

Santander Managed OEIC

**Final Short Report
as at 31 March 2009**

This document contains the Short Report of the Santander Managed OEIC for the period ended 31 March 2009.

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Current Sub-funds

The Santander Managed OEIC (the “Company”) is an open ended investment company with variable capital incorporated in England and Wales and authorised by the Financial Services Authority (“FSA”). The company is a non-UCITS retail Scheme structured as an umbrella and at launch had one sub-fund, however the Company launched 5 additional sub-funds on 12 December 2008. A further sub-fund launched on 1 April 2008 - Enhanced Income.

The sub-fund in which shares are currently available are as follows:

Global Emerging Market Fund (launched 17 December 2007)
Santander Bond Portfolio (launched 12 December 2008)
Santander Cautious Portfolio (launched 12 December 2008)
Santander Balanced Portfolio (launched 12 December 2008)
Santander Global Equity Portfolio (launched 12 December 2008)
Santander International Equity Portfolio (launched 12 December 2008)

The Authorised Corporate Director (“ACD”) is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the sub-funds consist predominantly of securities that are readily realisable and, accordingly, the sub-funds have adequate financial resources to continue in operational existence for the foreseeable future.

If you have any questions regarding your investment with us, would like further information or would like to obtain a copy of the Long Form Report and Accounts, please call 0845 6000 181. Our lines are open 8am to 6pm Monday to Friday and 8am to 4pm on Saturday. Calls may be recorded or monitored.

Global Emerging Market Fund

Fund Facts

Investment Objective

The objective of the sub-fund is to obtain long-term total return of capital appreciation and income receipts from investment either directly or indirectly through collective investment schemes in emerging market equities, and equities in those companies that have significant emerging market exposure.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09	% of total net assets as at 31.03.08
Collective Investment Schemes	84.02	88.05
Futures	0.32	-
Net other assets	<u>15.66</u>	<u>11.95</u>
Net assets	100.00	100.00

Major Holdings

The top holdings at the end of this period and the previous period are shown below.

Holding	% of total net assets as at 31.03.09	Holding	% of total net assets as at 31.03.08
iShares MSCI AC Far East ex-Japan	24.15	iShares MSCI Emerging Markets	31.68
Scottish Widows IPI Funds ICVC		iShares MSCI AC Far East ex-Japan	26.12
– Emerging Markets Fund	14.63	iShares MSCI Latin America Fund	18.19
Gartmore Investment Funds Series 1		iShares MSCI Eastern Europe 10/40	8.26
– Emerging Markets Opportunities Fund	13.91	Lyxor ETF India (S&P CNX NIFTY)	3.80
iShares MSCI Emerging Markets	9.14		
iShares MSCI Latin America Fund	9.07		
iShares S&P Emerging Markets			
- Infrastructure	6.51		
iShares MSCI AC Far East ex-Japan	4.97		
iShares MSCI Eastern Europe 10/40	1.64		

All holdings in securities in the sub-fund are disclosed above.

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates.

The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Global Emerging Market Fund

Fund Performance

Percentage Price Change from 17 December 2007 to 31 March 2009		
	1 year to 31.03.09	17.12.07 to 31.03.09
Global Emerging Market Fund	-27.50	-30.40
IMA Global Emerging Markets	-28.10	-33.53

*Source: Lipper – bid to bid, net of fees, net income reinvested.
Past performance is not a guarantee of future returns.*

Market Review

In 2008, economic growth in the emerging countries slowed down during the first half of the year, with rising prices the main theme. In Russia inflation increased to 15.1% in May, the highest level in the last five years. Hungary and Poland also saw inflation increase during the period, as did South Africa and Latin America. In Brazil, inflation climbed to 5.6% in May, well over the government target of 4.5%. To control the rising inflation most countries opted to increase their base interest rate. Higher oil and commodities prices added some support to emerging market economies.

The third quarter of 2008 was one of the most difficult periods for Global Emerging Markets in recent years. The global economic crisis has resulted in negative growth for developed economies with downward revisions worldwide, and in moderate growth for emerging countries, which had previously been growing at a very fast pace. Many governments announced policy and fiscal measures over the period in an attempt to minimize downside risks to growth.

