

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 1 September 2021 to 31 August 2022

PUTM BOTHWELL TACTICAL ASSET ALLOCATION FUND



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*These collectively comprise the Authorised Fund Manager's Report.

Investment review

Dear Investor

Welcome to the PUTM Bothwell Tactical Asset Allocation Fund annual report for the 12 months to 31 August 2022

Performance Review

Over the review period, the PUTM Bothwell Tactical Asset Allocation Fund returned 0.73%. This compares with a return of 0.58% by its Benchmark Index, SONIA. (source: BlackRock, gross of fees and expenses).

Standardised Past Performance

	Aug 21-22 % growth	Aug 20 - 21 % growth	Apr - Aug 20 % growth	Aug 18-19 % growth	Aug 17 -18 % growth
PUTM Bothwell Tactical Asset Allocation Fund	0.73	1.11	2.08	n/a	n/a
Benchmark Index	0.58	0.05	0.03	n/a	n/a

Source: Fund and Benchmark Index performance are from BlackRock. Note all returns shown are GBP hedged gross returns.

Past performance is not a guide to future performance.

The value of units and the income from them can go down as well as up and is not guaranteed. You may not get back the full amount invested.

Please note that all past performance figures are calculated without taking the initial charge into account.

Investment review

Portfolio and Market Review

The Fund generated returns of 0.73% (gross of fees) over the period. The Fund makes use of both discretionary and systematic macro techniques in seeking to exploit inefficiencies across global markets by taking long and short positions across equities, fixed income, and currencies. The below is a discussion of key performance drivers over the period.

Positive performance over the year was concentrated in our thematic Discretionary process, where the Fund was positioned for positive nominal growth and rising yields. Key themes motivating this positioning were Global Reflation, European Resilience, Fed Normalization, and ECB Withdrawal. Directional longs in Japanese equities, shorts in US 5 and 30yr bond futures, and shorts in German 5 and 30yr futures were the largest drivers of positive returns, with relative value equity exposures (long Europe against other Developed Markets) modestly additive and currency views (long EUR against a basket) a modest detractor. We reduced risk in the discretionary process over the summer months as the risks to growth increased and in acknowledgement of how far pricing had moved in our favor, particularly in nominal yields. We maintain our long Japanese equity and short DM duration positions going into the autumn months.

The Fund's Systematic process generally underperformed over the year. The largest detractor (at both the Fund level and within the Systematic bucket) over the period came from directional bond exposures. Losses were generated by long positions in a basket of DM bonds premised on growth signals that first responded to the COVID Delta variant slowdown in 2021 and later maintained defensive positioning as China's Zero COVID policy and Russia's invasion of Ukraine further disrupted activity. Relative value bond positioning slightly detracted. In equities, relative longs in core Europe and APAC ex-Japan versus the US, UK, and Peripheral Europe detracted over the summer months. Geopolitical tensions weighed on the longs while the shorts outperformed, with ECB support for peripheral spreads boosting Spanish and Italian equities, hurting our short positioning

Market Outlook and Fund Strategy

Recent weeks have seen financial conditions unwind some of their summer loosening as central banks guided markets to price in a tighter path of monetary policy. While the Federal Reserve (Fed) may have hoped that their hawkish early Fall communication would pave the way for a more balanced tone to year-end policy messaging, the significant upside surprise in August CPI suggests no imminent dovish reprieve. Inflation data emerging from Europe has been even more troubling than the US and suggests increased risk that ongoing price strength is feeding through into inflation expectations. The recent hawkish onslaught from central banks has left investors broadly positioned defensively. As such, the bar to a risk asset rally is relatively low and any indication that monetary policymakers are slowing the pace of tightening would likely induce a material bounce. We will be monitoring the incoming inflation developments closely to determine the extent to which central bank communication can soften once we get closer to year-end.

We used the sharp increase in bond yields over recent weeks as an opportunity to take profits on some of our discretionary short position in US fixed income. We retain a modest underweight position as we believe the market should be pricing further interest rate increases (rather than cuts) into 2023 though acknowledge that the severity of the 2023 easing cycle priced into the US yield curve has diminished. Since period-end the Fund moved from long to short European fixed income as the European Central Bank (ECB) appears to be on the same path that the Fed was several quarters ago and believe that the policy adjustments at their September meeting are consistent with higher German bond yields. We reduced our directional equity exposure over the summer months and would look to reallocate risk to this position if inflation data evolves in a manner that enables central bank hawkishness to moderate.

The Fund finished the period ended 31 August 2022 with a net long position global equities and a net short position in global duration. Within equities we were positioned long Japan, Germany, the UK, Spain, and Australia and shorts the Netherlands, the US, Sweden, and Singapore. Within bonds we were positioned long US and German duration against rest of world; under the surface our discretionary book preferred directional shorts across the US, Germany, and Japan.

