

**Santander Managed OEIC**

**Interim Short Report  
for the period ended 30 September 2008  
(Unaudited)**

# Global Emerging Market

## Fund Facts

### Investment Objective and Policy

The objective of the sub-fund is to invest the scheme property in a mixture of collective investment schemes and other assets in accordance with FSA rules with the aim of providing investors with superior, risk-adjusted returns over the long-term.

### Investment Adviser

Santander Asset Management UK Limited

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 Reports 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.

Calls cost 6p plus up to 2p per minute from a BT Together landline. Mobile and other providers' charges may vary.

## Fund Profile

### Portfolio of Investments

Spread of investments	% of total net assets as at 30/09/08	% of total net assets as at 31/03/08
Collective Investment Schemes	28.75	-
Exchange Traded Funds	58.18	88.05
Futures	0.15	-
Net other assets	<u>12.92</u>	<u>11.95</u>
<b>Net Assets</b>	<b>100.00</b>	<b>100.00</b>

### Major Holdings

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

Holding	% of Sub-fund as at 30/09/08	Holding	% of Sub-fund as at 31/03/08
iShares MSCI Emerging Markets	20.66	iShares MSCI Emerging Markets	31.68
iShares MSCI AC Far East ex-Japan	18.42	iShares MSCI AC Far East ex-Japan	26.12
Gartmore Investment Funds Series 1		iShares MSCI Latin America	18.19
– Emerging Markets Opportunities Fund	12.93	iShares MSCI Eastern Europe 10/40	8.26
Scottish Widows IPI Funds ICVC		Lyxor ETF India (S&P CNX NIFTY)	3.80
– Emerging Markets Fund	8.59		
iShares MSCI Latin America Fund	7.99		
New Star Investment Funds OEIC			
- Heart of Africa Fund	7.23		
iShares MSCI Eastern Europe 10/40	5.89		
iShares MSCI Brazil	5.22		
SGX S&P CNX Nifty Futures Oct 08	0.15		

## Risk Profile

The main risks within the portfolio relate to changes in the prices of securities held. Other risks will include risks of bankruptcy of companies held, risks from foreign exchange 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 17 December 2007 to 30 September 2008		
	6 months to 30/09/08	17/12/07 to 31/03/08
Global Emerging Market	-19.28	-4.00
MSCI Daily TR Net Emerging Markets	-19.48	-4.69

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

### Market Review

Emerging markets suffered strong falls as investors became more risk averse following the negative news from the global financial sector, higher inflation and a possible global growth slowdown. The valuations in some emerging markets were historically higher in April, but now valuations in some markets are cheaper than ever. Some governments are focusing more on growth risks as inflation is declining through lower commodity prices. In this new economic environment, it will be very important to see how much liquidity provision will follow between emerging and developing countries. The disparities between emerging countries and sectors have increased again and have suffered more than developed countries due to this global risk aversion. Asia was the best performing region. The worst were Latin America and Europe Middle East & Africa (EMEA).

### 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 advisor to the sub-fund and may appoint sub-advisors in the future. The investment advisor 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

All year, we have been more dynamic, taking a holistic view on emerging markets, rather than focusing on just political factors or fundamental analysis. We have a global approach to managing this fund, so we are changing our positions more often to better keep up with market volatility. We have been underweight in the EMEA region and Hong Kong and China, and have been overweight in India when oil prices are falling significantly and in Brazil markets when commodities prices are rising. Our flexibility to invest in other emerging markets fund managers, futures and Exchange Traded Funds (ETFs) is very important in these market situations.

Market aversion is hurting Emerging Markets across all regions. Although we cannot forget this is a global financial crisis, the financial systems in emerging economies are healthy and these economies are still growing, so we could see a recovery in these markets if confidence is coming back.

## Summary of Accounts

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

### Distribution Statement

On 30 November 2008 an interim distribution of 1.2715p 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.

Expense Type	as at 31/03/08
<b>Retail Accumulation shares</b>	
ACD's periodic charge	0.1
Other expenses	-
Total expense ratio	0.1

### 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
30 September 2008	Retail Accumulation shares	115.8	589,819	682,718

### 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	115.4	2.5779

\*the sub-fund commenced on 17 December 2007

\*\* to 30 September 2008

## **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 Advisor**

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**

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

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