Those emerging countries more related to commodities have especially suffered a slowdown, but in contrast countries that had suffered with high inflation saw some relief as inflation continued to move lower.

The last quarter of 2008 continued to be a difficult time for Global Emerging Markets, but markets rebounded in December after many governments announced new policy and fiscal measures in an attempt to minimize downside risks to growth.

Going into 2009, Global Emerging Markets saw an improvement and ended the quarter in positive territory despite economic data continuing to deteriorate. Although emerging markets are still growing in absolute terms, some countries such as Hungary have entered into recession. Russia, Ukraine and Latvia also had their credit ratings downgraded over the first quarter.

Policy Review

Emerging markets are markets in those countries in the early stages of development whose markets have sufficient size and liquidity and are receptive to foreign investment.

The ACD acts as investment adviser to the sub-fund and may appoint sub-advisers in the future. The investment adviser is responsible for discretionary investment management of the assets in accordance with the investment objectives.

Derivatives were used during this review period in order to secure efficient portfolio management. The sub-fund holds no derivatives which could impact the value of the sub-fund significantly. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

Investment Outlook

Emerging countries are still growing in absolute terms and valuations in some Emerging Markets continued to drop last year, so are now cheaper than ever before and are very attractive for investors who have a positive outlook for the long term.

Global Emerging Market Fund

Summary of Accounts

Fund Accounting Dates	Distribution Payment Dates
30 September / 31 March	30 November / 31 May

Distribution Statement

On 31 May 2009 a final distribution of 0.6061p will be reinvested on behalf of Retail Accumulation shareholders.

Total Expense Ratio

The Total Expenses Ratio (TER) provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The TER consists principally of the ACD's annual charge. The other expenses are currently borne by the ACD.

The sub-fund has invested primarily in Collective Investment Schemes therefore the management fees are incurred directly by the sub-fund and also by the underlying Collective Investment Schemes. The management fees incurred by the underlying Collective Investment Schemes are disclosed in the following table as Synthetic TER.

Expense Type	as at 31.03.09	as at 31.03.08
Retail Accumulation shares		
ACD's periodic charge	1.00%	1.00%
Synthetic TER	0.77%	0.75%
Other expenses	-	-
Total expense ratio	1.77%	1.75%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2008	Retail Accumulation shares	143.6	301,511	433,025
31 March 2009	Retail Accumulation shares	104.6	690,387	722,469

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2007*	Retail Accumulation shares	157.4	149.5	n/a
2008	Retail Accumulation shares	164.1	79.90	2.5779
2009**	Retail Accumulation shares	109.6	89.26	0.6061

* The sub-fund commenced on 17 December 2007.

** to 31 March 2009

Santander Bond Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of income from a portfolio of primarily fixed interest investments. These will be primarily in the UK and continental Europe. This exposure can be achieved directly or through investment in collective investment schemes. Investments will also be made in other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

The sub-fund commenced on 12 December 2008.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09
Collective Investment Schemes	98.60
Net other assets	<u>1.40</u>
Net assets	100.00

Major Holdings

The top holdings at the end of this period are shown below.

Holding	% of total net assets as at 31.03.09
Santander Balanced Portfolio Income Unit Trust – Institutional Income units	32.75
SMM Fixed Interest Monthly Income Fund – Gross A shares	26.92
SMM Bond Bi-Monthly Distributor Fund – Gross A shares	21.41
SMM Fixed Interest Quarterly Income Fund – Gross A shares	17.52

All holdings in securities in the sub-fund are disclosed above.

Santander Bond Portfolio

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Fund Performance

Percentage Price Change from 12 December 2008 to 31 March 2009	
	12.12.08 to 31.03.09
Santander Bond Portfolio	-2.27
IMA £ Strategic Bond	-1.95

*Source: Lipper – bid to bid, net of fees, net income reinvested.
Past performance is not a guarantee of future returns.*

Market Review

Credit markets, which started 2009 on a degree of optimism, soon moved back on the defensive, as worsening news on the world economy and fears in the financial sectors drove markets and investors firmly back to risk aversion strategies. It soon became evident that some large banks particularly in the UK and the US, would need further assistance against the real possibility of failure and nationalisation. These fears pushed credit margins higher across most industrial sectors.