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Government Bonds (31/08/21- 65.30%)		69.96
£139,000,000	UK Treasury 0.125% 31/01/2023	137,742	24.42
£12,000,000	UK Treasury 0.125% 31/01/2024	11,509	2.04
£113,000,000	UK Treasury 0.75% 22/07/2023	110,949	19.67
£5,000,000	UK Treasury 1% 22/04/2024	4,840	0.86
£80,000,000	UK Treasury 1.75% 07/09/2022	79,994	14.18
£48,000,000	UK Treasury 2.25% 07/09/2023	47,595	8.44
£2,000,000	UK Treasury 2.75% 07/09/2024	1,990	0.35
	Money Market (31/08/21- 17.38%)		16.83
£870,282	BlackRock Institutional Cash Series		
	Sterling Liquidity Agency Accumulation +	94,951	16.83
	Interest Rate Swaps - Capital Protection (31/08/21- 0.19%)		0.22
AUD 500,000	General Broker 4.232% 21/09/2027	57	0.01
(AUD 500,000)	General Broker BBSW 21/09/2027	(52)	(0.01)
AUD 9,000,000	General Broker 3.299% 21/09/2027	795	0.14
(AUD 9,000,000)	General Broker BBSW 21/09/2027	(938)	(0.17)
AUD 24,000,000	BNP Paribas 3.702% 21/09/2027	2,380	0.42
(AUD 24,000,000)	BNP Paribas BBSW 21/09/2027	(2,503)	(0.44)
AUD 24,000,000	General Broker 3.707% 21/09/2027	2,383	0.42
(AUD 24,000,000)	General Broker BBSW 21/09/2027	(2,503)	(0.44)
AUD 7,920,000	General Broker 3.532% 21/09/2027	749	0.13
(AUD 7,920,000)	General Broker BBSW 21/09/2027	(826)	(0.15)
AUD 8,040,000	General Broker 3.522% 21/09/2027	758	0.13
(AUD 8,040,000)	General Broker BBSW 21/09/2027	(838)	(0.15)
AUD 8,040,000	General Broker 3.529% 21/09/2027	760	0.13
(AUD 8,040,000)	General Broker BBSW 21/09/2027	(838)	(0.15)
AUD 7,500,000	General Broker 3.621% 21/09/2027	727	0.13
(AUD 7,500,000)	General Broker BBSW 21/09/2027	(782)	(0.14)
AUD 7,500,000	General Broker 3.613% 21/09/2027	726	0.13
(AUD 7,500,000)	General Broker BBSW 21/09/2027	(782)	(0.14)
AUD 6,500,000	General Broker 3.762% 21/09/2027	655	0.11
(AUD 6,500,000)	General Broker BBSW 21/09/2027	(678)	(0.12)
AUD 6,500,000	General Broker 3.823% 21/09/2027	666	0.12
(AUD 6,500,000)	General Broker BBSW 21/09/2027	(678)	(0.12)
AUD 4,000,000	General Broker 3.979% 21/09/2027	426	0.07
(AUD 4,000,000)	General Broker BBSW 21/09/2027	(417)	(0.07)
AUD 4,000,000	General Broker 3.975% 21/09/2027	426	0.07
(AUD 4,000,000)	General Broker BBSW 21/09/2027	(417)	(0.07)
AUD 8,000,000	General Broker 4.011% 21/09/2027	859	0.15
(AUD 8,000,000)	General Broker BBSW 21/09/2027	(834)	(0.15)
AUD 2,500,000	General Broker 3.91% 21/09/2027	262	0.04
(AUD 2,500,000)	General Broker BBSW 21/09/2027	(261)	(0.05)
AUD 2,500,000	General Broker 3.92% 21/09/2027	263	0.05
(AUD 2,500,000)	General Broker BBSW 21/09/2027	(261)	(0.05)

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Interest Rate Swaps - Capital Protection (continued)			
AUD 5,000,000	General Broker 4.047% 15/03/2028	533	0.09
(AUD 5,000,000)	General Broker BBSW 15/03/2028	(528)	(0.09)
AUD 5,000,000	General Broker 4.082% 15/03/2028	538	0.09
(AUD 5,000,000)	General Broker BBSW 15/03/2028	(528)	(0.09)
CAD 10,000,000	General Broker 3.18% 21/09/2027	949	0.17
(CAD 10,000,000)	General Broker LIBOR 21/09/2027	(1,088)	(0.19)
CAD 35,000,000	General Broker 3.2% 21/09/2027	3,341	0.59
(CAD 35,000,000)	General Broker LIBOR 21/09/2027	(3,807)	(0.67)
CAD 5,000,000	General Broker 3.55% 15/03/2028	3,280	0.58
(CAD 5,000,000)	General Broker LIBOR 15/03/2028	(3,281)	(0.58)
EUR 12,000,000	General Broker 1.683% 21/09/2027	823	0.15
(EUR 12,000,000)	General Broker EURIB 21/09/2027	(1,121)	(0.20)
EUR 8,000,000	General Broker 1.78% 21/09/2027	580	0.10
(EUR 8,000,000)	General Broker EURIB 21/09/2027	(747)	(0.13)
EUR 30,000,000	General Broker 1.66% 21/09/2027	2,029	0.36
(EUR 30,000,000)	General Broker EURIB 21/09/2027	(2,802)	(0.50)
EUR 27,000,000	General Broker 1.69% 21/09/2027	1,859	0.33
(EUR 27,000,000)	General Broker EURIB 21/09/2027	(2,522)	(0.45)
EUR 3,000,000	General Broker 2.34% 21/09/2027	286	0.05
(EUR 3,000,000)	General Broker EURIB 21/09/2027	(280)	(0.05)
EUR 37,000,000	General Broker 2.04% 21/09/2027	3,075	0.55
(EUR 37,000,000)	General Broker EURIB 21/09/2027	(3,456)	(0.61)
EUR 12,000,000	General Broker 2.018% 21/09/2027	987	0.17
(EUR 12,000,000)	General Broker EURIB 21/09/2027	(1,121)	(0.20)
HKD 33,000,000	General Broker HIBOR 21/09/2027	573	0.10
(HKD 33,000,000)	General Broker 3.112% 21/09/2027	(518)	(0.09)
HKD 26,000,000	General Broker 3.42% 15/03/2028	442	0.08
(HKD 26,000,000)	General Broker HIBOR 15/03/2028	(442)	(0.08)
MXN 167,000,000	Morgan Stanley TIIE 15/09/2027	2,525	0.45
(MXN 167,000,000)	Morgan Stanley 9.092% 15/09/2027	(2,608)	(0.46)
MXN 133,000,000	BNP Paribas TIIE 15/09/2027	2,011	0.36
(MXN 133,000,000)	BNP Paribas 8.965% 15/09/2027	(2,048)	(0.36)
MXN 229,000,000	Goldman Sachs TIIE 15/09/2027	3,462	0.61
(MXN 229,000,000)	Goldman Sachs 9.36% 15/09/2027	(3,681)	(0.65)
MXN 361,000,000	Barclays TIIE 15/09/2027	5,458	0.97
(MXN 361,000,000)	Barclays 9.095% 15/09/2027	(5,639)	(1.00)
MXN 514,000,000	Goldman Sachs TIIE 15/09/2027	7,771	1.38
(MXN 514,000,000)	Goldman Sachs 8.635% 15/09/2027	(7,622)	(1.35)
PLN 20,000,000	Goldman Sachs WIBOR 21/09/2027	992	0.18
(PLN 20,000,000)	Goldman Sachs 5.01% 21/09/2027	(756)	(0.13)
PLN 14,000,000	Morgan Stanley WIBOR 21/09/2027	694	0.12
(PLN 14,000,000)	Morgan Stanley 5.517% 21/09/2027	(582)	(0.10)
PLN 61,000,000	JP Morgan WIBOR 21/09/2027	3,025	0.54
(PLN 61,000,000)	JP Morgan 5.867% 21/09/2027	(2,699)	(0.48)
PLN 42,000,000	HSBC WIBOR 21/09/2027	2,083	0.37

