

Santander Max 50% Shares Portfolio

Prospectus changes following updates to Fund Documents -

effective week commencing 10 January 2022

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

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	Current	Updated
Investment Objective	<p>The Fund's objective is to provide a combination of capital growth and income over a 5+ year time horizon.</p> <p>The Fund will aim to outperform (after the deduction of fees) the following composite Target Benchmark over a rolling 3 year time period: 18% FTSE All Share Index, 7.5% FT World Europe Ex UK Index, 4% FT World Japan Index, 5.5% FT World USA Index, 2% FT All World Asia Pacific Ex Japan Index, 15.75% FTSE Actuaries UK Conventional Gilts All Stocks Index, 42.25% Markit iBoxx Sterling Non Gilts Index, 5% ICE GBP LIBOR 1 Month.</p> <p>If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.</p>	<p>The Fund's objective is to provide capital growth (to grow the value of your investment) with the potential for income over a 5+ year time horizon.</p> <p>The Fund will also aim to outperform (after the deduction of fees) the following composite Target Benchmark measured over a rolling 3 year time period: 42.25% Markit iBoxx Sterling Non-Gilts Index TR, 18% MSCI UK Index TR, 15.75% ICE BofA UK Gilts All Stocks Index TR, 7.5% MSCI Europe Ex UK Index TR, 5.5% MSCI USA Index TR, 5% Sterling Overnight Index Average (SONIA), 4% MSCI Japan Index TR and 2% MSCI AC Asia Pacific Ex Japan Index TR.</p> <p>It is expected that average outperformance for the Fund will typically not be greater than 0.45% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.</p>
Investment Policy	<p>The Fund aims to achieve its objective by investing globally in a wide range of bonds issued by companies and governments and shares issued by listed companies. The Fund's exposure to global shares will never exceed 50%.</p> <p>To obtain exposure to these assets, the Fund will invest indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the ACD or other companies within the Santander Group. The Fund may also invest directly.</p> <p>The ACD has the discretion to manage the Fund according to its investment views and opportunities identified as market and economic conditions change. It will select investments that it believes will best achieve the Fund's objective. An assessment will be completed on all investment opportunities</p>	<p>The Fund is actively managed by the appointed Sub-Investment Manager and aims to achieve the investment objectives by obtaining exposure to the constituents included in the Indices which make up the Target Benchmark.</p> <p>The Fund invests its assets directly, or indirectly through Derivatives or Collective Investment Schemes in the following:</p> <ul style="list-style-type: none"> between 40% and 80% in bonds. The Fund can obtain exposure to investment grade bonds denominated in Pounds Sterling issued by companies, supranationals and other non-sovereign entities as well as bonds issued by the UK Government; between 20% and 50% in shares in companies which are, at the time of purchase, listed. These comprise direct investment in shares or equity related securities (i.e. other investments whose value is related to shares); and up to 10% in cash. <p>As exposure to bonds and shares can be obtained indirectly through Derivatives (if in the interest of realising the Fund's</p>

