it to ensure that the borrowing remains on a temporary basis.

The ACD must ensure that borrowing does not exceed 10% of the value of the property of a Fund on any Business Day.

These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes - i.e. borrowing permitted to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

In this paragraph 30 borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the scheme property in the expectation that the sum will be repaid.

31. Breaches of Investment and Borrowing Powers and Limits

Generally the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits in relation to a Fund as soon as it becomes aware of it. However:

(a) if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify a breach as soon as is reasonably practicable having regard to the interests of Shareholders, and in any event within six months or, if it is an efficient portfolio management transaction, five Business Days; and

(b) if the exercise of rights conferred by investments held for any Fund would involve a breach, the ACD may still exercise those rights if it: obtains the prior written consent of the Depositary; and takes the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interests of Shareholders and in any event within six months or, if it is an efficient portfolio management transaction, five Business Days.

32. Supplementary Information

Shareholders may, upon request to the ACD, obtain the following information which is supplementary to the Prospectus and which relates to:

(a) the quantitative limits applying to the risk management of a Fund;

(b) the methods used in relation to (a); and / or

(c) any recent development of the risk and yields of the main categories of investment of a Fund.

APPENDIX 4

ELIGIBLE SECURITIES MARKETS

The Funds may deal through the securities markets indicated below in addition to any market established in the UK or an EEA State on which transferable securities admitted to official listing in the UK or an EEA State are dealt in or traded.

		Santander Sterling Bond Income Portfolio
Australia	Australian Securities Exchange (ASX)	√
Canada	Toronto Stock Exchange	√
Canada	TSX Venture Exchange	√
Hong Kong	Hong Kong Exchanges and Clearing	√
Japan	Osaka Exchange	√
Japan	Tokyo Stock Exchange	√
Mexico	Bolsa Mexicana de Valores	√
New Zealand	New Zealand Exchange (NZX)	√
Singapore	Singapore Exchange	√
South Africa	Johannesburg Stock Exchange	√
Switzerland	SIX Swiss Exchange	√
United States	Nasdaq - ALL MARKETS	√
United States	The OTC market in US government securities conducted by primary dealers selected by the Federal Reserve Bank of New York	√
United States	United States OTC Market - Regulated by SEC / FINRA	√

ELIGIBLE DERIVATIVES MARKETS

The Funds may deal through the derivatives markets indicated below in addition to any market established in the UK or an EEA State on which derivatives are dealt in or traded.

		Santander Sterling Bond Income Portfolio
Australia	Australian Securities Exchange (ASX)	√
Canada	The Montreal Exchange	√
Japan	Osaka Exchange	√
United States	Chicago Board of Trade	√
United States	Chicago Mercantile Exchange	√
United States	Nasdaq BX Options	√
United States	Nasdaq PHLX	√

APPENDIX 5

List of Sub-Custodians

Country / Market	**Sub-Custodian**
Argentina	Citibank, Argentina Buenos Aires
Australia	Hong Kong and Shanghai Banking Corporation Limited Australia Branch Citigroup Pty Limited
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited, Manama
Bangladesh	The Hongkong and Shanghai Banking Corporation, Dhaka
Belgium	The Bank of New York Mellon SA/NV
Benin	Société Générale Côte d'Ivoire, Abidjan
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A., Brazilian Branch
Bulgaria	Citibank Europe Plc, Bulgarian Branch
Burkina Faso	Société Générale Côte d'Ivoire, Abidjan
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman islands	Please see the United States of America market
Channel Islands	Please see the United Kingdom market
Chile	Banco Santander Chile Itaú Corpbanca S.A.
China	HSBC Bank (China) Company Limited Bank of China
Colombia	Cititrust Colombia S.A. Bogota
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna Banka Zagreb d.d.
Cyprus	Citibank Europe Plc, Greece Branch
Czech Republic	Citibank Europe Plc,
Denmark	Skandinaviska Enskilda Banken AB Copenhagen Branch
Egypt	HSBC Bank Egypt S.A.E.
Estonia	Seb Pank AS
Eswatini	Standard Bank Eswatini Ltd, Mbabane
Euromarket - Clearstream	Clearstream Banking S.A
Euromarket - Euroclear	Euroclear Bank
Finland	Skandinaviska Enskilda Banken AB Helsinki Branch

