

PROSPECTUS OF SANTANDER AUTHORISED UNIT TRUSTS

This document constitutes the Prospectus of:

Santander UK Growth Unit Trust (PRN: 171205);

Santander Equity Income Unit Trust (PRN: 108032);

Santander N&P UK Growth Unit Trust (PRN: 108023);

Santander Max 70% Shares Unit Trust (PRN: 188262); and

Santander Investment Income Unit Trust (PRN: 188264),

each a UK authorised unit trust (the “Schemes”).

30 March 2020

This Prospectus is dated and valid as at 30 March 2020.

This document constitutes the Prospectus for each of the Schemes and has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority as part of its Handbook of Rules and Guidance (the "**FCA Regulations**").

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

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

This 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. None of the Schemes are bound by any out of date prospectus and potential investors should check that they have the most recently published prospectus.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 Manager of each Scheme, is responsible for the information contained in this Prospectus and accepts such responsibility accordingly. The Manager 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 FCA Regulations to be included in it. No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units 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 Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of any Scheme have not changed since the date hereof.

The Trustee 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 Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Manager 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 Units are not listed on any investment exchange. Prospective Unitholders 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 Units.

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 Manager may need to disclose the name, address, taxpayer identification number and investment information relating to certain Unitholders 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 Units, each prospective Unitholder is agreeing to provide information upon request to the Manager or its delegate. If a Unitholder does not provide the necessary information, the Manager may be required to report it to HM Revenue & Customs.

The provisions of the relevant Trust Deed(s) are binding on all Unitholders (who are taken to have notice of them) and a copy of such is available on request from the Manager.

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

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DEFINITIONS

“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” is a counterparty which is an Eligible Institution or an Approved Bank, or a person whose permission, as published in the FCA Register or relevant Home State authorisation, permits it to enter into a derivatives transaction as principal off-exchange.

“Auditors” means PricewaterhouseCoopers LLP, or such other company as may be appointed auditors to a Scheme from time to time.

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

“Class” means a particular class of Unit related to a single Scheme.

“Client Money” means money which the Manager holds or receives on behalf of a Unitholder or potential Unitholder which is held separately from the Manager or each Scheme’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.

“COLL Sourcebook” means the Collective Investment Schemes Sourcebook (or, as appropriate, a chapter or rule thereof) which forms part of the FCA Handbook, as amended, restated or replaced from time to time.

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

“EEA State” means a member state of the European Union and any other state that is within the European Economic Area.

“Eligible Institution” has the meaning ascribed to it in the FCA Regulations.

“FCA” means the Financial Conduct Authority.

“FCA Regulations” means the Financial Conduct Authority’s Handbook of Rules and Guidance.

“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.

“Manager” means Santander Asset Management UK Limited, the manager of each Scheme.

“Net Asset Value” or **“NAV”** means the value of the scheme property of a Scheme less the liabilities of that Scheme as calculated in accordance with its Trust Deed.

“PRN” means product reference number which can be found on the FCA’s Financial Services Register.

“Register” means the register of Unitholders in the Schemes.

“Scheme” means an authorised unit trust scheme managed by the Manager which is set out in Appendix 1 to this Prospectus;

“Section” means a numbered section of the main body of this Prospectus.

“Sub-Investment Manager” means a sub-investment manager appointed by the Manager to manage the whole or an allocated portion of a Scheme.

“Third Party Bank” means a Client Money banking provider external to the Manager.

“Trustee” means NatWest Trustee and Depositary Services Limited, or such other company as may be appointed trustee of the Schemes from time to time.

“Trust Deed” means the trust deed of a Scheme, as amended by any supplemental deed.

“UCITS V Directive” means Directive 2014/91/EU.

“Units” means units in the capital of a Scheme, which relate to a particular Class.

“Unitholder” means a holder of Units.

“Valuation Point” means 12noon 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 SCHEMES

Each Scheme is an authorised unit trust scheme and a UCITS scheme under the FCA Regulations. The assets of a Scheme belong exclusively to that Scheme 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 any other Scheme and shall not be available for any such purpose.

Each Scheme may have more than one Class allocated to it. Where a new Scheme or Class is established, an updated prospectus will be prepared as soon as reasonably practicable setting out the relevant information concerning the new Scheme or Class.

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

The Schemes in which Units are currently available are:

- Santander UK Growth Unit Trust;
- Santander Equity Income Unit Trust;
- Santander N&P UK Growth Unit Trust;
- Santander Max 70% Shares Unit Trust; and
- Santander Investment Income Unit Trust.

Details of each Scheme, including its investment objective and policy, are set out in Appendix 1. Investment of the assets of each Scheme must comply with the relevant provisions of the FCA Regulations and the investment objective and policy of the relevant Scheme.

Each Scheme is charged with the liabilities, expenses, costs and charges attributable to that Scheme, and within a Scheme charges are allocated between Classes in accordance with the terms of issue of those Classes. Unitholders are not liable for the debts of any Scheme.

Please note that Santander N&P UK Growth Unit Trust and Santander Investment Income Unit Trust are no longer available for investment and are in the process of being terminated.

1.1 Investment Objectives and Policies of the Schemes

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

1.2 Investment Powers and Safeguards

The assets of each Scheme will be invested with the aim of achieving the investment objective and policy of that Scheme as set out at Appendix 1. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA Regulations, the Trust Deeds and this Prospectus.

A summary of the investment powers and safeguards applicable to each Scheme is set out in Appendix 2.

Each Scheme is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Scheme may harm performance by disrupting portfolio management strategies and by increasing costs. The Manager may at its discretion refuse to accept applications for or switching of Units, 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 Scheme(s). For these purposes the Manager may consider an investor's trading history in the Schemes or other funds managed by the Manager and accounts under common ownership or control.

1.3 ISA Qualification

It is intended that the Schemes will be invested in a manner which aims to ensure that Units in each Scheme will constitute qualifying investments for the stocks and shares component of an individual savings account (ISA) in terms of the Individual Savings Account Rules 1998 (as amended) (the "ISA Rules").

1.4 Investor Profile

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

The Schemes may be appropriate for investors seeking income and capital growth, and who are looking to invest for a minimum period of five years. The Schemes are not suitable as a short-term investment as they are likely to demonstrate short-term volatility. Investors must be prepared to accept the risk of capital loss that comes with an investment in a Scheme.

2. UNITS

2.1 Classes within the Schemes

Scheme	Unit Classes
Santander UK Growth Unit Trust	R Income Units R Accumulation Units
Santander Equity Income Unit Trust	R Income Units R Accumulation Units
Santander N&P UK Growth Unit Trust	R Income Units
Santander Max 70% Shares Unit Trust	R Income Units R Accumulation Units
Santander Investment Income Unit Trust	R Income Units R Accumulation Units

Income attributable to accumulation Units is automatically added to the capital assets of the relevant Scheme at the end of each monthly, quarterly interim and annual accounting period (depending on the distribution frequency of the relevant Scheme) and is reflected in the relevant Unit price. Income attributable to income Units will be paid on the distribution dates as 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 Scheme will be adjusted accordingly.

Further Classes may be established from time to time by the Manager with the agreement of the Trustee, and where relevant the approval of the FCA, and in accordance with the relevant Trust Deed(s). On the introduction of any new Scheme or Class, a revised prospectus will be prepared setting out the details of such new Scheme or Class.

3. MANAGEMENT AND ADMINISTRATION

3.1 Manager

The Manager of the Schemes 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 Manager is Banco Santander S.A., which is incorporated in Spain.

3.2 Registered Office

The registered office of the Manager is at 287 St. Vincent Street, Glasgow G2 5NB, United Kingdom. This is also the address in the United Kingdom for service on the Manager of notices or other documents required or authorised to be served on it (but not the address used for dealing, please see Section 10 titled "Buying, Selling and Switching Units").

3.3 Issued Share Capital

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

3.4 Regulatory Authority

The Manager 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.

3.5 Terms of Appointment of the Manager

The appointment of the Manager as manager of the Schemes was made pursuant to the Trust Deeds.

The Manager is responsible for managing and administering the Schemes' affairs in compliance with the FCA Regulations. Under the terms of the Trust Deeds, it provides investment management services in respect of the Schemes. The Manager also provides administrative, accounting and secretarial and registrar services to the Schemes. The Manager may delegate these functions as well as its fund accounting and pricing functions. No separate registrar fees are payable to the Manager for its services to the Schemes.

The Manager has delegated certain aspects of the following administration functions to FNZ TA Services Limited:

- (i) customer enquiries;
- (ii) tax returns;
- (iii) maintenance of the Register;
- (iv) distribution of income;
- (v) issues and redemptions of Units;
- (vi) contract settlements, including certificate dispatch; and
- (vii) record keeping.

The Manager has also delegated certain aspects of the following administration functions to Santander Asset Management, S.A, SGIIC:

- (i) Scheme valuation and pricing; and
- (ii) contract settlements.

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

All delegations by the Manager of management functions will be in compliance with the requirements

of the Manager's Conflicts of Interest Policy.

The Manager 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 Scheme. If more than one sub-investment manager is appointed to a Scheme, the Manager shall allocate the assets of the Scheme between the sub-investment managers in such proportions as it shall, at its discretion, determine. The Manager will monitor the performance of the sub-investment manager(s) for each Scheme in order to assess the need, if any, to make changes / replacements. Unitholders will be notified of any such change in the next annual / interim report or other periodic documentation sent to them.

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

3.6 Remuneration Policy of the Manager

Under the UCITS V Directive, the Manager must establish and apply remuneration policies and practices that are consistent with and promote sound and effective risk management. Details of the Manager's remuneration policy are available on the Manager's website at www.santanderassetmanagement.co.uk. Paper copies of the Manager's remuneration policy are also available free of charge from Level 5, 67 Lombard Street, London EC3V 9LJ, United Kingdom by calling 0800 328 1328.

3.7 Other Schemes Managed / Operated by the Manager

The Manager currently also acts as authorised corporate director of the following regulated collective investment schemes:

- Santander Multi-Manager OEIC;
- Santander Managed OEIC;
- Santander Managed Investments OEIC;
- Santander Managed Investments OEIC 2;
- Santander Managed Investments OEIC 3; and
- Santander Premium Fund.

3.8 Directors of the Manager

The Directors of the Manager are:

- Mehdi Kadhim;
- Huw Price;
- Robert Lewis Noach (Non-Executive Director);
- Jack Treunen (Non-Executive Director);
- Jocelyn Dehnert (Non-Executive Director); and
- Lazaro de Lazaro Torres (Non-Executive Director).

Robert Lewis Noach is also a director of INCA Property Enterprises Limited, Land Investment & Development Company Limited, Southbeck Investment Company Limited, Cliq Limited and Your 3 Minutes Limited.