	<p>before any investment decisions are made.</p> <p>The Fund has the flexibility to invest in other assets globally, such as cash, near cash and other money market instruments, real estate and commodities.</p> <p>The Fund is managed to stay within a Lower Medium Risk category in accordance with Santander UK's Risk Categorisation Process.</p> <p>The Fund may use Derivatives for Efficient Portfolio Management.</p> <p>The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.</p>	<p>objectives more efficiently), investment in ancillary assets such as cash, cash like and/or money market instruments could be up to 100%, dependent on market conditions and investment views (see Investment Strategy and Process below).</p> <p>As a result of the Fund's potential investment in bonds and money market instruments the Fund may have more than 35% invested in these assets issued by the UK Government.</p> <p>The Fund may invest globally (including up to 15% in non-developed markets).</p> <p>Up to 10% of the Fund can be invested indirectly, and for a sustained period, by purchasing units of Passively Managed Collective Investment Schemes managed by other companies (not the ACD or other companies within the Santander Group).</p> <p>The Fund will use Derivatives (including Derivatives which track the performance of an Index such as index futures) for Efficient Portfolio Management (including hedging), where Derivatives are used to either reduce risk, reduce cost, or to generate additional capital or income without materially affecting the risk profile of the Fund.</p> <p>Investment Strategy and Process</p> <p>The ACD has appointed one Sub-Investment Manager, based on their expertise, to manage the entire Fund and will put in place the investment guidelines which the Sub-Investment Manager must follow. In these investment guidelines the ACD will set the Sub-Investment Manager a target to outperform the Target Benchmark. Although this is calculated on a different basis to the Fund's outperformance target (i.e. before the deduction of the Fund's fees (other than transaction costs)), it is aligned with the investment objectives of the Fund overall. In addition, the investment guidelines agreed with the Sub-Investment Manager include risk management measures which will reference the Target Benchmark (described below).</p> <p>The ACD has in place an internal analysis and due diligence process to monitor the Sub-Investment Manager's management of the Fund, and it can change the Sub-Investment Manager at its discretion if it believes that this is in the best interests of Shareholders in the Fund.</p> <p>The Sub-Investment Manager actively manages the Fund which means it exercises its discretion when making its investment decisions. In aiming to achieve the Fund's investment objectives the Sub-Investment Manager uses an internal systematic, rules-based investment process to inform the exposure it will seek in each type of asset (represented by each Index in the Target Benchmark). The Sub-Investment Manager decides whether to implement its investment decision based on the output of the systematic, rules-based investment process.</p> <p>It is expected that the average outperformance for the Fund will typically not be greater than 0.45% per annum (after the deduction of fees) in excess of the Target Benchmark measured over a rolling 3 year period, although no level of outperformance is guaranteed.</p> <p>The Sub-Investment Manager's investment process seeks exposure only to constituents included in the Indices which make up the composite Target Benchmark. It will attempt to achieve the investment objectives with similar volatility (how much the returns of the Fund's investments fluctuate around</p>
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	<p>their average return) and lower drawdown (the amount of the decline in value of the Fund's investments from their previous highest value) when compared to the Target Benchmark, but this is not guaranteed.</p> <p>The Sub-Investment Manager's systematic, rules-based investment process does not consider individual assets or sectors, but instead informs the exposure the Fund will seek in each type of asset (represented by each Index in the Target Benchmark) by using the following strategies:</p> <p>(1) the "Risk Parity Strategy", the main goal of which is to generate less volatile returns (but not by a set amount) than the Target Benchmark for the Fund over a 5+ year time horizon. This strategy involves selecting shares and bonds such that each type of asset (represented by Indices in the Target Benchmark) contributes an equal amount of volatility. This strategy will be applied to 55% of the Fund. The Risk Parity Strategy employed by the Sub-Investment Manager does not use borrowing or leverage; and</p> <p>(2) the "Momentum Strategy", which is the principal way in which the Sub-Investment Manager aims to outperform the Target Benchmark. This strategy seeks exposure to those shares and bonds (represented by Indices in the Target Benchmark) whose returns have been more favourable when measured over specific time periods, compared to other Indices in the Target Benchmark. In addition, the strategy takes into consideration the consistency and stability of returns over time and favours those types of shares and bonds with higher and more stable returns. The strategy does not take account of why the return has been more favourable. This strategy will be applied to 45% of the Fund.</p> <p>Cash can also be held in either of the above strategies.</p> <p>The systematic investment process will inform the exposure to each type of asset (represented by each Index in the Target Benchmark), and decide how to most efficiently implement the proposed investment decision(s) for review and process by the Sub-Investment Manager (an "Active Investment Decision").</p> <p>Whilst in efficiently implementing its Active Investment Decision the Sub-Investment Manager will only obtain exposure to constituents included in the Indices in the Target Benchmark, it is not constrained by the amount allocated to each Index in the composite Target Benchmark (for example, more than 7.5% of the Fund could be exposed to the MSCI World Europe Ex UK Index TR even though this makes up 7.5% of the Target Benchmark). Neither is the Fund required to always have exposure to each Index within the Target Benchmark. This freedom allows the Sub-Investment Manager to seek to outperform the returns of the Target Benchmark and therefore generate capital growth with the potential for income for the Fund.</p> <p>In implementing its Active Investment Decision, the Sub-Investment Manager will seek to efficiently replicate the performance of the relevant Indices. As part of the overall investment process consideration will be given to the key characteristics that drive the performance of each Index and replication will be via investment in significantly fewer constituents than the total number of constituents of each Index and in different weights.</p>
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<p>Further Information</p>	<p>The Target Benchmark for the Fund has been selected as it contains a broad mix of different asset classes and countries / regions which are broadly in line with the investment objective of the Fund. Note that the ACD does not employ risk limits in managing the Fund that are related to the Target Benchmark.</p> <p>The Indices which together make up the composite Target Benchmark are provided by FTSE International Limited, IHS Markit Benchmark Administration Limited and ICE Benchmark Administration Limited respectively. As at the date of this Prospectus, these index providers are on the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority.</p>	<p>The Indices which together make up the Target Benchmark have been selected as they include the types of assets the Fund will invest in.</p> <p>The Indices are provided by IHS Markit Benchmark Administration Limited, MSCI Limited, ICE Benchmark Administration Limited and the Bank of England respectively. As at the date of this Prospectus, IHS Markit Benchmark Administration Limited, MSCI Limited and ICE Benchmark Administration Limited are on the public register of administrators and benchmarks established and maintained by the FCA (this register does not apply to the Bank of England).</p> <p>In respect of the Fund's objective to outperform the Target Benchmark after the deduction of fees, the term "fees" includes all fees, costs, charges, expenses and liabilities which are deducted from the value of the Fund's property for the purpose of calculating its NAV.</p> <p>If the ACD considers that the Fund's Target Benchmark should be amended as a result of changes to, or evolution of, external market conditions and provided there is no material change to the risk profile of the Fund, it may implement this change after providing Shareholders with reasonable notice in advance.</p>