Against this background, both the UK Treasury and the Bank of England have undertaken aggressive actions to ease monetary policy, and increase credit availability. The Bank of England cut the base rate to 0.5% and established its quantitative easing programme to increase directly the supply of money to the UK economy and to reduce the threat of deflation. The immediate effect of these combined actions reduced government bond yields of medium to longer-term maturities by more than 50 basis points. However, some of these gains have been given up following the upside surprise in the recent CPI data and fears of further increases in government debt supply. Late in March, the Bank of England also put into force its Asset Purchase Facility for corporate bonds. This facility enables market participants to sell corporate bonds directly to the Bank of England to raise the levels of liquidity in these securities. Since this programme was introduced, we have seen a stabilisation in the price of credit for most investment grade corporate bonds.

Although the UK, Eurozone, and US economies, have all remained in deep recession throughout the first quarter of 2009, and are yet to show any real signs of recovery, the global situation outside of the financial world, is not expected to deteriorate much further for the rest of the year. Following the various fiscal stimuli announced by most of the world's lending economic countries and low global interest rates we could see the beginning of a modest world revival by the year-end providing the financial crises is contained.

Policy Review

The ACD acts as investment adviser to the sub-fund and may appoint sub-advisers in the future. The investment adviser is responsible for discretionary investment management of the assets in accordance with the investment objectives.

Derivatives were not used during this review period. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

Investment Outlook

For the first quarter of 2009, we have seen the beginning of a period of stabilisation in the bond markets with levels of liquidity picking up. Going forward we hope to see an increase in economic confidence and a recovery in risk appetite with credit spreads moving tighter.

Santander Bond Portfolio

Summary of Accounts

Fund Accounting Dates	Distribution Payment Dates
30 September / 31 March	30 November / 31 May

Distribution Statement

On 31 May 2009 a final distribution of 1.0481p will be reinvested on behalf of Retail Accumulation shareholders.

Total Expense Ratio

The Total Expenses Ratio (TER) provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The TER consists principally of the ACD's annual charge. The other expenses are currently borne by the ACD.

The sub-fund has invested primarily in Collective Investment Schemes therefore the management fees are incurred directly by the sub-fund and also by the underlying Collective Investment Schemes. The management fees incurred by the underlying Collective Investment Schemes are disclosed in the following table as Synthetic TER.

Expense Type	12.12.08 to 31.03.09
Retail Accumulation shares	
ACD's periodic charge	0.50%
Synthetic TER	0.79%
Other expenses	0.03%
Total expense ratio	1.32%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2009	Retail Accumulation shares	144.4	2,015,814	2,910,154

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008*	Retail Accumulation shares	152.2	150.0	n/a
2009**	Retail Accumulation shares	152.8	141.6	1.0481

* The sub-fund commenced on 12 December 2008.

** to 31 March 2009

Santander Cautious Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of return from a portfolio invested in a diversified range of fixed interest investment and equities. This exposure can be achieved directly or through investment in collective investment schemes. Investments will also be made in other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

The sub-fund commenced on 12 December 2008.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09
Collective Investment Schemes	95.50
Net other assets	<u>4.50</u>
Net assets	100.00

Major Holdings

The top 10 holdings at the end of this period are shown below.

Holding	% of total net assets as at 31.03.09
Santander Balanced Portfolio Income Unit Trust – Institutional Income units	17.64
SMM Fixed Interest Monthly Income Fund – Gross A shares	14.88
SMM Bond Bi-Monthly Distributor Fund – Gross A shares	14.78
Santander Balanced Portfolio Growth Unit Trust – Institutional Accumulation units	10.70
SMM Fixed Interest Quarterly Income Fund – Gross A shares	9.85
SMM Equity OEIC Europe Fund A shares	7.43
SMM North America Fund A shares	5.37
SMM UK Equity Fund A shares	5.00
SMM UK Balanced Fund A shares	4.52
SPF Japan Equities Fund D shares	3.53

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates.