Jack Treunen is also a director of Santander Asset Management UK Holdings Limited, AFB SAM Holdings S.L., Santander Asset Management S.A. SGIIC, Santander Pensiones S.A. EGFP, SAM Brasil Participacoes S.A. and Allfunds Bank, S.A.

Jocelyn Dehnert is also a director of Lamarck Limited and Board Strategy Limited.

Lazaro de Lazaro Torres is also a director of Santander Asset Management S.A. SGIIC, Santander Pensiones S.A. EGFP and Santander Towarzystwo Funduszy Inwestycyjnych S.A.

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

4. THE TRUSTEE

The Trustee of the Schemes is NatWest Trustee and Depositary Services Limited, incorporated in England and Wales as a private limited company. The appointment of the Trustee as trustee of the Schemes was made pursuant to the Trust Deeds and the Trustee is a bank authorised by the regulator to act as a depositary of a Trust. Under the terms of the Trust Deeds and subject to the FCA Regulations, the Trustee is responsible for the safekeeping of the property of the Schemes entrusted to it and has a duty to take reasonable care to ensure that the Schemes are managed in accordance with the provisions of the FCA Regulations relating to the pricing of, and dealing in, Units and to the allocation of the income of the Schemes.

4.1 Registered and Head Office

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

4.2 Ultimate Holding Company

The ultimate holding company of the Trustee is Royal Bank of Scotland Group Plc, which is incorporated in Scotland.

4.3 Principal Business Activity

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

4.4 Regulatory Organisation and Terms of Appointment of the Trustee

The appointment of the Trustee was made pursuant to the Trust Deeds and an agreement dated 29 October 2018 between the Manager and the Trustee (the “**Depositary Agreement**”).

The Trustee is authorised and regulated by the Financial Conduct Authority. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by the regulator.

The Trustee is responsible for the safekeeping of all of the scheme property of the Schemes. The Trustee has retained the services of the Bank of New York Mellon London Branch, as Custodian, to assist in the safekeeping of the property of the Schemes. The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Schemes may invest. A list of sub-custodians is at Appendix 4. 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 Manager.

The Trustee has a duty to take reasonable care to ensure that the Schemes are managed in accordance with the Trust Deeds and the FCA Regulations relating to pricing of, and dealing in, units and income of the Schemes.

The Trustee operates independently from the Schemes, Unitholders, the Manager and its associated suppliers and the Custodian. As such, the Trustee does not anticipate any conflicts of interest with any

of the aforementioned parties. In addition, the Trustee may act as trustee / depositary of other 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 appointment by the Trustee of the Custodian.

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

The Trustee was appointed as trustee of the Schemes pursuant to the Trust Deeds and its powers, duties, rights and obligations in relation to such are also governed by a depositary agreement dated 15 March 2016 between the Manager and the Trustee (the "Depositary Agreement"). Under the Depositary Agreement, the Trustee and the Manager are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Trustee and the Manager under the Trust Deeds and the Depositary Agreement shall to the extent of any conflict be overridden by the FCA Regulations.

Under the Depositary Agreement, the Trustee will be liable for any loss of financial instruments held in custody or for any liabilities incurred as a result of the Trustee's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Trustee 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.

It also provides that the Trustee will be entitled to an indemnity from the property of the relevant Scheme(s) for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 90 days' notice by the Manager or the Trustee or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new trustee of the Schemes.

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

5. INVESTMENT MANAGER AND SUB-INVESTMENT MANAGERS

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

The fees payable to the Manager as investment manager are included in the fees payable by each Scheme to the Manager and are not an obligation of the Schemes.

Sub-Investment Managers

The Manager 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 Scheme. Sub-Investment Managers may be members of the same group of companies as the Manager or third party companies. If more than one Sub-Investment Manager is appointed to a Scheme, the Manager shall allocate the assets of the Scheme between the Sub-Investment Managers in such proportions as it shall, at its discretion, determine. The Manager will monitor the performance of the Sub-Investment Manager(s) for each Scheme in order to assess the need, if any, to make changes / replacements. Unitholders will be notified of any such change appropriately. The Manager has appointed the following

Sub-Investment Managers.

Sub-Investment Manager

Registered office

State Street Global Advisors Limited

20 Churchill Place, Canary Wharf, London E14 5HJ

BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue, London EC2N 2DL

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 Scheme can be found in Appendix I.

Terms of appointment

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

Schemes	Sub-Investment Manager	Terms of appointment
Santander Investment Income Unit Trust, Santander Max 70% Shares Unit Trust	BlackRock Investment Management (UK) Limited (authorised and regulated by the FCA)	Date of agreement: 23 November 2018 The Sub-Investment Management Agreement may be terminated by either the Manager 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.
Santander Max 70% Shares Unit Trust	State Street Global Advisors Limited (authorised and regulated by the FCA)	Date of Agreement: 17 May 2006 (as amended) The Sub-Investment Management Agreement may be terminated by either the Manager or State Street Global Advisors Limited on 90 days' 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 of the other party. The Sub-Investment Management Agreement will terminate automatically in the event of State Street Global Advisors Limited's insolvency.

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

6. ADMINISTRATOR AND REGISTRAR

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

As set out in Section 3.5, the Manager currently delegates the provision of registrar and other administration functions to FNZ TA Services Limited and Santander Asset Management, S.A, SGIIC.

7. AUDITORS

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

8. GENERAL

The Manager and the Trustee 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 Schemes.

The Manager and the Trustee may retain the services of the other or third parties to assist them in fulfilling their respective roles. The only exceptions are that the Trustee may not delegate oversight, custody or control of scheme property to the Manager or any associate of the Manager; 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 Trustee's consent.

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

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

Certain transactions between a Scheme and the Manager, or an associate of the Manager, may be voidable at the instigation of a Scheme in certain circumstances.

The Manager and other companies within the Santander Asset Management group may from time to time act as managers to other funds or sub-funds which follow similar investment objectives to those of the Schemes. It is therefore possible that the Manager may in the course of its business have potential conflicts of interest with the Schemes or a particular Scheme or between the Schemes and the other funds managed by the Manager. The Manager 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 Manager Agreement and in particular to its obligation to act in the best interests of the Schemes and the Unitholders 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 Manager will ensure that the Schemes and the Unitholders and any other collective investment schemes it manages are fairly treated. The Manager maintains a written conflicts of interest policy.

The Manager 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 Schemes and Unitholders will be prevented. Should such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose these to Unitholders in an appropriate format. Details of the Manager's conflicts of interest policy are available on request from the Manager.

9. REGISTER OF UNITHOLDERS

Ownership of Units is evidenced by an entry on the Register, which is maintained at Level 5, 67 Lombard Street, London EC3V 9LJ, United Kingdom. The Register may be inspected by any Unitholder or his duly authorised agent during normal business hours at that address without charge.

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

an online portal where available.

At least once each year, the Manager will send a statement to each person who holds or has held Units since the time of issue of the last statement. In the case of joint holdings, statements are sent to the first named Unitholder. The statement will describe any current holding of Units as at the date of the statement and any transactions in Units 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 a registered Unitholder.

10. BUYING, SELLING AND SWITCHING UNITS

10.1 General

The Schemes are intended for both retail and institutional investors. The Manager is available to deal with requests to sell, redeem or switch Units between 9am and 5pm on each Business Day.

Applications to buy, sell or switch Units may be made by post or electronic means where available. The Units are bought, sold or switched at a forward price, being the price determined at the next valuation of the property of the relevant Scheme after the receipt by the Manager of the investor's instructions. Requests received prior to the 12noon Valuation Point are dealt that day. If requests are received after the Valuation Point, they are marked at the price at the next Valuation Point. Valid instructions to purchase or sell Units are processed at the next applicable Valuation Point following receipt of the request except in the case where dealing in a Scheme has been deferred or suspended as set out in Section 14 titled "Suspension of Dealing in Units".

Unit prices are published on each Business Day on the Financial Express website, and are also available via other data vendors or by calling +44 (0)800 328 1328. Units are not listed or dealt on any investment exchange.

Client Money

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

In cases where a trade is settled to the Trustee before payment has been received by the Manager (see "Buying and Selling Shares" below), any monies received thereafter by the Manager 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 Trustee.

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 Unitholders or potential Unitholders in relation to the period money is held as Client Money.

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

If the Third Party Bank where Client Money is held becomes insolvent the Manager 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 Unitholders 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 Unitholders hold directly and indirectly with the failed bank. To the extent the Manager is permitted to exclude liability under applicable law and regulation, the Manager 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 Manager 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 Manager or its agent may collect and report information about Unitholders for this purpose, including information to verify their identity and tax status.

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

Please note that the Manager may treat Unitholders as a Specified U.S. Person where the Manager acting as administrator is unable to establish that this is not the case, or redeem compulsorily their holding in accordance with Section 13 titled "Compulsory Transfer or Redemption of Units".

10.2 Minimum Subscriptions and Holdings

The minimum value of Units in any one of the Schemes in which any one person may invest is £500 in respect of a first transaction and £250 in respect of any subsequent transaction.

Redemption requests may be for a value of £250 or more, although a Unitholder will not be entitled to realise part only of his holding of Units without the approval of the Manager and the Trustee, if by doing so his holding would be reduced to less than the minimum permitted holding (currently £500).

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

10.3 Buying and Selling Units

Following a request to purchase Units, 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 Units purchased and the applicable price. Payment to satisfy a request to purchase Units should be cleared through the Manager's relevant bank account by the close of the fourth Business Day after the relevant Valuation Point.

As the Trustee / Manager will net settle trades to purchase Units 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 Manager. At the point the trade is settled the Register will be updated and the applicant will become the legal and beneficial owner of the Units, irrespective of whether payment has been received by the Manager.

If payment is not received from the applicant by the close of the fourth Business Day after the relevant Valuation Point the Manager reserves the right to cancel the relevant subscription of Units and the relevant applicant will not be entitled to any interest, income or capital earned on these Units. Units 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 Unit will not be returned to the applicant. Fractions of Units will be issued in such circumstances to the nearest whole thousandth of a Unit.

Instructions to redeem Units may be made in writing, or electronic means where available. A contract note will be issued, or made available via online portal where available, giving details of the Units sold

and the price used.

Payments to satisfy a request to sell Units 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 Manager of a written and signed renunciation request in respect of the appropriate number of Units, or electronic means where available.

Apart from circumstances in which a Unitholder is selling his entire holding of Units in a Scheme:

- (a) fractions of Units will be credited to a Unitholder where any part of the redemption monies for Units represents less than the redemption price for one Unit, provided however that fractions shall not be less than one thousandth of a Unit; and
- (b) sale monies representing less than one thousandth of a Unit will not be returned to a Unitholder, but will be retained by the Manager in order to defray administration costs.