	<p>Variable remuneration of individual fund managers for the Fund is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment may be made by comparing Fund performance relative to the Target Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.</p>	<p>Please see the Risk Factor section of the Prospectus for details of the specific risks associated with the systematic, rules-based investment process.</p> <p>The Fund has a Risk Category of Lower Medium in accordance with Santander UK plc's Risk Categorisation Process. The General Information and Glossary of Terms at the start of this Appendix 1 explains what this means.</p> <p>The Fund operates with an OCF cap, which means that the ACD will aim to keep the cost of investing in it, excluding transaction costs, below a predetermined level. There may be circumstances where this cap is exceeded due to external factors such as an increase in the fees associated with the Fund's investment in Collective Investment Schemes, in which case the ACD will aim to bring fees back below it as soon as reasonably possible and fund any excess OCF costs over the OCF Cap.</p> <p>Variable remuneration of those individuals employed by the ACD who are responsible for the selection and ongoing oversight of the Sub-Investment Manager, is determined by assessing a number of different factors. Insofar as these relate to the investment performance of the Fund, any assessment may be made by comparing Fund performance relative to the Target Benchmark.</p> <p>BlackRock Advisors (UK) Limited (the "Transition Manager") will act as transition manager for the Fund from 10 January 2022. Pursuant to the Transition Management Agreement, the Transition Manager will effect a realignment of the Fund's portfolio in line with direction from the Sub-Investment Manager (the "Portfolio Transition"), which will be completed as soon as reasonably practical but no later than four weeks from the Transition Manager's appointment. Upon completion of the Portfolio Transition, the Transition Manager will play no further role in the management of the Fund, and the Sub-Investment Manager will manage the whole of the Fund.</p>
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