France	BNP Paribas Securities Services, Paris The Bank of New York Mellon SA/NV
Germany	Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	Stanbic Bank of Ghana Limited
Greece	Citibank Europe Plc, Greece Branch
Guinea Bissau	Société Générale Côte d'Ivoire, Abidjan
Hong Kong	Citibank N.A. Hong Kong Branch Deutsche Bank AG Hong Kong and Shanghai Banking Corporation, Hong Kong
Hungary	Citibank Europe Plc, Hungarian Branch Office
Iceland	Landsbankinn hf
India	Deutsche Bank AG, Mumbai Hong Kong and Shanghai Banking Corporation, Mumbai Standard Chartered Bank, India
Indonesia	Deutsche Bank AG, Jakarta Standard Chartered Bank, Indonesia
Ireland	Euroclear Bank
Israel	Bank Hapoalim B.M.
Italy	The Bank of New York Mellon SA/NV
Ivory Coast	Société Générale Côte d'Ivoire, Abidjan
Japan	Mizuho Bank Ltd MUFG Bank, Ltd
Jordan	Bank of Jordan
Kazakhstan	Citibank Kazakhstan JSC
Kenya	Stanbic Bank Kenya Limited
Kuwait	HSBC Bank Middle East, Kuwait
Latvia	AS SEB banka The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Lithuania	SEB Bankas, Vilnius The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Luxembourg	Euroclear Bank SA/NV
Malawi	Standard Bank PLC
Malaysia	Deutsche Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mali	Société Générale Côte d'Ivoire, Abidjan

Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	The Hong Kong and Shanghai Banking Corporation, Ebene
Mexico	Citibanamex Banco S3 Mexico, S.A.,
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	The Hongkong and Shanghai Banking Corporation Limited , New Zealand Branch
Niger	Société Générale Côte d'Ivoire, Abidjan
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB Oslo Branch
Oman	Standard Chartered Bank Oman branch
Pakistan	Deutsche Bank AG, Karachi Branch
Panama	Citibank N.A., Panama Branch, Panama City
Peru	Citibank N.A., Sucursal de Lima
Philippines	Standard Chartered Bank Philippines Branch Deutsche Bank AG, Manila
Poland	Bank Pekao SA
Portugal	Citibank Europe Plc
Qatar	Qatar National Bank The Hongkong and Shanghai Banking Corporation Limited, Doha
Romania	Citibank Europe Plc, Romania Branch
Russia	AO Citibank, MOSCOW Public Joint Stock Company (PJSC) ROSBANK
Saudi Arabia	HSBC Saudi Arabia
Senegal	Société Générale Côte d'Ivoire, Abidjan
Serbia	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd., Singapore Standard Chartered Bank (Singapore) Limited
Slovak Republic	Citibank Europe Plc, pobocka zahranicnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	Standard Bank of South Africa Limited Standard Chartered Bank, Johannesburg Branch

South Korea	Deutsche Bank AG, Seoul The Hongkong and Shanghai Banking Corporation, Seoul
Spain	Banco Bilbao Vizcaya Argentaria, Madrid CACEIS Bank Spain, S.A.U.
Sri Lanka	The Hong Kong and Shanghai Banking Corporation, Colombo
Sweden	Skandinaviska Enskilda Banken Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd UBS Switzerland AG
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited
Thailand	The Hong Kong and Shanghai Banking Corporation, Bangkok
Togo	Société Générale Côte d'Ivoire, Abidjan
Tunisia	Union Internationale de Banques
Turkey	Deutsche Bank A.S. Istanbul
Uganda	Stanbic Bank Uganda Limited
Ukraine	JSC "Citibank"
United Arab Emirates	HSBC Bank Middle East Limited Dubai
United Kingdom	The Bank of New York Mellon
United States	The Bank of New York Mellon, New York
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Ltd
Zimbabwe	Stanbic Bank Zimbabwe Limited

SCHEDULE 1

The table below shows the past performance of the Funds and that of their Target or Constraint Benchmark (where relevant). The time periods reflect the dates of each individual Fund's accounting year.

Name	Class	% Growth 16/09/2019 15/09/2020	16/09/2020 15/09/2021	16/09/2021 15/09/2022	16/09/2022 15/09/2023	16/09/2023 15/09/2024
Santander Sterling Bond Income Portfolio	R Income Shares	6.29%	1.73%	-18.60%	0.56%	11.16%
	R Accumulation Shares		*1.66%*	-18.87%	0.54%	11.11%
	90% Markit iBoxx Sterling Corporates Index TR, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index TR	5.58%	0.79%	-19.37%	0.33%	11.10%

Source Lipper - NAV at noon, bid to bid, net of fees, revenue reinvested, primary share class.

Source FactSet - Benchmark returns are based on daily index valuations as at close-of-business of the relevant market and are not subject to fees.

Past performance is not a reliable indicator of future results. The value of investments and the revenue from them can go down as well as up and investors may not get back the amount originally invested.

Santander

ASSET MANAGEMENT