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

Part of a Unitholder's holding may be sold but the Manager reserves the right to refuse a request to sell Units if the value of the Units in any Scheme to be sold is less than the minimum stated in respect of the appropriate Class in the Scheme in question (see Appendix 1 and the details above).

10.4 Switching between Schemes and into other Santander Funds

Unitholders are entitled (subject to certain restrictions) to switch all or part of their Units in one Scheme for Units of a different Class in that Scheme or Units of the same or a different Class in a different Scheme or another UK domiciled fund for which the Manager acts as Authorised Corporate Director (a "**Santander UK Fund**"), provided they meet the entry requirements of the Class and (where relevant) the Santander UK Fund they wish to acquire.

Switching may be requested in writing to the Manager (see address in Section 10.3) or by electronic means where available. In the case of joint Unitholders, the request must be signed by all the joint holders.

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

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

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

10.5 Dealing Charges

Initial Charge

The Manager may impose an initial charge on the purchase of Units. 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 Scheme in Appendix 1. In practice the initial charge may be lower than the amount stated or may be waived in the Manager's discretion.

Redemption Charge

The Manager does not currently impose a redemption charge on a cancellation or redemption of any Units.

Switching Charge

The Manager may impose a switching charge on a switch of Units for Units of the same Class of another Scheme or Santander UK Fund only where that other Scheme or Santander UK Fund has a higher initial charge. The charge will be the difference between the two initial charges.

11. UNIT PRICES

11.1 Price of a Unit

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

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

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

The Manager reserves the right to revalue a Class or Scheme at any time at its discretion.

11.2 Dilution Adjustment

For the purpose of calculating the price at which Units in a Scheme are to be issued or sold, the values of investments are calculated by using mid-market prices (see Section 16 titled "Calculation of Net Asset Value"). The actual cost of buying or selling a Scheme's investments may be higher or lower than the mid-market values used in calculating the Unit 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 Unitholders in a Scheme. This effect is called "dilution".

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

A dilution adjustment may be applied where a Scheme is experiencing large levels or trends of issues and sales relative to its size, or in any other circumstances where the Manager is of the opinion that the interests of Unitholders require the imposition of a dilution adjustment.

The dilution adjustment is calculated by reference to the costs of dealing in the underlying investments of the relevant Scheme, including any dealing spreads, commissions and transfer taxes.

As dilution is directly related to the issues and sales of Units in a Scheme, 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 Manager expects to make a dilution adjustment on most occasions when Units 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 Units.

The Manager's dilution adjustment policy is as follows:

- dilution adjustments per Scheme are at the discretion of the Manager and for the benefit of all Unitholders. The Manager reserves the right to disapply any dilution adjustment;
- dilution adjustments per Scheme are reviewed quarterly based on actual costs to the Scheme over the preceding quarter;
- the swing basis per Scheme is reviewed quarterly based on the size and direction of daily cash

flows over the preceding quarter;

- where a Scheme swings to bid the dilution adjustment reduces the price of Units and where a Scheme swings to offer the dilution adjustment increases the price of Units.

The Manager's swing basis policy is as follows:

- in the event that on any one day there is cashflow, the Manager 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, the Manager maintains the right to set the swing basis to match the direction of most recent cash flow;
- on all other days, the swing basis will normally match the long-term trend identified in the quarterly review, for example if a Scheme receives more outflows than inflows long-term trend will be bid, if a Scheme receives more inflows than outflows long-term trend will be offer.

12. 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 Units. Normally this will not result in any delay in carrying out instructions but should the Manager request additional information; this may mean that instructions will not be carried out until the information is received. In these circumstances, the Manager may refuse to issue or sell Units, release the proceeds of redemption or carry out such instructions. Any information collected will be for anti-money laundering purposes only.

13. COMPULSORY TRANSFER OR REDEMPTION OF UNITS

The Manager may impose the restrictions it thinks necessary to ensure that no Units 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 Manager may in its sole discretion reject any application for purchase or sale of Units or any exchange notice given.

If the Manager becomes aware that: any Units are owned directly or beneficially in breach of any law or governmental regulation; or the Unitholder in question is not eligible to hold such Units or if it reasonably believes this to be the case, it may give notice requiring the transfer or repurchase of such Units. 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 Units.

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

In addition to the provisions above, if it comes to the attention of the Manager that a person is registered as holding Units in any of the Schemes directly, rather than via a platform or in a nominee name, and is therefore in breach of the restrictions set out in this Prospectus at Section 2.1, the Manager reserves the right to redeem those Units as soon as practically possible.

14. SUSPENSION OF DEALINGS IN UNITS

The Manager may, with the prior agreement of the Trustee, or shall, if the Trustee so requires, at any time for a period not exceeding 28 days suspend redemption of Units in a Scheme if it, or the Trustee in the case of any requirement by the Trustee, is of the opinion that there is good and sufficient reason to do so having regard to the interests of all participants in that Scheme. If the redemption of Units in a Scheme is suspended, the obligations relating to the issue, cancellation, sale and redemption of Units and the valuation of Units will cease to apply in respect of the Scheme concerned.

The Manager must inform the FCA of such suspension immediately, stating the reason for the suspension. The calculation of the Unit price in the relevant Scheme will commence at 12noon UK time on each Business Day after the suspension has been lifted.

15. UNIT CLASS CONVERSIONS

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

16. CALCULATION OF NET ASSET VALUE

The Net Asset Value of the scheme property of a Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

16.1 All scheme property (including receivables) of the Scheme is to be included, subject to the following provisions.

16.2 Property which is not cash (or other assets dealt with in Section 16.4) 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 Manager, 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 Manager, 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 Manager, 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 Manager, is fair and reasonable;
- (c) property other than that described in (a) and (b) above:

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

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

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

- (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 Manager and the Trustee.

16.5 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.

16.6 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 Manager, their omission will not materially affect the final net asset amount.

16.7 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 16.6.

16.8 All agreements are to be included under Section 16.6 which are, or ought reasonably to have been, known to the person valuing the property.

16.9 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.

16.10 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.

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

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

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

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

16.15 Currencies or values in currencies other than the designated currency of a Scheme 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 Unitholders or potential Unitholders.

17. IN SPECIE REDEMPTION

If a Unitholder requests the redemption or cancellation of Units, the Manager may, if it considers the deal substantial in relation to the total size of the Scheme concerned, cancel the Units and transfer scheme property to the Unitholder instead of paying the price of the Units in cash, or, if required by the Unitholder, pay the net proceeds of sale of the relevant scheme property to the Unitholder. A deal involving Units representing 5% or more in value of a Scheme will normally be considered substantial, although the Manager may in its discretion agree an in specie redemption with a Unitholder whose Units represent less than 5% in value of the Scheme concerned.

Before the proceeds of cancellation of the Units become payable, the Manager may give written notice, or notice by way of electronic means where available, to the Unitholder that scheme property (or the proceeds of sale of that scheme property) will be transferred to that Unitholder.

The Manager will select the property to be transferred (or sold) in consultation with the Trustee.

The Manager will ensure that the selection is made with a view to achieving no greater advantage or

disadvantage to the redeeming Unitholder than to continuing Unitholders in the relevant Scheme.

18. ISSUE OF UNITS IN EXCHANGE FOR IN SPECIE ASSETS

The Manager may issue Units in exchange for assets other than money, but will only do so where the Trustee is satisfied that the relevant Scheme acquiring those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders in that Scheme. The Manager will ensure that the beneficial interest in assets is transferred to the Scheme with effect from the issue of the Units.

The Manager will not issue Units in any Scheme in exchange for assets the holding of which would be inconsistent with the investment objective of that Scheme.

19. U.S. PERSONS

The Units 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 Schemes have not been and will not be registered under the United States Investment Company Act of 1940 (as amended). The Manager 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 Units in a Scheme); or
- (j) any other person or entity whose ownership of Units or solicitation for ownership of Units the

Manager (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.

20. RISK FACTORS

The amount of risk to which Unitholders 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 a Scheme.

20.1 Fluctuations in Value

With any stock market investment, 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.

20.2 Overseas Investments / Currency Exchange

If investors choose a Scheme which invests overseas, they should note that, as the Schemes 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.

20.3 Emerging Markets

Investors considering an investment in a Scheme covering emerging markets should be aware that these can be more volatile than funds covering established markets. For example, the systems and standards of dealing, settlement and custody of shares in these markets may not be as high as those in more developed markets and may therefore result in failed or delayed settlement of transactions.

Units listed on smaller stock markets also tend to be less marketable than in more developed stock markets resulting in greater price fluctuation. Although care is taken to understand and manage such risks, ultimately the relevant Scheme's Unitholders bear the risks of investing in such markets.

20.4 Equities

Funds investing in the shares of companies (equity funds) tend to be more volatile than bond funds, but also offer greater potential for growth. The value of the underlying investments made by Schemes which are equity funds may fluctuate, sometimes quite dramatically, in response to the activities and results of individual companies, as well as in connection with general market and economic conditions.

20.5 Smaller Capitalisation Companies

Securities of smaller capitalisation companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in smaller capitalisation companies may involve higher risk than investment in larger companies. The securities of smaller companies may trade less frequently and be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group, and full development of them takes time. These factors may result in above-average fluctuations in the price of a Scheme which invests in smaller companies.

20.6 Bonds

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.

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. 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 bonds

Sub-investment grade bonds 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.

20.7 Suspension of Dealing

In certain circumstances, the Unitholders' right to redeem Units may be suspended (see Section 14 titled "Suspension of Dealings in Units").

20.8 Allocation of Payments to Capital or Income

Currently all payments out of scheme property, including the annual management charge, are taken from income rather than capital, with the exception of Santander Equity Income Unit Trust, where the annual management charge is taken from the capital of the Scheme and all other charges are taken from income.

Where the investment objective of a Scheme is to treat the generation of income and capital growth as having equal priority all or part of the annual management charge may be charged against capital instead of income. This will only be done with the approval of the Trustee. This treatment of the annual management charge will increase the amount of income available for allocation to Unitholders in the Scheme concerned, but may constrain capital growth.

20.9 Derivatives

In accordance with the investment limits and restrictions set out in Appendix 1, each of the Schemes may use derivative strategies for the purposes of efficient portfolio management in order to reduce risk and / or costs and / or generate additional income or capital for each of the Schemes (as further described in Appendix 3). Derivatives may also be used to hedge and manage risk in relation to the Schemes.

The use of derivatives may expose a Scheme to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Scheme trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Scheme 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 Scheme 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 Scheme 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 Scheme 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 Scheme'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 Scheme 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 Scheme's credit exposure to its counterparty under a derivative contract is not fully collateralised, but each Scheme will continue to observe the limits set out in Appendix 2.