The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Santander Cautious Portfolio

Fund Performance

Percentage Price Change from 12 December 2008 to 31 March 2009	
	12.12.08 to 31.03.09
Santander Cautious Portfolio	-5.20
IMA Cautious Managed	-2.52

*Source: Lipper – bid to bid, net of fees, net income reinvested.
Past performance is not a guarantee of future returns.*

Market Review

In the UK, signs of the economic downturn continued during the first quarter of 2009, with data looking particularly poor in terms of a slump in growth and rising unemployment. With house prices continuing to fall and households' access to credit severely constrained, the UK seems set for a prolonged downturn in consumer spending. However, government actions remain supportive with interest rates moving to record lows, the announcement of a quantitative easing strategy, to literally print money, will also help to stimulate growth.

Not surprisingly, the UK market performed very poorly during January and February but rallied by 3% during March to leave the market down by 9% over the quarter, with cyclical stocks and banks being particularly strong. Crucially banks have continued to lend and institutional investors have been supportive of the significant number of capital raising exercises undertaken by highly indebted UK companies over this period. As the economic cycle progresses we expect the equity market to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings amongst institutional investors should support the market.

In Europe, markets continued to be weak, and the FTSE World Series Europe Ex UK Index delivered returns of -16.52% in the first quarter, even after a rally of 7.99% in March. Economic data continued to be poor, with falling industrial production and retail sales, and rising unemployment.

The quarter ended with negative returns for US equities, and the S&P 500 Index lost 11.67%, in spite of the 8.54% upturn that took place in March. On the whole, the economic context is still weak, with low employment figures and falling retail sales pushing the market downwards. Good news came from the Federal Reserve (Fed) who announced that it would increase the size of its balance sheet, purchasing mortgage and public debt, and the Treasury's plan to aid banks in difficulties became more specific.

Elsewhere, Japan suffered strong falls over the quarter, in line with the rest of global markets, as the global macro economic news continued to deteriorate. It is now officially in recession, and the Bank of Japan has taken action to remedy the situation by embarking on a programme of quantitative easing. In contrast, Asia Pacific saw positive returns for the first quarter of 2009 as a result of a strong rally in March.

Within credit markets, 2009 started on a degree of optimism, but soon moved back on the defensive, as worsening news on the world economy and fears in the financial sectors drove markets and investors firmly back to risk aversion strategies. It soon became evident that some large banks particularly in the UK and the US, would need further assistance against the real possibility of failure and nationalisation. These fears pushed credit margins higher across most industrial sectors.

Policy Review

The ACD acts as investment advisor to the sub-fund and may appoint sub-advisers in the future. The investment adviser is responsible for discretionary investment management of the assets in accordance with the investment objectives.

Derivatives were not used during this review period. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

Santander Cautious Portfolio

Fund Performance (continued)

Investment Outlook

Although economic data is still far from upbeat, global equity markets have reacted positively to the decisive action taken by the Central Banks, and we will eventually see the positive effects of this, as the US is expected to be one of the first countries to come out of the recession. In the UK as the economic cycle progresses, we expect equity markets to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings among institutional investors should further support the market. Europe seems to be relying on the US for decisive action, in terms of fiscal stimulus, monetary policy and stability for the banking sector. The European Central Bank (ECB) has not been as aggressive in their policy as other Central Banks. However, European markets have been punished harder than the US equity market, so it is likely that they will participate in the improving investor sentiment.

Summary of Accounts

Fund Accounting Dates	Distribution Payment Dates
30 September / 31 March	30 November / 31 May

Distribution Statement

On 31 May 2009 a final distribution of 0.4150p will be payable on behalf of Retail Income shareholders and 0.4177p will be reinvested on behalf of Retail Accumulation shareholders.

Total Expense Ratio

The Total Expenses Ratio (TER) provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The TER consists principally of the ACD's annual charge but also includes the costs for other services paid in respect of depositary and publication fees. Collectively these fees are known as other expenses. The other expenses are currently borne by the ACD.

The sub-fund has invested primarily in Collective Investment Schemes therefore the management fees are incurred directly by the sub-fund and also by the underlying Collective Investment Schemes. The management fees incurred by the underlying Collective Investment Schemes are disclosed in the following table as Synthetic TER.