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Interest Rate Swaps - Capital Protection (continued)			
(PLN 42,000,000)	HSBC 6.245% 21/09/2027	(1,978)	(0.35)
PLN 16,000,000	HSBC WIBOR 21/09/2027	793	0.14
(PLN 16,000,000)	HSBC 6.57% 21/09/2027	(792)	(0.14)
PLN 33,000,000	JP Morgan WIBOR 21/09/2027	1,637	0.29
(PLN 33,000,000)	JP Morgan 5.372% 21/09/2027	(1,337)	(0.24)
ZAR 71,000,000	General Broker 8.152% 21/09/2027	1,193	0.21
(ZAR 71,000,000)	General Broker JIBAR 21/09/2027	(1,194)	(0.21)
ZAR 499,000,000	HSBC 8.305% 21/09/2027	8,545	1.52
(ZAR 499,000,000)	HSBC JIBAR 21/09/2027	(8,392)	(1.49)
ZAR 209,550,000	Deutsche Bank 8.196% 21/09/2027	3,541	0.63
(ZAR 209,550,000)	Deutsche Bank JIBAR 21/09/2027	(3,524)	(0.62)
ZAR 151,450,000	JP Morgan 8.14% 21/09/2027	2,542	0.45
(ZAR 151,450,000)	JP Morgan JIBAR 21/09/2027	(2,547)	(0.45)
ZAR 58,000,000	HSBC 8.36% 21/09/2027	1,000	0.18
(ZAR 58,000,000)	HSBC JIBAR 21/09/2027	(975)	(0.17)
ZAR 43,000,000	JP Morgan 8.37% 21/09/2027	742	0.13
(ZAR 43,000,000)	JP Morgan JIBAR 21/09/2027	(723)	(0.13)
ZAR 71,000,000	HSBC 8.56% 21/09/2027	1,253	0.22
(ZAR 71,000,000)	HSBC JIBAR 21/09/2027	(1,194)	(0.21)
ZAR 45,000,000	Deutsche Bank 8.5% 21/09/2027	789	0.14
(ZAR 45,000,000)	Deutsche Bank JIBAR 21/09/2027	(757)	(0.13)
ZAR 75,000,000	Morgan Stanley 8.62% 21/09/2027	1,333	0.24
(ZAR 75,000,000)	Morgan Stanley JIBAR 21/09/2027	(1,261)	(0.22)
ZAR 183,000,000	Morgan Stanley 7.99% 21/09/2027	3,015	0.53
(ZAR 183,000,000)	Morgan Stanley JIBAR 21/09/2027	(3,078)	(0.55)
ZAR 85,000,000	Deutsche Bank 7.956% 21/09/2027	1,395	0.25
(ZAR 85,000,000)	Deutsche Bank JIBAR 21/09/2027	(1,430)	(0.25)
SEK 119,000,000	General Broker STIB 21/09/2027	1,319	0.23
(SEK 119,000,000)	General Broker 2.72% 21/09/2027	(1,198)	(0.21)
SEK 47,000,000	General Broker STIB 21/09/2027	521	0.09
(SEK 47,000,000)	General Broker 2.48% 21/09/2027	(432)	(0.08)
SEK 150,000,000	General Broker STIB 21/09/2027	1,662	0.29
(SEK 150,000,000)	General Broker 2.37% 21/09/2027	(1,316)	(0.23)
SEK 138,000,000	General Broker STIB 21/09/2027	1,530	0.27
(SEK 138,000,000)	General Broker 2.78% 21/09/2027	(1,421)	(0.25)
GBP 6,000,000	General Broker SONIA 21/09/2027	915	0.16
(GBP 6,000,000)	General Broker 2.86% 21/09/2027	(772)	(0.14)
GBP 23,000,000	General Broker SONIA 21/09/2027	3,508	0.62
(GBP 23,000,000)	General Broker 2.793% 21/09/2027	(2,890)	(0.51)
GBP 22,000,000	General Broker SONIA 21/09/2027	3,355	0.59
(GBP 22,000,000)	General Broker 2.52% 21/09/2027	(2,494)	(0.44)
GBP 28,000,000	General Broker SONIA 21/09/2027	4,270	0.76
(GBP 28,000,000)	General Broker 2.54% 21/09/2027	(3,199)	(0.57)
GBP 9,000,000	General Broker SONIA 21/09/2027	1,373	0.24