The use of derivatives may also expose a Scheme 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 Manager uses a risk management process to monitor and measure as frequently as appropriate the risk of a Scheme's portfolio and contribution of its underlying investments to the overall risk profile of the Scheme. A collateral management policy is detailed within the Manager'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 Manager.

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 Manager 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 entities that meet the requirements of article 50(f) of the UCITS Directive (2009/65/EC); 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 UCITS Directive. 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 Scheme.

The risk involved in writing options is considerably greater than buying options. A Scheme 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 Scheme 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 Scheme 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 Scheme 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 Manager 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 Manager 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 Scheme 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 Scheme 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 Scheme 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 offer the Manager and / or any Sub-Investment Manager the possibility of precisely offsetting the relevant Scheme's obligations through an equal and opposite transaction. For this reason, when entering into forward, spot or options contracts on currencies, a Scheme must always be able to perform its obligations under the contracts as it may be required to do so.

20.10 Counterparty Risk

A Scheme 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 Scheme. 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 Scheme. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Manager maintains an active oversight of counterparty exposure for each Scheme.

20.11 Liquidity Risk

Investments made by the Schemes 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.

20.12 Leverage

A Scheme may contain leveraged positions which increase the exposure of the Scheme 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. The leverage of a Scheme is the ratio between the exposure of the Scheme and its Net Asset Value. Exposure is calculated using the gross method and commitment method, as defined in articles 7 and 8 respectively of the Directive 2011/61/EU. Limits on the total amount of leverage permitted in each Scheme are set out in Appendix 1.

20.13 Past Performance

Past performance does not necessarily indicate future performance. It can only serve as a guide and can in no way provide a guarantee of returns that investors will receive in the future. Please refer to the table in Schedule 1 for details of each Scheme's past performance.

20.14 Brexit

On 23 June 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union, commonly referred to as "Brexit". As a result of the referendum, it is expected that the British government will begin negotiating the terms of the United Kingdom's future relationship with the European Union. Although it is unknown what those terms will be, it is possible regulatory complexities that may impact the Schemes and the markets in which they invest may be increased. The Manager continues to monitor developments and will take the appropriate action if, when and where required including further disclosure of risks as they materialise.

SPECIFIC RISKS REGARDING THE SCHEMES' INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

20.15 Market Price Risk

Where a Scheme invests principally in regulated collective investment schemes, the value of securities is not fixed and may go down as well as up. This may be the result of specific factors affecting the value of individual securities within the collectives or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Manager seeks to minimise these risks for each Scheme by holding a diversified portfolio of investments spread across various market sectors, which includes rules limiting the size of investment in any particular investment collective in line with the FCA Regulations.

20.16 Liquidity Risk

The Manager seeks to minimise liquidity concerns related to collective investment schemes in which a Scheme invests by ensuring that all collectives held are approved by the Manager. This approval process ensures that the collective is invested in readily realisable securities, and limits holdings in collectives with lower levels of liquidity to ensure adequate liquidity within the relevant Scheme.

21. FEES AND EXPENSES

21.1 Manager's Fees and Expenses

For all Schemes except Santander Equity Income Unit Trust, the Manager's fee and expenses will be charged against income instead of against capital once they have been approved by the Trustee. This will reduce the amount of income available for allocation to Unitholders in the Scheme concerned, but may enhance capital growth. For Santander Equity Income Unit Trust, the Manager's fee will be charged against capital and all other expenses against income.

Initial Charge

The Manager may impose an initial charge on the purchase of Units. 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 Scheme in Appendix 1. In practice the initial charge may be lower than the amount stated or may be waived in the Manager's discretion. The Manager may only change the current initial charge in accordance with the FCA Regulations.

Redemption Charge

The Trust Deeds contain a power enabling the Manager to make a charge on redemption of Units in a Scheme, but the Manager does not currently impose a redemption charge on a cancellation or redemption of any Units. The Manager may only change the current redemption charge in accordance with the FCA Regulations. If such a charge was introduced, it would not apply to Units 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 Scheme is set out in Appendix 1. In practice this charge may be lower than the amount stated at the discretion of the Manager. The annual management charge is payable to the Manager who is responsible for paying any Sub-Investment Managers from this amount.

The annual management charge accrues daily and is payable monthly in arrears. The daily calculation is based on the value of the scheme property of the relevant Scheme attributable to that Class valued as at 12noon UK time each day.

The current annual management charge payable to the Manager for a 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 Manager out of its remuneration through the annual management charge.

Expenses

The Manager is entitled to recover out of the scheme property of each Scheme all reasonable and properly evidenced out-of-pocket expenses incurred in the performance of its duties as Manager 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 Manager and which are recoverable from the scheme property of each Scheme.

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

21.2 Trustee's Fees and Expenses

The Trustee receives for its own account a periodic fee which accrues and is payable in respect of the same accrual intervals and on the same dates as the Manager's annual management charge. The Trustee's current fees and charges for each Scheme are:

- if the total net assets of the Schemes 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 Manager in accordance with the FCA Regulations.

21.3 Transaction and Custody Charges

The Custodian is entitled to receive out of the scheme property of each Scheme transaction and custody charges as agreed between the Trustee and the Manager from time to time.

Transaction charges vary depending on the jurisdiction in which the particular property of the relevant Scheme is held. Transaction charges for the likely investment areas of the Schemes 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 Scheme under custody in the various jurisdictions, and are payable monthly in arrears.

21.4 Expenses

The Trustee is also entitled to recover out of the scheme property of each Scheme reasonable out of pocket expenses properly incurred by it (as well as, where agreed with the Manager, its sub-custodians and agents) in the performance of its duties and responsibilities as Trustee. The duties and responsibilities for which reimbursement to the Trustee may be made include (but shall not be limited to):

- (a) delivery and receipt of scheme property of a Scheme (including registration thereof);
- (b) holding, acquiring, realising or otherwise dealing with any scheme property of a Scheme (including insuring any scheme property);
- (c) registration and custody of scheme property of a Scheme and documents relating to them;
- (d) exercise of voting rights attaching to scheme property of a Scheme;
- (e) collection of income and capital;
- (f) effecting banking and currency transactions and transmitting money;
- (g) preparation of the Trustee's annual report and other reports to Unitholders;
- (h) enquiry into the Manager's conduct;
- (i) obtaining advice pertinent to its role as Trustee including legal, accountancy and valuation advice;
- (j) instituting and conducting legal proceedings;
- (k) preparing for, convening (if necessary) and attending general meetings or Class meetings of a Scheme;
- (l) such other duties, powers and responsibilities the Trustee is required or empowered, or may be so required or empowered from time to time, by the Trust Deeds, the FCA Regulations or by other applicable law to perform or, where appropriate, the successor, re-enactment or modification of such; and
- (m) any value added tax that may be payable on any of the above expenses.

21.5 Other Expenses

The Manager may pay the following expenses out of the property of each Scheme:

- (a) fees and expenses payable to the Manager and the Trustee 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 Units;
- (c) fees in respect of publication and circulation of Net Asset Value and Unit prices;
- (d) fees and expenses of the Auditors as well as tax, legal and other professional advisors of the Scheme;
- (e) brokers' bond and errors and omissions insurance taken out and maintained in relation to the Scheme;
- (f) costs of annual general meetings and any other meetings of a Scheme or a Class of a Scheme;
- (g) costs of producing, printing and distributing reports, accounts, notices and the Prospectus to Unitholders;
- (h) costs incurred as a result of an update of the Prospectus or amendment of a Trust Deed and any other administrative expenses;
- (i) costs in relation to allocations of income and related notifications to Unitholders;
- (j) interest on borrowings and charges incurred in negotiating borrowings or varying the terms of such borrowings;
- (k) costs of listing Units of a Scheme;
- (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 Units of a Scheme 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 Manager;
- (n) such other expenses as the Manager resolves are properly payable out of the scheme property of a Scheme; and
- (o) any value added tax that may be payable on any of the above expenses.

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

21.6 Allocation of Fees and Expenses between Schemes

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

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

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

The Manager, the Trustee, the Custodian, the Auditors or any other "affected persons" are not liable to account to each other or to Unitholders for any profits or benefits made or received which derive from or in connection with dealings in the Units or any transaction in the scheme property of a Scheme or the supply of services to a Scheme.

22. INCOME

22.1 Accounting Periods

Details of the accounting periods and income distribution dates for each Scheme are set out in Appendix 1.

22.2 Income Distributions

No distributions of income will take place in respect of accumulation Units. Income attributable to accumulation Units is automatically transferred to (and retained as part of) the capital assets of the relevant Scheme.

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 Scheme for that accounting period;
- deducting the charges and expenses of the Scheme paid or payable out of income property for that accounting period;
- adding the Manager's best estimate of tax relief on these expenses and charges; and
- making certain other adjustments which the Manager considers appropriate in relation to tax and other issues.

Income available for allocation 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 Scheme to the income in order to preserve full distribution for other Classes.

In respect of income Units that may be in issue, allocations of income are made in respect of the income attributable to each Class in each accounting period.

The relevant distribution 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 Unitholders 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 Manager's choice. The Manager will take reasonable steps to contact Unitholders 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 Unitholders 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 Unitholders and £100 or less for professional Unitholders), the steps the Manager must take to trace the relevant Unitholders before paying the money or assets to charity are less but the Manager will still make efforts to contact the relevant Unitholders.

22.3 Income Equalisation

Part of the purchase price of a Unit reflects the relevant share of the accrued income of a Scheme. The first allocation of income in respect of a Unit 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 Units of that Class issued in an accounting period by the number of those Units, and applying the resultant average to each of the Units.

23. REPORTS TO UNITHOLDERS

The annual reports and half-yearly reports of the Schemes will be published each year no later than the dates shown in Appendix 1. Unitholders will receive annual and half-yearly short reports which may also be made available electronically to Unitholders.

Copies of annual and half-yearly long reports may be requested from the Manager or inspected at 67 Lombard Street, London EC3V 9LJ, United Kingdom. Short form versions of these reports may also be made available electronically to Unitholders.

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 Schemes and of Unitholders who are United Kingdom resident (except where indicated) and hold Units 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 Schemes

Each Scheme is treated as a separate entity for United Kingdom tax purposes. The Schemes 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 Scheme. In some cases dividends from non-United Kingdom companies may be subject to foreign withholding tax. The Manager 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 Scheme 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 Scheme.

Other (non-dividend) income received by a Scheme 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%.