Expense Type	12.12.08 to 31.03.09
Retail Income shares	
ACD's periodic charge	0.90%
Synthetic TER	0.57%
Other expenses	0.03%
Total expense ratio	1.50%
Retail Accumulation shares	
ACD's periodic charge	0.90%
Synthetic TER	0.57%
Other expenses	0.03%
Total expense ratio	1.50%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2009	Retail Income shares	141.7	1,830,590	2,593,553
31 March 2009	Retail Accumulation shares	142.2	2,653,870	3,773,324

Santander Cautious Portfolio

Summary of Accounts (continued)

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008*	Retail Income shares	154.0	150.0	n/a
2008*	Retail Accumulation shares	154.0	150.0	n/a
2009**	Retail Income shares	155.5	138.2	0.4150
2009**	Retail Accumulation shares	155.5	138.3	0.4177

* The sub-fund commenced on 12 December 2008.

** to 31 March 2009

Santander Balanced Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to provide an above average level of income along with some potential for capital growth primarily from exposure to a diversified range of equities and fixed interest investments. This exposure can be achieved directly or through investment in collective investment schemes. Investments will also be made in other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

The sub-fund commenced on 12 December 2008.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09
Collective Investment Schemes	94.08
Net other assets	<u>5.92</u>
Net assets	100.00

Major Holdings

The top 10 holdings at the end of this period are shown below.

Holding	% of total net assets as at 31.03.09
SMM Europe Fund A shares	13.28
Santander Balanced Portfolio Income Unit Trust – Institutional Income units	13.26
Santander Balanced Portfolio Growth Unit Trust – Institutional Accumulation units	13.10
SMM Fixed Interest Monthly Income Fund – Gross A shares	10.66
SMM Bond Bi-Monthly Distributor Fund – Gross A shares	9.66
SMM North America Fund A shares	9.14
SMM UK Equity Fund A shares	5.89
SMM UK Balanced Fund A shares	5.75
SPF Japan Equities Fund D shares	5.54
SMM Fixed Interest Quarterly Income Fund – Gross A shares	5.53

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Santander Balanced Portfolio

Fund Performance

Percentage Price Change from 12 December 2008 to 31 March 2009	
	12.12.08 to 31.03.09
Santander Balanced Portfolio	-4.98
IMA Balanced Managed	-2.77

*Source: Lipper – bid to bid, net of fees, net income reinvested.
Past performance is not a guarantee of future returns.*

Market Review

In the UK, signs of the economic downturn continued during the first quarter of 2009, with data looking particularly poor in terms of a slump in growth and rising unemployment. With house prices continuing to fall and households' access to credit severely constrained, the UK seems set for a prolonged downturn in consumer spending. However, government actions remain supportive with interest rates moving to record lows, the announcement of a quantitative easing strategy, to literally print money, will also help to stimulate growth.

Not surprisingly, the UK market performed very poorly during January and February but rallied by 3% during March to leave the market down by 9% over the quarter, with cyclical stocks and banks being particularly strong. Crucially banks have continued to lend and institutional investors have been supportive of the significant number of capital raising exercises undertaken by highly indebted UK companies over this period. As the economic cycle progresses we expect the equity market to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings amongst institutional investors should support the market.

In Europe, markets continued to be weak, and the FTSE World Series Europe Ex UK Index delivered returns of -16.52% in the first quarter, even after a rally of 7.99% in March. Economic data continued to be poor, with falling industrial production and retail sales, and rising unemployment.

The quarter ended with negative returns for US equities, and the S&P 500 Index lost 11.67%, in spite of the 8.54% upturn that took place in March. On the whole, the economic context is still weak, with low employment figures and falling retail sales pushing the market downwards. Good news came from the Federal Reserve (Fed) who announced that it would increase the size of its balance sheet, purchasing mortgage and public debt, and the Treasury's plan to aid banks in difficulty became more specific.

Elsewhere, Japan suffered strong falls over the quarter, in line with the rest of global markets, as the global macro economic news continued to deteriorate. It is now officially in recession, and the Bank of Japan has taken action to remedy the situation by embarking on a programming of quantitative easing. In contrast, Asia Pacific saw positive returns for the first quarter of 2009 as a result of a strong rally in March.