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Interest Rate Swaps - Capital Protection (continued)			
(GBP 9,000,000)	General Broker 2.82% 21/09/2027	(1,142)	(0.20)
GBP 9,000,000	General Broker SONIA 21/09/2027	1,372	0.24
(GBP 9,000,000)	General Broker 2.98% 21/09/2027	(1,206)	(0.21)
GBP 11,000,000	General Broker SONIA 21/09/2027	1,678	0.30
(GBP 11,000,000)	General Broker 3.11% 21/09/2027	(1,539)	(0.27)
GBP 5,000,000	General Broker SONIA 21/09/2027	763	0.14
(GBP 5,000,000)	General Broker 3.32% 21/09/2027	(747)	(0.13)
Forward Foreign Exchange Contracts (31/08/21- (0.37%))			(0.11)
GBP 399,535	GBP Forward Currency Contract 21/09/2022	400	0.07
(SEK 4,866,000)	SEK Forward Currency Contract 21/09/2022	(394)	(0.07)
GBP 167,975	GBP Forward Currency Contract 21/09/2022	168	0.03
(PLN 914,000)	PLN Forward Currency Contract 21/09/2022	(167)	(0.03)
GBP 493,932	GBP Forward Currency Contract 21/09/2022	494	0.09
(MXN 12,350,000)	MXN Forward Currency Contract 21/09/2022	(525)	(0.09)
GBP 450,752	GBP Forward Currency Contract 21/09/2022	451	0.08
(SGD 776,000)	SGD Forward Currency Contract 21/09/2022	(478)	(0.09)
GBP 1,072,963	GBP Forward Currency Contract 21/09/2022	1,073	0.19
(EUR 1,245,000)	EUR Forward Currency Contract 21/09/2022	(1,077)	(0.19)
GBP 197,716	GBP Forward Currency Contract 21/09/2022	198	0.04
(ZAR 3,898,000)	ZAR Forward Currency Contract 21/09/2022	(196)	(0.04)
GBP 1,729,542	GBP Forward Currency Contract 21/09/2022	1,729	0.31
(CAD 2,725,000)	CAD Forward Currency Contract 21/09/2022	(1,787)	(0.32)
GBP 338,637	GBP Forward Currency Contract 21/09/2022	338	0.06
(USD 424,000)	USD Forward Currency Contract 21/09/2022	(364)	(0.07)
GBP 1,344,695	GBP Forward Currency Contract 21/09/2022	1,345	0.24
(AUD 2,330,000)	AUD Forward Currency Contract 21/09/2022	(1,373)	(0.24)
GBP 970,184	GBP Forward Currency Contract 21/09/2022	970	0.17
(JPY 157,986,000)	JPY Forward Currency Contract 21/09/2022	(981)	(0.17)
GBP 2,113,940	GBP Forward Currency Contract 21/09/2022	2,114	0.37
(USD 2,591,000)	USD Forward Currency Contract 21/09/2022	(2,226)	(0.39)
CAD 4,419,000	CAD Forward Currency Contract 21/09/2022	2,898	0.51
(GBP 2,845,307)	GBP Forward Currency Contract 21/09/2022	(2,845)	(0.50)
GBP 3,614,813	GBP Forward Currency Contract 21/09/2022	3,615	0.64
(EUR 4,246,000)	EUR Forward Currency Contract 21/09/2022	(3,673)	(0.65)
GBP 6,022,504	GBP Forward Currency Contract 21/09/2022	6,023	1.07
(CAD 9,386,000)	CAD Forward Currency Contract 21/09/2022	(6,156)	(1.09)
GBP 4,482,086	GBP Forward Currency Contract 21/09/2022	4,482	0.79
(EUR 5,315,000)	EUR Forward Currency Contract 21/09/2022	(4,598)	(0.82)
CAD 3,294,000	CAD Forward Currency Contract 21/09/2022	2,160	0.38
(GBP 2,119,969)	GBP Forward Currency Contract 21/09/2022	(2,120)	(0.38)
EUR 4,075,000	EUR Forward Currency Contract 21/09/2022	3,525	0.62
(GBP 3,410,075)	GBP Forward Currency Contract 21/09/2022	(3,410)	(0.60)
GBP 3,297,061	GBP Forward Currency Contract 21/09/2022	3,297	0.58
(AUD 5,771,000)	AUD Forward Currency Contract 21/09/2022	(3,400)	(0.60)

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
GBP 2,969,835	GBP Forward Currency Contract 21/09/2022	2,970	0.53
(JPY 482,537,000)	JPY Forward Currency Contract 21/09/2022	(2,995)	(0.53)
GBP 1,966,889	GBP Forward Currency Contract 21/09/2022	1,967	0.35
(PLN 11,126,000)	PLN Forward Currency Contract 21/09/2022	(2,030)	(0.36)
AUD 4,646,000	AUD Forward Currency Contract 21/09/2022	2,737	0.49
(GBP 2,665,261)	GBP Forward Currency Contract 21/09/2022	(2,665)	(0.47)
GBP 3,079,886	GBP Forward Currency Contract 21/09/2022	3,080	0.55
(AUD 5,385,000)	AUD Forward Currency Contract 21/09/2022	(3,173)	(0.56)
GBP 2,170,670	GBP Forward Currency Contract 21/09/2022	2,171	0.38
(ZAR 44,177,000)	ZAR Forward Currency Contract 21/09/2022	(2,222)	(0.39)
AUD 4,525,000	AUD Forward Currency Contract 21/09/2022	2,666	0.47
(GBP 2,609,270)	GBP Forward Currency Contract 21/09/2022	(2,609)	(0.46)
GBP 2,761,276	GBP Forward Currency Contract 21/09/2022	2,761	0.49
(AUD 4,796,000)	AUD Forward Currency Contract 21/09/2022	(2,825)	(0.50)
GBP 2,895,374	GBP Forward Currency Contract 21/09/2022	2,895	0.51
(USD 3,509,000)	USD Forward Currency Contract 21/09/2022	(3,014)	(0.53)
AUD 4,485,000	AUD Forward Currency Contract 21/09/2022	2,642	0.47
(GBP 2,595,999)	GBP Forward Currency Contract 21/09/2022	(2,596)	(0.46)
GBP 2,562,736	GBP Forward Currency Contract 21/09/2022	2,563	0.45
(AUD 4,401,000)	AUD Forward Currency Contract 21/09/2022	(2,593)	(0.46)
GBP 2,153,286	GBP Forward Currency Contract 21/09/2022	2,153	0.38
(CAD 3,338,000)	CAD Forward Currency Contract 21/09/2022	(2,189)	(0.39)
EUR 2,502,000	EUR Forward Currency Contract 21/09/2022	2,164	0.38
(GBP 2,124,026)	GBP Forward Currency Contract 21/09/2022	(2,124)	(0.38)
USD 2,816,000	USD Forward Currency Contract 21/09/2022	2,419	0.43
(GBP 2,333,958)	GBP Forward Currency Contract 21/09/2022	(2,334)	(0.41)
AUD 4,979,000	AUD Forward Currency Contract 21/09/2022	2,933	0.52
(GBP 2,858,569)	GBP Forward Currency Contract 21/09/2022	(2,858)	(0.51)
EUR 2,494,000	EUR Forward Currency Contract 21/09/2022	2,157	0.38
(GBP 2,108,744)	GBP Forward Currency Contract 21/09/2022	(2,109)	(0.37)
GBP 2,002,609	GBP Forward Currency Contract 21/09/2022	2,003	0.36
(SEK 25,135,000)	SEK Forward Currency Contract 21/09/2022	(2,033)	(0.36)
GBP 2,041,921	GBP Forward Currency Contract 21/09/2022	2,042	0.36
(CAD 3,138,000)	CAD Forward Currency Contract 21/09/2022	(2,058)	(0.36)
GBP 3,447,609	GBP Forward Currency Contract 21/09/2022	3,448	0.61
(EUR 4,086,000)	EUR Forward Currency Contract 21/09/2022	(3,535)	(0.63)
CAD 4,262,000	CAD Forward Currency Contract 21/09/2022	2,795	0.50
(GBP 2,780,861)	GBP Forward Currency Contract 21/09/2022	(2,781)	(0.49)
EUR 4,574,000	EUR Forward Currency Contract 21/09/2022	3,957	0.70
(GBP 3,947,180)	GBP Forward Currency Contract 21/09/2022	(3,947)	(0.70)
Futures (31/08/21- (0.31%))			0.15
(949)	CBT US 5Y Note Future December 2022	472	0.08
1,537	CBT US 10Y Note Future December 2022	(1,112)	(0.20)
(157)	CBT US Ultra Bond CBT December 2022	41	0.01