24.3 Income

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

Equity Funds

Where a Scheme pays dividend distributions, these are paid without any deduction of tax. Since 6 April 2016, the first £5,000 of dividends, including dividend distributions from a Scheme, paid to an individual (or, in the case of accumulation Units, retained in a Scheme 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, then the amount over the allowance is taxable at dividend tax rates which depend on the individual's circumstances. These rates are (in 2016/17): 0% for an individual with unused personal allowance, 7.5% for a basic rate taxpayer, 32.5% for a higher rate taxpayer or 38.1% for an additional rate taxpayer.

Corporate Unitholders 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 Scheme must be treated by the corporate Unitholder as an annual payment made after

deduction of income tax at the basic rate, and corporate Unitholders 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 Scheme from a company) will be treated as dividend income and, consequently, will be exempt from corporation tax.

This will satisfy the tax liability of 20% 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 Unitholders will generally have no United Kingdom tax liability on dividend distributions.

Bond Funds

A Scheme 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 Scheme which is currently a bond fund is Santander Investment Income Unit Trust.

Schemes which are bond funds pay interest distributions (instead of dividend distributions) which will be automatically retained in the relevant Scheme in the case of accumulation Units in such Schemes, or distributed to Unitholders in the case of income Units in such Schemes. Any such interest distributions to Unitholders will be paid gross (that is, without any income tax being deducted and paid to HM Revenue & Customs) and Unitholders will be responsible for paying any income or other tax they are liable to on their interest distributions.

Since 6 April 2016, 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 Units and, during the Scheme's accounting period it 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. Unitholders subject to United Kingdom corporation tax must treat their holding in the Scheme as a creditor loan relationship, including the gross amount of any distributions, subject to a fair value basis of accounting. They will be liable to tax on the gross interest.

Non-United Kingdom resident Unitholders are also entitled to receive interest distributions without any deduction of income tax and they will not need to claim a refund from HM Revenue & Customs.

24.4 Income Equalisation

The first income distribution received by a Unitholder after buying Units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the Unitholder 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 Units for capital gains tax purposes, except when it is credited in respect of accumulation Units. Equalisation is applied on all of the Schemes.

24.5 Gains

Unitholders 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 Unitholder, corporation tax on gains arising from the redemption, transfer or other disposal of Units (but not usually on switches between Classes within a Scheme).

Part of any increase in value of accumulation Units 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 Units in any Scheme that is invested 60% or more in interest-paying investments or economically equivalent assets at any time in the Unitholder's accounting period must treat their holding 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 Unitholders 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 Manager may collect and report information about Unitholders and their investments in the Schemes including information to verify their identity and tax status.

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

By subscribing for Units, each Unitholder is agreeing to provide all necessary information upon request from the Manager or its delegate.

25. CHANGE PROCESS

Changes to a Scheme 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 Scheme;
- (ii) may materially prejudice a Unitholder;
- (iii) alters the risk profile of a Scheme; or
- (iv) introduces any new type of payment out of relevant scheme property.

The Manager will obtain prior approval from relevant Unitholders to any fundamental change by way of an extraordinary resolution of the Unitholders of the relevant Scheme.

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

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

The Manager will give Unitholders 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 Manager concludes that the change or event is insignificant.

The Manager will give Unitholders written notice of any fundamental change or significant change. Depending on the nature of the change, the Manager will inform Unitholders of notifiable events either by: sending of an immediate notification to Unitholders; publishing information about the change on its website; or including the information in the next report for the relevant Scheme.

26. UNITHOLDER MEETINGS AND VOTING RIGHTS

The convening and conduct of Unitholder meetings and the voting rights of Unitholders at those meetings is governed by the FCA Regulations.

A meeting of all Unitholders in any Scheme or any Class may be convened. All references below to a meeting apply equally to Scheme and Class meetings.

26.1 Voting Rights

At any meeting of Unitholders in a Scheme an extraordinary resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of a show of hands) demanded by the chairman, the Trustee or at least two Unitholders.

On a show of hands every Unitholder who (being an individual) is present in person, or (being a corporation) is present by its representative properly authorised in that regard, will have one vote.

On a poll:

- (a) votes may be given personally or by proxy or in another manner permitted by the relevant Trust Deed;
- (b) the voting rights for each Unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Unit bears to the aggregate price or prices of all of the Units in issue:
 - (i) if any Unit is a participating security, at the time determined in accordance with the FCA Regulations;
 - (ii) otherwise at the date specified in the FCA Regulations; and
- (c) a Unitholder need not use all his votes or cast all his votes in the same way.

In the case of joint Unitholders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint Unitholders and for this purpose seniority will be determined by the order in which the names stand in the Register of the relevant Scheme.

Neither the Manager nor any associate of the Manager will be entitled to vote at any such meeting except in respect of Units which it holds on behalf of, or jointly with, a person who, if himself a registered Unitholder, would be entitled to vote, and from whom it has received voting instructions.

27. WINDING UP OF A SCHEME

27.1 Occasions on which a Scheme may be wound up

The Trustee will proceed to wind up any of the Schemes (in accordance with Section 27.2 below), on the occurrence of any of the following events:

- (a) the order declaring the Scheme to be an authorised unit trust scheme is revoked;
- (b) the FCA has agreed to a request by either the Manager or the Trustee for the revocation of the order declaring the Scheme to be an authorised unit trust scheme, on conclusion of the winding-up of the Scheme;

- (c) the expiration of any period specified in the relevant Trust Deed as the period at the end of which the Scheme concerned is to terminate; or
- (d) the effective date of a duly approved scheme of arrangement which is to result in the Scheme that is subject to the scheme of arrangement being left with no property.

27.2 Procedure for winding up Schemes

In the event that any of the Schemes are to be wound up, the procedure for winding up will be as follows:

- (a) in a case falling within Section 27.1(d) above, the Trustee will wind up the Scheme in accordance with the approved scheme of arrangement;
- (b) in any other case, the Trustee must, as soon as practicable after the Scheme falls to be wound up, realise the property of the Scheme and, after paying out or retaining adequate provisions for all liabilities properly so payable of such property and retaining provision for the costs of the winding-up, distribute the proceeds to the relevant Unitholders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Scheme as at the date of the relevant event specified in Section 27.1(a), (b) or (c) above;
- (c) any unclaimed net proceeds or other cash held by the Trustee in respect of the Scheme after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court or as the court may direct, subject to the Trustee having a right to retain any expenses incurred by it in making and relating to that payment into court;
- (d) where the Trustee and one or more Unitholders in the Scheme agree, the requirement in Section 27.2(b) to realise the scheme property does not apply to that part of the scheme property proportionate to the entitlement of that or those Unitholders. The Trustee may distribute that part in the form of property, after making adjustments or retaining provisions as appears to the Trustee appropriate for ensuring that or those Unitholders bear a proportional share of the relevant liabilities and costs;
- (e) on completion of the winding-up, in respect of the events referred to in Section 27.1(b) or (c) above, the Trustee will notify the FCA in writing of that fact and at the same time the Manager or Trustee will request the FCA to revoke the order of authorisation under section 256(1) of the Act.

Once a Scheme falls to be wound up, any unclaimed net proceeds or other cash (including unclaimed distributions) held by the Trustee after the expiration of twelve months from the date on which the same became payable is to be paid by the Trustee into court or as the court may direct, subject to the Trustee having a right to retain from those net proceeds or other cash any expenses incurred in so making the payment.

28. GENERAL INFORMATION

28.1 Unclaimed Income Distributions

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

28.2 Documents of the Schemes

The following documents may be inspected free of charge between 9am and 5pm on every Business Day at 67 Lombard Street, London EC3V 9LJ, United Kingdom:

- (a) the most recent annual and half yearly reports of the Schemes;
- (b) the Prospectus;
- (c) the Trust Deeds; and

- (d) the KIID for each Class.

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

28.3 Complaints

Complaints concerning the operation or marketing of the Schemes may be referred to the Manager's Head of Client Relationship Support and Development at 67 Lombard Street, London EC3V 9LJ, 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 Unitholder's investments in a Scheme may be covered by the Financial Services Compensation Scheme. Depending on the claimant's eligibility and the circumstances of the claim, Unitholders may be entitled to compensation from this scheme if the the Manager on behalf of the relevant Scheme cannot meet their obligations. Most types of investments are covered by this scheme up to £50,000. Further information regarding the conditions governing compensation and the formalities which must be completed to obtain compensation are also available from the Manager on request.

28.5 Governing Law

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

28.6 Telephone recording

Please note that the Manager (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 Schemes or the management of the Schemes. The Manager 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 The use of benchmark indices

The Manager is required to produce and maintain robust written plans setting out the actions the Manager will take in the event that a benchmark used by the Manager in relation to a Scheme materially changes or ceases to exist. Further information on the Manager's plans are available from the Manager on request. As at the date of this Prospectus this is only relevant to Santander Investment Income Unit Trust.

29. RISK MANAGEMENT PROCESS

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

The Commitment Approach is used to calculate global exposure for Schemes 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 Scheme.

For Schemes which utilise more complex derivative instruments and strategies, VaR is used to measure the global exposure of the Schemes 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

Scheme, either on a comparative basis or with an appropriate benchmark: “relative VaR” or “absolute VaR” (commonly used for absolute return style funds). The Manager’s selection of the VaR measure to be utilised must be justifiable based on the complexity of the relevant Scheme.

The Manager must ensure that the global exposure methodology selected for a Scheme is appropriate, taking into account the investment strategy pursued by the Scheme, 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 Scheme is set out in Appendix 1.

30. BEST EXECUTION

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

31. INDUCEMENTS

The Manager will not accept and retain any fees, commissions or monetary benefits, or accept any nonmonetary 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 Scheme, and are of a scale and nature such that they could not be judged to impair the Manager’s compliance with its duty to act honestly, fairly and professionally in the best interests of the relevant Scheme.

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

APPENDIX 1

INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE SCHEMES

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

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

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

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

1. Benchmarks

A Scheme may employ a benchmark, in the form of an Index or a commercial peer group, in one or more of three ways:

- (i) as a “**Constraint Benchmark**”, whereby the Scheme’s investments are selected with reference to an Index, in some cases so that the composition of the Scheme’s investments remains at all times within a stated Tracking Error of the composition of that Index;
- (ii) as a “**Target Benchmark**”, whereby a target for the Scheme’s performance has been set with reference to the performance of an Index or the average performance of a commercial peer group;
- (iii) as a “**Comparator Benchmark**”, whereby the Scheme’s performance can be compared against the performance of an Index or the average performance of a commercial peer group to determine the success of the Scheme in meeting its investment objective. The Manager will not use a Comparator Benchmark to determine the assets a Scheme holds or the level of risk it is taking.