Within credit markets, 2009 started on a degree of optimism, but soon moved back on the defensive, as worsening news on the world economy and fears in the financial sectors drove markets and investors firmly back to risk aversion strategies. It soon became evident that some large banks particularly in the UK and the US, would need further assistance against the real possibility of failure and nationalisation. These fears pushed credit margins higher across most industrial sectors.

Policy Review

The ACD acts as investment adviser to the sub-fund and may appoint sub-advisers in the future. The investment adviser is responsible for discretionary investment management of the assets in accordance with the investment objectives.

Derivatives were not used during this review period. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

Santander Balanced Portfolio

Fund Performance (continued)

Investment Outlook

Although economic data is still far from upbeat, global equity markets have reacted positively to the decisive action taken by the Central Banks, and we will eventually see the positive effects of this, as the US is expected to be one of the first countries to come out of the recession. In the UK as the economic cycle progresses, we expect equity markets to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings among institutional investors should further support the market. Europe seems to be relying on the US for decisive action, in terms of fiscal stimulus, monetary policy and stability for the banking sector. The European Central Bank (ECB) has not been as aggressive in their policy as other Central Banks. However, European markets have been punished harder than the US equity market, so it is likely that they will participate in the improving investor sentiment.

Summary of Accounts

Fund Accounting Dates	Distribution Payment Dates
30 September / 31 March	30 November / 31 May

Distribution Statement

On 31 May 2009 a final distribution of 0.2047p will be reinvested on behalf of Retail Accumulation shareholders.

Total Expense Ratio

The Total Expenses Ratio (TER) provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The TER consists principally of the ACD's annual charge but also includes the costs for other services paid in respect of depositary and publication fees. Collectively these fees are known as other expenses. The other expenses are currently borne by the ACD.

The sub-fund has invested primarily in Collective Investment Schemes therefore the management fees are incurred directly by the sub-fund and also by the underlying Collective Investment Schemes. The management fees incurred by the underlying Collective Investment Schemes are disclosed in the following table as Synthetic TER.

Expense Type	12.12.08 to 31.03.09
Retail Accumulation shares	
ACD's periodic charge	1.10%
Synthetic TER	0.47%
Other expenses	0.01%
Total expense ratio	1.58%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2009	Retail Accumulation shares	142.5	8,750,635	12,471,517

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008*	Retail Accumulation shares	155.3	150.0	n/a
2009**	Retail Accumulation shares	157.7	136.3	0.2047

* The sub-fund commenced on 12 December 2008.

** to 31 March 2009

Santander Global Equity Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of growth by investing in companies based mainly in the UK and Europe but also companies based in other regions, including but not limited to North America and Asia, and across a variety of sectors. This exposure can be achieved directly or through investment in collective investment schemes. Investments will also be made in other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

The sub-fund commenced on 12 December 2008.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09
Collective Investment Schemes	93.66
Net other assets	<u>6.34</u>
Net assets	100.00

Major Holdings

The top holdings at the end of this period are shown below.

Holding	% of total net assets as at 31.03.09
SMM Europe Fund A shares	25.33
SMM North America Fund A shares	18.99
Santander UK Growth Unit Trust - Institutional Accumulation shares	12.44
SPF Pacific Basin (ex Japan) Equities Fund -D shares	10.43
SPF Japan Equities Fund D shares	9.48
SMM UK Balanced Fund A shares	6.18
SMM UK Equity Fund A shares	5.69
Gartmore Investment Funds Series 1 – Emerging Markets Opportunities Fund	2.91
Scottish Widows IPI Funds ICVC – Emerging Markets Fund	2.21

All holdings in securities in the sub-fund are disclosed above.

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates. The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Santander Global Equity Portfolio

Fund Performance

Percentage Price Change from 12 December 2008 to 31 March 2009	
	12.12.08 to 31.03.09
Santander Global Equity Portfolio	-4.60
IMA Global Growth	-2.26

*Source: Lipper – bid to bid, net of fees, net income reinvested.
Past performance is not a guarantee of future returns.*

Market Review

In the UK, signs of the economic downturn continued during the first quarter of 2009, with data looking particularly poor in terms of a slump in growth and rising unemployment. With house prices continuing to fall and households' access to credit severely constrained, the UK seems set for a prolonged downturn in consumer spending. However, government actions remain supportive with interest rates moving to record lows, the announcement of a quantitative easing strategy, to literally print money, will also help to stimulate growth.