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Futures (continued)			
178	CME 3 Month SOFR Future June 2022	(405)	(0.07)
(172)	CME S&P 500E Mini Index Future September 2022	496	0.09
(267)	EOE Amsterdam Index Future September 2022	1,983	0.35
(46)	EOP CAC40 10 Euro Future September 2022	101	0.02
96	EUX DAX Index Future September 2022	(819)	(0.15)
(739)	EUX Euro-Bobl Future September 2022	1,373	0.24
611	EUX Euro-Bund Future September 2022	(2,752)	(0.49)
243	ICF FTSE 100 Index Future September 2022	(527)	(0.09)
(71)	ICF Long Gilt Future December 2022	129	0.02
153	MFM IBEX 35 Index Future September 2022	(588)	(0.10)
45	MIL FTSE/MIB Index Future September 2022	(159)	(0.03)
(1,668)	MSE Canada 10Y Bond Future December 2022	663	0.12
117	MSE S&P/TSX 60 Index Future September 2022	(374)	(0.07)
(72)	OSE Japan 10Y Bond OSE Future September 2022	(298)	(0.05)
313	OSE Topix Index Future September 2022	446	0.08
(1,392)	SFE Australian 10Y Bond Future September 2022	853	0.15
(26)	SFE SPI 200 Future September 2022	49	0.01
50	SGX FTSE China A50 Future September 2022	5	0.00
(456)	SGX MSCI Singapore Index ETS Future September 2022	192	0.04
(1,047)	SSE OMXS30 Index Future September 2022	1,089	0.19
Portfolio of investments ^		491,001	87.05
Net other assets		73,015	12.95
Net assets		564,016	100.00

Unless otherwise stated, all investments with the exception of Forward Foreign Exchange Contracts and Interest Rate Swaps are approved securities either officially listed in a member state or traded on or under the rules of an eligible securities market.

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are Barclays, BNP Paribas, Deutsche Bank, Goldman Sachs and Morgan Stanley.

The counterparties for the Interest Rate Swaps are Barclays, BNP Paribas, Deutsche Bank, General Broker, Goldman Sachs, HSBC, JP Morgan and Morgan Stanley.

^ includes investment liabilities.

+ SICAVs (open ended investment schemes registered outside the UK).

Credit Ratings	£000	%
Investment grade	394,619	69.96
Total investment in bonds	394,619	69.96

Top ten purchases and sales

For the year ended 31 August 2022

Purchases	Cost £000	Sales	Proceeds £000
UK Treasury 1.75% 07/09/2022	137,869	UK Treasury 0.5% 22/07/2022	181,899
UK Treasury 0.5% 22/07/2022	135,525	UK Treasury 3.75% 07/09/2021	156,000
UK Treasury 0.125% 31/01/2023	125,895	UK Treasury 4% 07/03/2022	155,439
UK Treasury 0.75% 22/07/2023	103,217	UK Treasury 1.75% 07/09/2022	70,448
UK Treasury 2.25% 07/09/2023	39,068	BlackRock Institutional Cash Series	
UK Treasury 0.125% 31/01/2024	11,983	Sterling Liquidity Agency Accumulation	14,128
UK Treasury 1% 22/04/2024	4,968	UK Treasury 0.75% 22/07/2023	1,666
UK Treasury 2.75% 07/09/2024	2,046	UK Treasury 2.25% 07/09/2023	933
Subtotal	560,571	Subtotal	580,513
Other purchases	–	Other sales	–
Total purchases for the year	560,571	Total sales for the year	580,513

At a minimum, the ten largest purchases and ten largest sales will normally be disclosed. However, as there were less than ten purchases and ten sales during the period, all purchases and sales have been disclosed.

Statistical information

Comparative tables

	31/08/22 pence	Class 'A' Accumulation 31/08/21 pence	31/08/20 pence
Change in net assets per unit			
Opening net asset value per unit	88.41	88.46	96.07
Return before operating charges*	0.79	0.94	(6.55)
Operating charges	(0.98)	(0.99)	(1.06)
Return after operating charges*	(0.19)	(0.05)	(7.61)
Distributions on accumulation units	0.00	0.00	(0.33)
Retained distributions on accumulation units	0.00	0.00	0.33
Closing net asset value per unit	88.22	88.41	88.46
*after direct transaction costs of: ^	0.06	0.09	0.12

Performance

Return after charges	(0.21%)	(0.06%)	(7.92%)
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Other information

Closing net asset value (£000)	28,541	28,878	26,798
Closing number of units	32,352,336	32,665,783	30,294,870
Operating charges	1.11%	1.12%	1.13%
Direct transaction costs	0.07%	0.10%	0.13%

Prices⁺

Highest unit price (pence)	95.86	97.63	107.70
Lowest unit price (pence)	85.00	88.04	87.09

^ The direct transaction costs includes commission on futures and clearing house fees on swaps.

⁺High and low price disclosures are based on quoted unit prices. Therefore, the opening and closing NAV prices may fall outside the high/low price threshold.