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

Any Sub-Investment Manager(s) appointed by the Manager to manage a portion of a Scheme may manage that portion to a different Benchmark (if applicable) to that of the Scheme overall. In these circumstances the Manager will ensure that either: (i) the Sub-Investment Manager’s Benchmark has a high correlation with that of the Scheme, or (ii) it is otherwise an appropriate Benchmark to use in relation to that portion of the Scheme. The Manager will continue in such situations to manage and / or monitor the Scheme overall to the Benchmark stated in the Scheme’s investment objective and policy.

“**Tracking Error**” is a measure of the variation at a given time between the potential realised returns of: (i) a Scheme’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 Scheme’s investments from those of the relevant Index and hence the more closely that Index is tracked by the Scheme. A lower Tracking Error also means a Scheme can take a lower level of risk relative to the relevant Constraint Benchmark, while a higher Tracking Error means a Scheme can take more risk compared to the relevant Constraint Benchmark. Note that a Tracking Error of zero will still have a level of risk equal to the relevant Constraint Benchmark’s risk.

Where a Scheme is managed with reference to an Index as a Constraint Benchmark subject to a Tracking Error upper target, the Manager uses a forward looking measure and assumptions to calculate Tracking Error, and consequently it is not guaranteed that the realised Tracking Error (as measured using historic Scheme and Index returns) for the Scheme will fall below the upper target 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.

3. Derivatives

A “**Derivative**” is a contract which derives its value / price from an underlying asset, such as shares or bonds. A Scheme 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 Scheme;

- (ii) for “**Investment Purposes**”, which means that, in addition to being permitted to use Derivatives for Efficient Portfolio Management, a Scheme may also use them more widely as an investment strategy to meet its objective.

4. Hedging

A Scheme may buy assets which are denominated in a foreign currency but “**Hedged to UK Pounds Sterling**”. Hedging is used by a Scheme to reduce the effects of exchange rate movements between UK Pounds Sterling and the value of a foreign currency in which assets are traded.

5. Risk

A Scheme may be managed to stay within a risk category defined by the Santander UK risk categorisation process, ranging from “**Lower Risk**”, through “**Medium Risk**”, to “**High Risk**”. A Scheme in the High Risk category will be broadly equal in risk to a diversified global equity fund or Index.

6. Volatility

“**Volatility**” is a measure of how much the return on an investment in a Scheme fluctuates around its average return, and can be used to categorise a Scheme according to how much risk an investment in it involves. A Scheme may target a “**Volatility Risk Level**” from 1 to 10 (whereby 1 is the least volatile and so lowest risk and 10 the most volatile and highest risk) measured and calculated by an independent third party risk rating company, and the Scheme’s potential gains and losses are likely to be constrained by the aim to stay within this Volatility Risk Level.

Santander UK Growth Unit Trust
PRN 171205

The Scheme is an authorised unit trust by virtue of an authorisation order dated 10 February 1995, and a UCITS Scheme which complies with the relevant sections of the COLL Sourcebook.

Investment Objective and Policy

Objective

The Scheme's objective is to provide capital growth and potentially some income over a 5+ year time horizon.

Policy

The Scheme aims to achieve its objective by investing at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK, generally comprised within the Constraint Benchmark stated below.

To obtain exposure to these assets, the Scheme's investments will typically be accessed directly but up to 10% of the Scheme's investments may be accessed indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the Manager or other companies within the Santander Group.

The Manager has the discretion to manage the Scheme 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 Scheme's objective. An assessment will be completed on all investment opportunities before any investment decisions are made. The extent to which the composition of the Scheme will differ from that of the Constraint Benchmark will vary from time to time, subject to the Scheme at all times investing at least 80% in a wide range of shares issued by listed companies generally comprised within the Constraint Benchmark stated below.

At least 80% of the Scheme will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as shares, bonds, cash, near cash and other money market instruments.

The Scheme is managed with reference to the FTSE All Share Index as a Constraint Benchmark. The FTSE All Share Index is provided by FTSE, which is included in the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority from 1 January 2018.

The Scheme may use Derivatives for Efficient Portfolio Management.

Further Information

The Constraint Benchmark for the Scheme is the FTSE All Share Index, which means the Manager is specifically limited to manage the Scheme, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the Manager may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets. This Constraint Benchmark has been selected for the Scheme as it best represents the investments that the Manager has to choose from as specified in its investment objective and policy.

Variable remuneration of individual fund managers for the Scheme is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Scheme performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.

Classes

R Income Units

	R Accumulation Units
Currency of Denomination	Pounds Sterling
Minimum Initial Investment and Minimum Holding	£500
Minimum Subsequent Investment	£250
Minimum Withdrawal	£250
Initial Charge	0%
Annual Management Charge	0.65%
Annual Accounting Date	15 April
Interim Accounting Date	15 October
Income Allocation and Income Distribution Dates	15 June, 15 December
Grouping Periods for Income Equalisation	16 October to 15 April, 16 April to 15 October
Annual Report published by	15 August
Interim Report published by	15 December
Global Exposure measurement used	Commitment Approach
Leverage	Gross method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)
	Commitment method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)

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

Santander Equity Income Unit Trust
PRN 108032

The Scheme is an authorised unit trust by virtue of an authorisation order dated 23 February 1971, and a UCITS Scheme which complies with the relevant sections of the COLL Sourcebook.

Investment Objective and Policy

Objective

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

Policy

The Scheme aims to achieve its objective by investing at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK, generally comprised within the Constraint Benchmark stated below.

To obtain exposure to these assets, the Scheme's investments will typically be accessed directly but up to 10% of the Scheme's investments may be accessed indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the Manager or other companies within the Santander Group.

The Manager has the discretion to manage the Scheme 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 Scheme's objective. An assessment will be completed on all investment opportunities before any investment decisions are made. The extent to which the composition of the Scheme will differ from that of the Constraint Benchmark will vary from time to time, subject to the Scheme at all times investing at least 80% in a wide range of shares issued by listed companies generally comprised within the Constraint Benchmark stated below.

At least 80% of the Scheme will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as shares, bonds, cash, near cash and other money market instruments.

The Scheme is managed with reference to the FTSE All Share Index as a Constraint Benchmark. The FTSE All Share Index is provided by FTSE, which is included in the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority from 1 January 2018.

The Scheme may use Derivatives for Efficient Portfolio Management.

Further Information

The Constraint Benchmark for the Scheme is the FTSE All Share Index, which means the Manager is specifically limited to manage the Scheme, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the Manager may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets. This Constraint Benchmark has been selected for the Scheme as it best represents the investments that the Manager has to choose from as specified in its investment objective and policy.

Variable remuneration of individual fund managers for the Scheme is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Scheme performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.

Classes

R Income Units

	R Accumulation Units
Currency of Denomination	Pounds Sterling
Minimum Initial Investment and Minimum Holding	£500
Minimum Subsequent Investment	£250
Minimum Withdrawal	£250
Initial Charge	0%
Annual Management Charge	0.50%
Annual Accounting Date	15 February
Interim Accounting Date	15 August
Income Allocation and Income Distribution Dates	15 April, 15 October
Grouping Periods for Income Equalisation	16 August to 15 February, 16 February to 15 August
Annual Report published by	15 June
Interim Report published by	15 October
Global Exposure measurement used	Commitment Approach
Leverage	Gross method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)
	Commitment method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)

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

Santander N&P UK Growth Unit Trust
108023

Please note that this Scheme is no longer available for investment and is in the process of being terminated.

The Scheme is an authorised unit trust by virtue of an authorisation order dated 1 December 1970, and a UCITS Scheme which complies with the relevant sections of the COLL Sourcebook.

Investment Objective and Policy

Objective

The Scheme's objective is provide capital growth and potentially some income over a 5+ year time horizon.

Policy

The Scheme aims to achieve its objective by investing at least 80% in a wide range of shares issued by listed companies domiciled, incorporated or which conduct a significant part of their business in the UK, generally comprised within the Constraint Benchmark stated below.

To obtain exposure to these assets, the Scheme's investments will typically be accessed directly but up to 10% of the Scheme's investments may be accessed indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the Manager or other companies within the Santander Group.

The Manager has the discretion to manage the Scheme 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 Scheme's objective. An assessment will be completed on all investment opportunities before any investment decisions are made. The extent to which the composition of the Scheme will differ from that of the Constraint Benchmark will vary from time to time, subject to the Scheme at all times investing at least 80% in a wide range of shares issued by listed companies generally comprised within the Constraint Benchmark stated below.

At least 80% of the Scheme will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as shares, bonds, cash, near cash and other money market instruments.

The Scheme is managed with reference to the FTSE All Share Index as a Constraint Benchmark. The FTSE All Share Index is provided by FTSE, which is included in the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority from 1 January 2018.

The Scheme may use Derivatives for Efficient Portfolio Management.

Further Information

The Constraint Benchmark for the Scheme is the FTSE All Share Index, which means the Manager is specifically limited to manage the Scheme, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the Manager may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets. This Constraint Benchmark has been selected for the Scheme as it best represents the investments that the Manager has to choose from as specified in its investment objective and policy.

Variable remuneration of individual fund managers for the Scheme is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Scheme performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.

Classes	R Income Units
Currency of Denomination	Pounds Sterling
Minimum Initial Investment and Minimum Holding	£500
Minimum Subsequent Investment	£250
Minimum Withdrawal	£250
Initial Charge	0%
Annual Management Charge	R Income Units: 0.85%
Annual Accounting Date	12 July
Interim Accounting Date	12 January
Income Allocation and Income Distribution Dates	12 September
Grouping Periods for Income Equalisation	13 July to 12 July
Annual Report published by	12 November
Interim Report published by	12 March
Global Exposure measurement used	Commitment Approach
Leverage	Gross method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)
	Commitment method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)

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

Santander Max 70% Shares Unit Trust
PRN 188262

The Scheme is an authorised unit trust by virtue of an authorisation order dated 2 February 1999, and a UCITS Scheme which complies with the relevant sections of the COLL Sourcebook.

Investment Objective and Policy

Objective

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

Policy

The Scheme 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 Scheme's exposure to global shares will never exceed 70%.

To obtain exposure to these assets, the Scheme's investments will typically be accessed directly, but up to 10% of the Scheme's investments may be accessed indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the Manager or other companies within the Santander Group.

The Manager has the discretion to manage the Scheme 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 Scheme's objective. An assessment will be completed on all investment opportunities before any investment decisions are made.

The Scheme has the flexibility to invest in other assets globally, such as cash, near cash and other money market instruments, real estate and commodities.

The Scheme is managed to stay within a Medium Risk category in accordance with Santander UK's Risk Categorisation Process.

The Scheme may use Derivatives for Efficient Portfolio Management.

Further Information

The Scheme uses the following composite Comparator Benchmark: 30% FTSE All Share Index, 10% FTSE World US Index, 10% FTSE World Europe Ex UK Index, 10% FT AW Dev Asia Pacific Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 20% Markit iBoxx £ Non Gilt Index and 5% 1 month LIBOR £ Index.