Not surprisingly, the UK market performed very poorly during January and February but rallied by 3% during March to leave the market down by 9% over the quarter, with cyclical stocks and banks being particularly strong. Crucially banks have continued to lend and institutional investors have been supportive of the significant number of capital raising exercises undertaken by highly indebted UK companies over this period. As the economic cycle progresses we expect the equity market to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings amongst institutional investors should support the market.

In Europe, markets continued to be weak, and the FTSE World Series Europe Ex UK Index delivered returns of -16.52% in the first quarter, even after a rally of 7.99% in March. Economic data continued to be poor, with falling industrial production and retail sales, and rising unemployment.

The quarter ended with negative returns for US equities, and the S&P 500 Index lost 11.67%, in spite of the 8.54% upturn that took place in March. On the whole, the economic context is still weak, with low employment figures and falling retail sales pushing the market downwards. Good news came from the Federal Reserve Bank (Fed) who announced that it would increase the size of its balance sheet, purchasing mortgage and public debt, and the Treasury's plan to aid banks in difficulties became more specific.

Elsewhere, Japan suffered strong falls over the quarter, in line with the rest of global markets, as the global macro economic news continued to deteriorate. It is now officially in recession, and the Bank of Japan has taken action to remedy the situation by embarking on a programming of quantitative easing. In contrast, Asia Pacific saw positive returns for the first quarter of 2009 as a result of a strong rally in March.

Global emerging markets ended the quarter in positive territory despite economic data continuing to deteriorate. Although emerging markets are still growing in absolute terms, some countries such as Hungary have entered in recession. Russia, Ukraine and Latvia also had their credit ratings downgrading over the quarter.

Within credit markets, 2009 started on a degree of optimism, but soon moved back on the defensive, as worsening news on the world economy and fears in the financial sectors drove markets and investors firmly back to risk aversion strategies. It soon became evident that some large banks particularly in the UK and the US, would need further assistance against the real possibility of failure and nationalisation. These fears pushed credit margins higher across most industrial sectors.

Policy Review

The ACD acts as investment adviser to the sub-fund and may appoint sub-advisers in the future. The investment adviser is responsible for discretionary investment management of the assets in accordance with the investment objectives.

Derivatives were not used during this review period. We did not utilise the sub-fund's borrowing facility other than to facilitate timely settlement of stock purchases.

Santander Global Equity Portfolio

Fund Performance (continued)

Investment Outlook

Although economic data is still far from upbeat, global equity markets have reacted positively to the decisive action taken by the Central Banks, and we will eventually see the positive effects of this, as the US is expected to be one of the first countries to come out of the recession. In the UK as the economic cycle progresses, we expect equity markets to gradually improve. Low interest rates, attractive valuations and high levels of cash holdings among institutional investors should further support the market. Europe seems to be relying on the US for decisive action, in terms of fiscal stimulus, monetary policy and stability for the banking sector. The European Central Bank (ECB) has not been as aggressive in their policy as other Central Banks. However, European markets have been punished harder than the US equity market, so it is likely that they will participate in the improving investor sentiment.

Summary of Accounts

Fund Accounting Dates	Distribution Payment Dates
30 September / 31 March	30 November / 31 May

Distribution Statement

On 31 May 2009 a final distribution will not be payable to Retail Accumulation shareholders.

Total Expense Ratio

The Total Expenses Ratio (TER) provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The TER consists principally of the ACD's annual charge but also includes the costs for other services paid in respect of depositary and publication fees. Collectively these fees are known as other expenses. The other expenses are currently borne by the ACD.

The sub-fund has invested primarily in Collective Investment Schemes therefore the management fees are incurred directly by the sub-fund and also by the underlying Collective Investment Schemes. The management fees incurred by the underlying Collective Investment Schemes are disclosed in the following table as Synthetic TER.