Statistical information

Comparative tables

	31/08/22 pence	Class 'B' Accumulation 31/08/21 pence	31/08/20 pence
Change in net assets per unit			
Opening net asset value per unit	96.88	95.89	102.97
Return before operating charges*	0.88	1.01	(7.05)
Operating charges	(0.01)	(0.02)	(0.03)
Return after operating charges*	0.87	0.99	(7.08)
Distributions on accumulation units	(0.22)	0.00	(1.06)
Retained distributions on accumulation units	0.22	0.00	1.06
Closing net asset value per unit	97.75	96.88	95.89
*after direct transaction costs of: ^	0.07	0.10	0.13

Performance

Return after charges	0.90%	1.03%	(6.88%)
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Other information

Closing net asset value (£000)	535,475	595,282	562,585
Closing number of units	547,778,539	614,426,349	586,723,505
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs	0.07%	0.10%	0.13%

Prices⁺

Highest unit price (pence)	97.97	98.85	107.85
Lowest unit price (pence)	93.76	95.51	94.11

^ The direct transaction costs includes commission on futures and clearing house fees on swaps.

⁺High and low price disclosures are based on quoted unit prices. Therefore, the opening and closing NAV prices may fall outside the high/low price threshold.

Statistical information

Investment objective

The Fund aims to provide total returns (a combination of capital growth and income by outperforming SONIA (the "Index") before fees by 3.5% to 4.5% per annum over rolling twelve months periods. Investors should be aware that their capital is at risk and there is no guarantee that the positive total returns will be achieved over the rolling twelve months, or any, time period.

Investment policy

The Fund will aim to achieve the objective by investing at least 70% directly or via derivatives in long and short positions in equities, bonds, currencies and cash. Within bonds, positions may be taken in corporate and government bonds and within equities, specific regional positions may be taken. Net exposure to a particular asset class, country, market or issuer may be positive or negative.

In order to pursue its investment policy, the Fund may also invest the Fund's assets in near cash, deposits, warrants and/or money market instruments and collective investment schemes (and use may be made of stock lending (including repos) and borrowing).

In addition, the Fund will use derivative and forward transactions for investment purposes and efficient portfolio management.

Investment strategy

The Fund seeks to generate growth and reduce risk in a wide variety of ways. For transactions in equities and government bonds, in addition to investing directly, the Fund may use liquid futures contracts on the major equity and bond market indices and over-the-counter derivatives such as credit default swaps for corporate bonds. Active exposures may also be achieved through options and swaps. Long exposure may be held through a combination of direct investment and/or derivatives. Short exposure will be taken through derivative positions. The Fund may invest indirectly in alternative asset classes such as commodities where permitted under the UCITS Regulations.

Currency risk will be actively managed typically using currency forwards or futures.

The Fund will not be constrained by any index weightings and will not concentrate on any particular asset class, country or sector or have regard to market capitalisation. The Fund may use one or more counterparties for gaining exposure to over-the-counter financial derivatives. The Fund may use one or more counterparties for gaining exposure to over-the-counter financial derivatives. In all circumstances, however, the Fund will comply with the investment restrictions and limits set out in the Prospectus. Substantial cash holdings of up to 100% of the portfolio may arise when all the active risk exposure is achieved through derivatives.

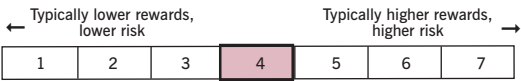
Revenue distribution and pricing

Units of the Fund are available as either Class 'A' Accumulation or 'B' Accumulation units (where revenue is reinvested to enhance the unit price). There will be two potential distributions in each accounting year: an interim distribution as at last day of February and a final distribution as at 31 August.

Statistical information

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



This Fund is ranked at 4 (31/08/21: 3) because funds of this type have experienced average rises and falls in value in the past.

The above figure applies to the following unit classes:

- Class 'A' Accumulation
- Class 'B' Accumulation

Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. Please note the Fund's risk category may change in the future. The indicator does not take into account the following risks of investing in this Fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- This Fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Investing in derivatives carries the risk of substantial loss and/or increased volatility in adverse market conditions.
- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts.

For more information on the Risk and Reward profiles of our Funds, please refer to the most up to date relevant fund and Unit Class Key Investor Information Documents (KIDs). These are available online at www.phoenixunittrust.co.uk.

Annual financial statements

For the year ended 31 August 2022

Statement of total return

	Notes	31/08/22		31/08/21	
		£000	£000	£000	£000
Income					
Net capital gains	4		3,479		6,378
Revenue	5	1,567		136	
Expenses	6	(394)		(422)	
Interest payable and similar charges		(170)		(337)	
Net revenue/(expense) before taxation		1,003		(623)	
Taxation	7	–		(1)	
Net revenue/(expense) after taxation			1,003		(624)
Total return before distributions			4,482		5,754
Distributions	8		(1,264)		(5)
Change in net assets attributable to unitholders from investment activities			3,218		5,749

Statement of change in net assets attributable to unitholders

	31/08/22		31/08/21	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		624,160		589,383
Amounts receivable on issue of units	9,486		40,594	
Amounts payable on cancellation of units	(74,074)		(11,566)	
		(64,588)		29,028
Change in net assets attributable to unitholders from investment activities		3,218		5,749
Retained distributions on accumulation units		1,226		–
Closing net assets attributable to unitholders		564,016		624,160

Annual financial statements

As at 31 August 2022

Balance sheet

Notes	31/08/22		31/08/21	
	£000	£000	£000	£000
Assets:				
Fixed assets:				
Investments		503,769		524,220
Current assets:				
Debtors	9	1,346		6,052
Cash and bank balances	10	77,437		109,781
Total current assets		<u>78,783</u>		<u>115,833</u>
Total assets		<u>582,552</u>		<u>640,053</u>
Liabilities:				
Investment liabilities		(12,768)		(11,199)
Creditors:				
Bank overdraft	11	(5,231)		(4,477)
Other creditors	12	<u>(537)</u>		<u>(217)</u>
Total creditors		<u>(5,768)</u>		<u>(4,694)</u>
Total liabilities		<u>(18,536)</u>		<u>(15,893)</u>
Net assets attributable to unitholders		<u>564,016</u>		<u>624,160</u>

Notes to the financial statements

Note 1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with Financial Reporting Standard (FRS 102) and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by The Investment Association ('IA') in May 2014, and as amended in June 2017.

These financial statements are prepared on a going concern basis. The Manager has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made for a period of 12 months from when the financial statements are authorised for issue and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience and the impact of COVID-19.