This Comparator Benchmark has been chosen because it provides investors with a comparison of performance against other multi asset funds that have a similar level of risk. However this is a broad group of funds therefore each fund may be aiming for slightly different investment objectives, and so the comparison is for indicative purposes only. As such, the Manager will not use this sector performance or its constituents to determine how it manages the Scheme.

Variable remuneration of individual fund managers for the Scheme is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Scheme performance relative to a commercial peer group of competitor funds with similar investment objectives and policies.

Classes	R Income Units
	R Accumulation Units
Currency of Denomination	Pounds Sterling

Minimum Initial Investment and Minimum Holding	£500
Minimum Subsequent Investment	£250
Minimum Withdrawal	£250
Initial Charge	0%
Annual Management Charge	R Income Units: 0.85%
	R Accumulation Units: 0.85%
Sub-Investment Managers	State Street Global Advisors Limited
	BlackRock Investment Management (UK) Limited
Annual Accounting Date	15 May
Interim Accounting Date	15 November
Income Allocation and Income Distribution Dates	15 July, 15 January
Grouping Periods for Income Equalisation	16 May to 15 November, 16 November to 15 May
Annual Report published by	15 September
Interim Report published by	15 January
Global Exposure measurement used	Commitment Approach
Leverage	Gross method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)
	Commitment method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)

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

Santander Investment Income Unit Trust
PRN 188264

Please note that this Scheme is no longer available for investment and is in the process of being terminated.

The Scheme is an authorised unit trust by virtue of an authorisation order dated 2 February 1999, and a UCITS Scheme which complies with the relevant sections of the COLL Sourcebook.

Investment Objective and Policy

Objective

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

Policy

The Scheme aims to achieve its objective by investing at least 80% in a wide range of bonds issued by companies and denominated in or Hedged to UK Pounds Sterling.

To obtain exposure to these assets the Scheme will invest directly. The Scheme may also invest indirectly by purchasing units in Collective Investment Schemes managed by other companies and / or the Manager or other companies within the Santander Group.

Subject to the Constraint Benchmark and Tracking Error stated below, the Manager has the discretion to manage the Scheme 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 Scheme's objective. An assessment will be completed on all investment opportunities before any investment decisions are made.

At least 80% of the Scheme will at all times be invested in the asset classes described above, but it has the flexibility to invest in other assets globally, such as bonds, shares, cash, near cash and other money market instruments.

The Scheme is managed with reference to the following composite Constraint Benchmark: 80% Markit iBoxx GBP Corporates Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks Index. The Scheme targets a maximum Tracking Error of 2% allowing it to vary a proportion of its investments from this Benchmark.

The Scheme may use Derivatives for Efficient Portfolio Management.

Further Information

The Constraint Benchmark for the Scheme is a composite of different Indices as shown above, which means the Manager is specifically limited to manage the Scheme, and make any decisions to invest or not invest in an asset, with reference to this Benchmark. When managing by reference to this Benchmark, the Manager may diverge from the assets contained within the Constraint Benchmark and retains discretion regarding the selection and weighting of assets providing it stays within the Tracking Error stated above. This Constraint Benchmark has been selected for the Scheme as it best represents the investments that the Manager has to choose from as specified in its investment objective and policy.

Variable remuneration of individual fund managers for the Scheme is determined by assessing a number of different factors. Insofar as these relate to investment performance, any assessment will be made by comparing Scheme performance relative to the Constraint Benchmark as well as a commercial peer group of competitor funds with similar investment objectives and policies.

Classes

R Income Units

R Accumulation Units

Currency of Denomination	Pounds Sterling
Minimum Initial Investment and Minimum Holding	£500
Minimum Subsequent Investment	£250
Minimum Withdrawal	£250
Initial Charge	0%
Annual Management Charge	R Income: 0.75%
	R Accumulation: 0.75%
Sub-Investment Manager	BlackRock Investment Management (UK) Limited
Annual Accounting Date	25 March
Interim Accounting Date	25 September
Income Allocation and Income Distribution Dates	25 monthly
Grouping Periods for Income Equalisation	26 to 25 monthly
Annual Report published by	25 July
Interim Report published by	25 November
Global Exposure measurement used	Commitment Approach
Leverage	Gross method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)
	Commitment method calculation basis: 2:1 (i.e. 200% exposure as % of NAV)

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

APPENDIX 2

INVESTMENT POWERS AND SAFEGUARDS

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

1. General rules of investment

Subject to the investment objective and policy of a Scheme, the scheme property of a Scheme 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 Scheme will have an interest in any immovable property or tangible movable property.

2. Prudent Spread of Risk

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

3. Requirement to cover sales

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

- (f) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Scheme by delivery of property or the assignment (or, in Scotland, assignment) of rights; and
- (g) the property and rights at (a) are owned by the Scheme at the time of agreement.

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

4. Transferable Securities

Each Scheme will generally invest in “approved securities”, being transferable securities admitted to official listing in an EEA State, traded on an eligible securities market or recently issued transferable securities which are to be so listed or traded.

Transferable securities may be shares and stock of companies, debentures, debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness issued by a variety of issuers (including governments, local authorities and public authorities), warrants or other instruments entitling a holder to subscribe for securities and units in certain collective investment schemes, in each case which are transferable without the consent of a third party.

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

An eligible securities markets is:

- (a) a regulated market;
- (b) a market established in an EEA State which is regulated, operates regularly and is open to the public; or
- (c) a market which the Manager, after consultation with the Trustee, has decided is appropriate for the purpose of investment of or dealing in the property of the Schemes, having regard to the relevant criteria in the FCA Regulations. These markets must operate regularly and be regulated, recognised and open to the public.

The eligible markets for any Scheme as at the date of this Prospectus are shown in Appendix 3. Further eligible securities markets may be added in accordance with the Change Process detailed in Section 25.

In addition, any Scheme may:

- (a) invest up to 10% of its value in transferable securities which are non-approved securities, generally being unlisted securities, and which may include investment in other collective investment schemes as described below;
- (b) invest up to 10% of its value in other collective investment schemes ("**Second Schemes**"). A Second Scheme must:
 - (i) satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
 - (ii) be recognised under the provisions of section 272 of the Financial Services and Markets Act 2000 (schemes authorised in designated countries or territories);
 - (iii) be authorised as a non-UCITS retail scheme (provided the requirements of article 50(1)(e) of the UCITS Directive are met);
 - (iv) be authorised in another EEA State (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
 - (v) be authorised by the competent authority of an OECD member country (or other 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 article 50(1)(e) of the UCITS Directive are met).

Second Schemes may be:

- (a) UCITS schemes which themselves invest predominantly in securities and warrants; and / or
- (b) certain recognised schemes, as defined in section 272 of the Financial Services and Markets Act 2000;

provided that in each case certain conditions are met and in particular that the Second Scheme has terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.

However a Scheme may:

- (a) invest in Units of another Scheme;

- (b) invest in or dispose of units in Second Schemes which are managed or operated by (or, for an ICVC, whose Manager is) the Manager or an associate of the Manager in accordance with COLL 5.2.15R and 5.2.16R; and / or
- (c) hold cash and "near cash": at times it may be appropriate for a Scheme not to be fully invested, and any Scheme may hold cash or near cash where this may reasonably be regarded as necessary in order to enable:
 - (i) the pursuit of the Scheme's investment objective;
 - (ii) the redemption of Units in that Scheme;
 - (iii) any other purpose which may reasonably be regarded as ancillary to the investment objective of the Scheme.

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

5. Concentration and Spread

There are limitations on the proportion of the value of any Scheme which may be held in certain forms of investment. These include:

- (a) no more than 5% of the value of a Scheme may be invested in transferable securities issued by any one issuer, other than Government and Other Public Securities (as defined below). As an exception to this, up to 10% of the value of a Scheme may be invested in securities issued by the same issuer if the value of all such holdings does not in total exceed 40% of the value of the property of that Scheme;
- (b) up to 35% of the property of a Scheme may be invested in transferable securities or approved money market instruments issued by: an EEA State; a local authority of an EEA State; a non-EEA State; or a public international body to which one or more EEA States belong ("**Government and Other Public Securities**") which are issued by any one body;
- (c) a Scheme may only acquire transferable securities issued by a body corporate carrying rights to vote at a general meeting of that body if the aggregate number of such securities held by the Scheme does not give it power to significantly influence the conduct of business of that body immediately before the acquisition and the acquisition will not give the Scheme such power. The power to significantly influence is assumed if such securities allow the relevant Scheme to exercise 20% or more of the votes cast at a general meeting of that body;
- (d) no Scheme may 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 10% 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.

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

In this section 5, "issue", "issued" and "issuer" include "guarantee", "guaranteed" and "guarantor". Government and Other Public securities may originate from: Austria, Belgium, Brazil, Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands,

Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, United Kingdom or United States of America.

- (e) not more than 20% in the value of the scheme property of a Scheme is to consist of deposits with a single body. A Scheme 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.

6. Warrants

A warrant may only be invested in by a Scheme if: there is no change to the Scheme'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 Scheme'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 Scheme, without contravening the investment restrictions applicable to the Scheme.

Up to 5% in value of the property of any Scheme 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.

7. Partly Paid Units

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 Scheme could be paid by the Manager on behalf of that Scheme at any time when the payment is required without contravening the FCA Regulations.

8. Power to Underwrite or Accept Placings

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

9. Derivatives and Forward Transactions - General

The Manager may utilise the property of any Scheme to enter into derivative or forward transactions for the purposes of hedging and efficient portfolio management ("**EPM**") in relation to that Scheme.

Any transaction in a derivative effected for a Scheme must be in:

- (a) a derivative which is traded or dealt in on an eligible derivatives market (as detailed in section 10 below); or
- (b) a future, option or contract for difference with an Approved Counterparty.

Furthermore, any transaction in a derivative effected for a Scheme must:

- (a) have underlying assets consisting of any or all of the following: transferable securities; approved money market instruments; units in permitted collective investment schemes; permitted derivatives and forward transactions; permitted deposits; financial indices which satisfy the criteria set out in COLL 5.2.20A R; interest rates; foreign exchange rates; and currencies;
- (b) be effected on or under the rules of an eligible derivatives market (as detailed in section 10 below);
- (c) not cause the Scheme to diverge from the investment objective stated in the Instrument of Incorporation or this Prospectus; and
- (d) not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, approved money market instruments, units in collective investment schemes or derivatives.

Any forward transaction by a Scheme may only be with an Approved Counterparty.