Expense Type	12.12.08 to 31.03.09
Retail Accumulation shares	
ACD's periodic charge	1.10%
Synthetic TER	0.49%
Other expenses	0.01%
Total expense ratio	1.60%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2009	Retail Accumulation shares	142.3	7,483,560	10,651,379

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008*	Retail Accumulation shares	158.5	150.0	n/a
2009**	Retail Accumulation shares	162.3	128.7	n/a

* The sub-fund commenced on 12 December 2008.

** to 31 March 2009

Santander International Equity Portfolio

Fund Facts

Investment Objective

The sub-fund's investment objective is to produce an attractive level of growth by investing in companies around the world and across a variety of sectors. This exposure can be achieved directly or through investment in collective investment schemes. Investments will also be made in other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

The sub-fund commenced on 12 December 2008.

Investment Adviser

Santander Asset Management UK Limited

Fund Profile

Portfolio of Investments

Spread of investments	% of total net assets as at 31.03.09
Collective Investment Schemes	95.76
Net other assets	<u>4.24</u>
Net assets	100.00

Major Holdings

The top holdings at the end of this period are shown below.

Holding	% of total net assets as at 31.03.09
SMM Europe Fund A shares	21.14
Santander UK Growth Unit Trust - Institutional Accumulation shares	19.74
SMM North America Fund A shares	14.93
SPF Japan Equities Fund D shares	12.33
SMM UK Equity Fund A shares	9.47
SMM UK Balanced Fund A shares	8.84
SPF Fund Pacific Basin (ex Japan) Equities Fund -D shares	7.61
Scottish Widows IPI Funds ICVC – Emerging Markets Fund	0.90
Gartmore Investment Funds Series 1 – Emerging Markets Opportunities Fund	0.80

All holdings in securities in the sub-fund are disclosed above.

Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks include risks from foreign exchange movements and risks of adverse effects from changes in interest rates.

The sub-fund does not borrow in the normal course of business and has no material exposure to unlisted securities. The ACD reviews policies for managing these risks regularly as part of the process for achieving the investment objective.

Santander International Equity Portfolio

Fund Performance

Percentage Price Change from 12 December 2008 to 31 March 2009	
	12.12.08 to 31.03.09
Santander International Equity Portfolio	-4.97
IMA Global Growth	-1.98

*Source: Lipper – bid to bid, net of fees, net income reinvested.
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Market Review

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Santander International Equity Portfolio

Fund Performance (continued)

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Retail Accumulation shares	
ACD's periodic charge	1.10%
Synthetic TER	0.52%
Other expenses	0.01%
Total expense ratio	1.63%

Net Asset Values

Accounting Date	Share Description	Net Value Per Share (pence)	Number of Shares in Issue	Net Asset Value
31 March 2009	Retail Accumulation shares	142.5	6,353,231	9,055,944

Share Price & Distribution

Calendar Year	Share Description	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2008*	Retail Accumulation shares	158.7	150.0	n/a
2009**	Retail Accumulation shares	162.8	129.5	n/a

* The sub-fund commenced on 12 December 2008.

** to 31 March 2009

Appointments

ACD and Registrar

Santander Asset Management UK Limited
Abbey National House
301 St Vincent Street
Glasgow, G2 5HN, United Kingdom
Authorised and regulated by the Financial Services Authority

Directors

Jose Ignacio Izquierdo Saugar (resigned 24 October 2008)
John Christopher Bearman
Alan Mathewson
Nicolas Edward Merigo Cook
Eduardo Suarez Alvarez Novoa
Antonio Lorenzo
Jeffrey Conrad Scott (appointed 25 September 2008)

Investment Adviser

Santander Asset Management UK Limited
2 Triton Square
Regent's Place
London NW1 3AN, United Kingdom
Authorised and regulated by the Financial Services Authority

Depositary

The Royal Bank of Scotland Trustee & Depositary Services
The Broadstone
50 South Gyle Crescent
Edinburgh EH12 9UZ
United Kingdom
Authorised and regulated by the Financial Services Authority

Independent Auditors

Deloitte LLP
Lomond House
9 George Square
Glasgow G2 1QQ
United Kingdom

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