(b) Valuation of investments

The quoted investments of the Fund have been valued at bid dealing prices as at close of business on 31 August 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

Investments in collective investment schemes have been valued at bid price for dual priced funds or the single price for single priced funds. Where these investments are managed by the Manager or an associate of the Manager, the holdings have been valued at the cancellation price for dual priced funds or the single price for single priced funds. This price is the last available published price at the year end.

Unquoted securities are valued by the Manager and are subject to regular review.

Derivatives are valued as at close of business on 31 August 2022, the last valuation point of the accounting year.

Exchange traded derivatives are priced at fair value, which is deemed to be the bid price.

Over-the-counter derivatives are priced at fair value using valuation models or data sourced from market data providers.

(c) Foreign exchange

Transactions in foreign currencies during the year are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 August 2022, the last valuation point in the accounting year.

(d) Revenue

Distributions receivable from collective investment schemes are credited to revenue when they are first quoted ex-dividend.

Interest receivable on bank deposits is accounted for on a receipts basis and money market funds is accounted for on an accruals basis. Interest receivable from debt securities is accounted for on an effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is accounted for as revenue.

Interest received from or paid to the Fund from over-the-counter derivatives designed to protect income is treated as revenue. Interest received from or paid to the Fund from over-the-counter derivatives designed to protect capital is treated as capital.

Notes to the financial statements

Note 1 Accounting policies (continued)

(e) Expenses

Expenses are accounted for on an accruals basis. Expenses of the Fund are charged against revenue, except for the safe custody charge and costs associated with the purchase and sale of investments, which are charged to capital.

(f) Taxation

The Fund satisfied the rules of SI 2006/964, Reg 19 throughout the period. All distributions made are therefore made as interest distributions. The Fund has no corporate tax liability as interest distributions are tax deductible.

(g) Deferred taxation

Deferred tax is provided at current rates of corporation tax on all timing differences which have originated but not reversed by the Balance sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that the Manager considers it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

Note 2 Distribution policies

(a) Basis of distribution

Revenue produced by the Fund's investments accumulates during each accounting period. If, at the end of each accounting period, revenue exceeds expenses, the net revenue of the Fund is available to be accumulated to unitholders.

The Fund is more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg 20) and will pay an interest distribution.

(b) Unclaimed distributions

Distributions remaining unclaimed after six years are paid into the Fund as part of the capital property.

(c) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Tax will be allocated between the unit classes according to income. Consequently, the revenue available to distribute for each unit class will differ.

(d) Interest from debt securities

Future cash flows on all assets are considered when calculating revenue on an effective interest rate basis and where, in the Manager's view there is doubt as to the final maturity value, an estimate of the final redemption proceeds will be made in determining those cash flows. The impact of this will be to reduce the revenue from debt securities, and therefore the revenue distributed, whilst preserving capital within the Fund.

(e) Expenses

In determining the net revenue available for distribution, charges in relation to the safe custody of investments are ultimately borne by capital.

Notes to the financial statements

Note 3 Risk management policies

The risks arising from the Fund's financial instruments are market price risk, interest rate risk, foreign currency risk, liquidity risk, credit risk and counterparty risk. The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

(a) Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

(b) Interest rate risk

The Fund's assets are comprised of mainly fixed interest rate securities. There is therefore a risk that the capital value of investments will vary as a result of the market's sentiment regarding future interest rates.

Expectations of future rates may result in an increase or decrease in the value of investments held. In general, if interest rates rise the revenue potential of the Fund also rises but the value of fixed interest rate securities will decline. A decline in interest rates will in general have the opposite effect.

Any transactions in fixed interest securities must be used in accordance with the investment objective of the Fund and must be deemed by the Investment Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including interest rate risk, for this Fund.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

(c) Foreign currency risk

A substantial proportion of the Fund's investment portfolio is invested in overseas securities and the Balance sheet can be significantly affected by movements in foreign exchange rates. The Fund may be subject to short term exposure to exchange rate movements between placing the purchase or sale of securities and agreeing a related currency transaction albeit usually the two transactions are agreed at the same time.

Any such currency transactions must be used in accordance with the investment objective of the Fund and must be deemed by the Investment Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including currency risk, for the Fund.

(d) Liquidity risk

The Fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholders redemptions then securities held by the Fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. To manage these risks the Manager performs market research in order to achieve the best price for any transactions entered into on behalf of the Fund. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

Notes to the financial statements

Note 3 Risk management policies (continued)

(e) Credit risk

At the Balance sheet date 69.96% (31/08/21: 65.30%) of the Fund's assets were in government bonds.

Government bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Fund Manager selects bonds taking into account the credit rating, bearing in mind the Fund's objective.

(f) Counterparty risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty. This list is reviewed annually.

(g) Derivatives

Derivative transactions may be used by the Fund for the purposes of meeting its investment objectives and also for hedging. In doing so the Manager may make use of a variety of derivative instruments in accordance with the Sourcebook. The use of derivatives for investment purposes means that the net asset value of the Fund may at times have high volatility, although derivatives will not be used with the intention of raising the risk profile of the Fund. Where derivatives are used for hedging this will not compromise the risk profile of the Fund. Use of derivatives will not knowingly contravene any relevant investment objective or limits.

The Manager has used exchange traded futures to hedge the value of those assets denominated in foreign currency.

The Manager has used forward foreign currency contracts to hedge the currencies which are physically owned during the year. The purpose of undertaking these contracts is to protect the portfolio as far as possible from a movement in the value of exchange rates.

Interest rate swaps have been used to hedge the interest rate risk of holding fixed rate bonds during the period.

The derivative counterparties are shown at the bottom of the Portfolio of investments on page 9.