10. 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 Scheme with a risk level which is consistent with the risk profile of that Scheme 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 Schemes. The Manager uses a risk management process to monitor and measure, as frequently as appropriate, the risk of a Scheme’s portfolio and the contribution of its underlying investments to the overall risk profile of the Scheme.

Eligible derivatives markets are those which the Manager has decided are appropriate for the purpose of investment of, or dealing in, the property of the Schemes 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 Scheme as at the date of this Prospectus are set out in Appendix 3. Further eligible derivatives markets may be added to an existing list for the Schemes if:

- the Manager and the Trustee agree in writing that the addition is of minimal significance to the investment strategy of the Schemes and the Manager has revised this Prospectus accordingly;
- where required, the Manager has given at least 60 days’ written notice of the proposed addition to the Trustee and Unitholders 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 Unitholders in the Schemes and the Manager has revised this Prospectus accordingly.

There is no limit on the amount or value of the property of the Schemes 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 Manager may utilise the property of a Scheme to enter into a transaction which closes out (i.e. off-sets) another transaction;
- (b) economic appropriateness: the Manager may enter into a transaction on behalf of a Scheme which (alone or in combination with other transactions) is reasonably regarded by it as economically appropriate to the efficient portfolio management of any Scheme.

The Manager 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 Scheme is certain to derive a benefit from the transaction (barring certain events which are not reasonably foreseeable).

The Manager is permitted to enter into transactions it reasonably regards as economically appropriate with a view to generating additional income or capital for a Scheme with no, or an acceptably low level of, risk but only on the basis that the Manager reasonably believes that such Scheme 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 Scheme an obligation to sell transferable securities if called upon to do so. If a call option is written, the Scheme must hold sufficient property to which the call option relates in the Scheme 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 Scheme an obligation to receive or take delivery of transferable securities if called on to do so. These may be written on property which the Scheme 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 Manager wishes to include within the property of a Scheme at the time of writing or exercise of the option.

11. Stocklending

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

There is no limit on the value of the property of any Scheme which could be the subject of stocklending transactions. Stocklending transactions would be of a kind approved under the Income and Corporation Taxes Act 1988, 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.

12. Borrowing

The Manager may borrow money for the use of any Scheme (on terms that the borrowing is to be repayable out of the property of the relevant Scheme) from an "eligible institution", being a credit institution as defined in the First Banking Co-Ordination Directive of the European Community. Borrowings may be arranged with the Trustee, which is an eligible institution. The Manager must ensure that any such borrowings comply with the FCA Regulations.

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

The Manager must ensure that borrowing does not exceed 10% of the value of the property of a Scheme 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.

13. Breaches of Investment and Borrowing Powers and Limits

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

- (a) if the reason for the breach is beyond the control of the Manager and the Trustee, the Manager must take the steps necessary to rectify a breach as soon as is reasonably practicable having regard to the interests of Unitholders, 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 Scheme would involve a breach, the Manager may still exercise those rights if it: obtains the prior written consent of the Trustee; and takes the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interests of Unitholders and in any event within six months or, if it is an efficient portfolio management transaction, five Business Days.

14. Supplementary Information

Unitholders may, upon request to the Manager, 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 Scheme;
- (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 Scheme.

APPENDIX 3

ELIGIBLE SECURITIES MARKETS

All Schemes are eligible to invest in: (a) all markets established in any EEA State on which transferable securities admitted to official listing in that state are dealt in or traded; and (b) markets outside the EEA which are listed below.

NASDAQ Stockmarket
New York Stock Exchange
Philadelphia Stock Exchange
Boston Stock Exchange
TSX Venture Exchange

Bolsa Mexicana de Valores

Tokyo Stock Exchange
Osaka Securities Exchange
Nagoya Stock Exchange
Sapporo Stock Exchange
Fukuoka Stock Exchange

Hong Kong Stock Exchanges
Bombay Stock Exchange
Bursa Malaysia Berhad
Korea Exchange Incorporated (KRX)
Taiwan Stock Exchange Corp
Singapore Stock Exchange (SGX)
Stock Exchange of Thailand (SET)
New Zealand Stock Exchange
ASX – Australian Securities Exchange

JSE Securities Exchange

SIX Swiss Exchange

ELIGIBLE DERIVATIVES MARKETS

All Schemes are eligible to invest in the derivative markets listed below.

Euronext Amsterdam
Euronext Brussels
Eurex Exchange
Euronext Lisbon
Euronext Paris
Euronext LIFFE

Chicago Board Options Exchange
CME (Chicago Mercantile Exchange)
NASDAQ
New York Futures Exchange
New York Stock Exchange
TSX Venture Exchange

Korean Exchange Incorporated (KRX)
Mercato Italiano Futures
Montreal Exchange
NASDAQ OMX Stockholm AB
Osaka Securities Exchange
Tokyo Stock Exchange

APPENDIX 4

List of Sub-Custodians

Country	
Argentina	Citibank N.A., Argentina
Australia	Hong Kong and Shanghai Banking Corporation Limited Australia Branch Citigroup Pty Limited
Austria	UniCredit Bank Austria AG Citibank N.A. (Milan)
Bahrain	HSBC Bank Middle East Limited
Bangladesh	Hong Kong and Shanghai Banking Corporation Limited
Belgium	Citibank Europe Plc, UK branch
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A., Brazil Itaú Unibanco S.A
Bulgaria	Citibank Europe Plc, Bulgaria Branch
Burkina Faso	Please see WAEMU market
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman islands	Bank of New York Mellon
Channel Islands	Bank of New York Mellon
Chile	Banco de Chile Itaú Corpbanca S.A.
China	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciara
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna Banka Zagreb d.d.
Cyprus	BNP Paribas Securities Services, S.C.A Athens
Czech Republic	Citibank Europe Plc, Organizacni Slozka
Denmark	Skandinaviska Enskilda Banken AB (Publ)
Egypt	HSBC Bank Egypt S.A.E.
Estonia	Seb Pank AS
Euroclear	Euroclear Bank Clearstream Banking S.A
Finland	Skandinaviska Enskilda Banken AB (Publ)
France	BNP Paribas Securities Services S.C.A. Citibank Europe Plc, UK branch
Germany	Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited
Greece	BNP Paribas Securities Services S.C.A., Athens

Guinea Bissau	Please see WAEMU market
Hong Kong	Deutsche Bank AG Hong Kong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe Plc, Hungarian Branch Office
Iceland	Landsbankinn hf
India	Deutsche Bank AG Hong Kong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG, Jakarta
Ireland	Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	Italian CSD, Monte Titoli
Ivory Coast	Please see WAEMU market
Japan	Mizuho Bank Ltd Bank of Tokyo-Mitsubishi UFJ Limited
Jordan	Standard Chartered Bank
Kazakhstan	Joint-Stock Company Citibank Kazakhstan
Kenya	CfC Stanbic Bank Limited
Kuwait	HSBC Bank Middle East Limited, Kuwait
Latvia	AS SEB Banka
Lebanon	HSBC Bank Middle East Limited, Beirut Branch
Lithuania	AB SEB Bankas
Luxembourg	Euroclear Bank
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
Mali	Please see WAEMU market
Malta	Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	Hong Kong and Shanghai Banking Corporation Limited
Mexico	Citibanamex
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Bank of New York Mellon SA/NV
New Zealand	National Australia Bank Limited
Niger	Please see WAEMU market
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB (Publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank N.A., Panama Branch
Peru	Citibank Del Peru S.A.
Philippines	Deutsche Bank AG

Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank Europe Plc, Sucursal em Portugal
Qatar	HSBC Bank Middle East Limited, Doha
Romania	Citibank Europe Plc, Romania Branch
Russia	Deutsche Bank Ltd AO Citibank Public Joint Stock Company (PJSC) ROSBANK
Saudi Arabia	HSBC Saudi Arabia Limited
Senegal	Please see WAEMU market
Serbia	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd United Overseas Bank Ltd
Slovak Republic / Slovakia	Citibank Europe Plc, pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	Standard Bank of South Africa Limited
South Korea	Deutsche Bank AG Hong Kong and Shanghai Banking Corporation Limited
Spain	Santander Securities Services, S.A.U. Banco Bilbao Vizcaya Argentaria, S.A.
Sri Lanka	Hong Kong and Shanghai Banking Corporation Limited
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken AB (Publ)
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited
Thailand	Hong Kong and Shanghai Banking Corporation Limited
Togo	Please see WAEMU market
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Deutsche Bank A.S.
Uganda	Stanbic Bank Uganda Limited
Ukraine	Public Joint Stock Company "Citibank"
United Arab Emirates-ADX	HSBC Bank Middle East Limited, Dubai
United Arab Emirates-DFM	HSBC Bank Middle East Limited, Dubai
United Arab Emirates-NASDAQ	HSBC Bank Middle East Limited, Dubai
United Kingdom	Bank of New York Mellon Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch
United States	Bank of New York Mellon HSBC Bank, USA, N.A.

Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank N.A., Sucursal Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd
WAEMU (West African Economic and Monetary Union)	Société Générale de Banques en Côte d'Ivoire
Zambia	Stanbic Bank Zambia Ltd
Zimbabwe	Stanbic Bank Zimbabwe Limited

SCHEDULE 1

	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth
	1Y 31/01/2007 To 31/01/2008	1Y 31/01/2008 To 30/01/2009	1Y 30/01/2009 To 29/01/2010	1Y 29/01/2010 To 31/01/2011	1Y 31/01/2011 To 31/01/2012	1Y 31/01/2012 To 31/01/2013	1Y 31/01/2013 To 31/01/2014	1Y 31/01/2014 To 31/01/2015	1Y 31/01/2015 To 31/01/2016	1Y 31/01/2016 To 31/01/2017
Santander Max 70% Shares Unit Trust (Acc)	-3.02	-17.31	19.79	12.57	1.94	10.65	4.88	9.90	-2.44	15.04
Santander Investment Income Unit Trust (Inc)	-1.54	-10.97	16.52	3.23	9.80	7.47	1.89	13.55	-3.99	6.31
Santander Investment Income Unit Trust (Acc)	-1.50	-10.66	16.06	3.12	9.74	7.50	1.85	13.49	-3.94	6.28
Santander Equity Income	-7.18	-27.19	35.54	13.14	3.39	14.93	8.65	12.28	2.61	10.68
Santander N&P UK Growth	-5.42	-23.85	32.24	16.55	0.62	11.07	5.28	4.48	-1.38	12.08
Santander UK Growth Acc	-5.73	-24.92	32.26	17.03	-0.30	11.52	6.37	4.04	-1.14	11.87
Santander UK Growth Inc	-5.76	-24.90	33.37	16.34	-0.26	11.49	6.40	4.10	-1.14	11.89

Source: Lipper

Basis: Bid-to-Bid

PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE.