Notes to the financial statements

Note 4 Net capital gains

The net capital gains during the year comprise:

	31/08/22	31/08/21
	£000	£000
Losses on non-derivative securities	(2,290)	(466)
Gains on derivative contracts	3,829	6,973
Currency gains/(losses)	1,954	(126)
Handling charges	(3)	(3)
Finance costs	(11)	–
Net capital gains	<u>3,479</u>	<u>6,378</u>

Note 5 Revenue

	31/08/22	31/08/21
	£000	£000
Interest on debt securities	1,487	67
Bank interest	<u>80</u>	<u>69</u>
Total revenue	<u>1,567</u>	<u>136</u>

Note 6 Expenses

	31/08/22	31/08/21
	£000	£000
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>353</u>	<u>369</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	<u>19</u>	<u>32</u>
(c) Other expenses:		
Audit fee	10	10
Safe custody charges	9	9
Printing & stationery	1	1
Professional fees	<u>2</u>	<u>1</u>
	<u>22</u>	<u>21</u>
Total expenses	<u>394</u>	<u>422</u>

Notes to the financial statements

Note 7 Taxation

	31/08/22 £000	31/08/21 £000
(a) Analysis of tax charge for the year		
Reclaimable tax written off	–	1
Total taxation (Note 7(b))	–	1
Total taxation	<u>–</u>	<u>1</u>
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than that calculated when the standard rate of corporation tax for Authorised Unit Trusts is applied to total revenue return. The differences are explained below:		
Net revenue/(expense) before taxation	1,003	(623)
Corporation tax at 20% (31/08/21: 20%)	201	(125)
Effects of:		
Deductible interest distributions	(117)	–
Excess management expenses (utilised)/unutilised	(84)	125
Reclaimable tax written off	–	1
Total tax charge for the year (Note 7(a))	<u>–</u>	<u>1</u>

Authorised Unit Trusts are exempt from tax on capital gains in the UK.

(c) Provision for deferred taxation

At 31 August 2022 the Fund had a potential deferred tax asset of £40,232 (31/08/21: £124,567) in relation to surplus management expenses of £201,162 (31/08/21: £622,837). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised in the year or the prior year.

Note 8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units, and comprise:

	31/08/22 £000	31/08/21 £000
Interim	100	–
Final	1,126	–
	<u>1,226</u>	<u>–</u>
Amounts deducted on cancellation of units	(3)	(1)
Amounts added on issue of units	41	6
Net distribution for the year	<u>1,264</u>	<u>5</u>
Net revenue/(expense) after taxation	1,003	(624)
Expenses taken to capital	9	9
Income deficit transfers	253	620
Movement of undistributed revenue	(1)	–
Net distribution for the year	<u>1,264</u>	<u>5</u>

Details of the distribution per unit are set out in the tables on page 30.

Note 9 Debtors

	31/08/22 £000	31/08/21 £000
Accrued income	1,346	6,052
Total debtors	<u>1,346</u>	<u>6,052</u>

Notes to the financial statements

Note 10 Cash and bank balances

	31/08/22	31/08/21
	£000	£000
Cash and bank balances	34,327	67,238
Amounts held at futures clearing houses	37,071	35,668
Swaps collateral	6,039	6,875
Total cash and bank balances	<u>77,437</u>	<u>109,781</u>

Note 11 Bank overdraft

	31/08/22	31/08/21
	£000	£000
Amounts due to futures clearing houses	2,768	2,061
Swaps collateral	2,463	2,416
Total bank overdraft	<u>5,231</u>	<u>4,477</u>

Note 12 Other creditors

	31/08/22	31/08/21
	£000	£000
Cancellations awaiting settlement	460	6
Manager's periodic charge payable	58	180
Trustee's fees payable	7	20
Safe custody charges payable	2	1
Audit fee payable	10	10
Total other creditors	<u>537</u>	<u>217</u>

Note 13 Reconciliation of units

	Class 'A' Accumulation	Class 'B' Accumulation
Opening units issued at 01/09/21	32,665,783	614,426,349
Unit movements in year:		
Units issued	1,010,218	9,048,347
Units cancelled	<u>(1,323,665)</u>	<u>(75,696,157)</u>
Closing units at 31/08/22	<u>32,352,336</u>	<u>547,778,539</u>

Note 14 Contingencies and commitments

At 31 August 2022 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (31/08/21: £nil).

Note 15 Unitholders' funds

There are two unit classes in issue within the Fund. These are Class 'A' and Class 'B'.

The Manager's periodic charge in respect of Class 'A' and Class 'B' units is expressed as an annual percentage of the value of the property of the Fund attributable to each unit class and is currently 1.1050% in respect of Class 'A' units and 0.0050% in respect of Class 'B' units.

Consequently, the level of net revenue attributable to each unit class will differ. Should it be necessary to wind-up the Fund, each unit class will have the same rights as regards to the distribution of the property of the Fund.

Notes to the financial statements

Note 16 Related party transactions

The Manager is a related party to the Fund by virtue of its controlling influence.

The Manager is part of the Phoenix Group. Phoenix Life Limited which is also part of the Phoenix Group, is a material unitholder in the Fund and therefore a related party, holding 100% of the units in Class 'A' Accumulation at the year end (31/08/21: 100%) and 100% of the units in Class 'B' Accumulation at the year end (31/08/21: 100%).

Manager's periodic charge paid to the Manager, Phoenix Unit Trust Managers Limited, or its associates, is shown in Note 6(a) and details of the units issued and cancelled by the Manager are shown in the Statement of change in net assets attributable to unitholder and Note 8.

Any balances due to/from the Manager or its associates at 31 August 2022 in respect of these transactions are shown in Notes 9 and 12.

Note 17 Financial instruments

In accordance with the investment objective, the Fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- derivative transactions which the Fund may also enter/enters into, the purpose of which is to manage the currency and market risks arising from the Fund's investment activities; and
- cash and short term debtors and creditors arising directly from operations.

Counterparty exposure

At 31 August 2022, the Fund had the following counterparty exposure on open Forward Foreign Exchange Contracts:

Barclays	£209,720
BNP Paribas	£1,644
Deutsche Bank	£243,486
Goldman Sachs	£93,906
Morgan Stanley	£115,949

At 31 August 2022, the Fund had the following counterparty exposure on Interest Rate Swaps:

Deutsche Bank	£49,076
General Broker	£4,036,896
Goldman Sachs	£385,393
HSBC	£342,590
JP Morgan	£645,060
Morgan Stanley	£183,625

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio of investments.

Notes to the financial statements

Note 17 Financial instruments (continued)

Currency exposure

An analysis of the monetary assets and liabilities at the year end is shown below:

Currency	Monetary exposure	Net currency assets/(liabilities) 31/08/22		Monetary exposure	Net currency assets/(liabilities) 31/08/21	
		Non-monetary exposure	Total exposure		Non-monetary exposure	Total exposure
	£000	£000	£000	£000	£000	£000
Sterling	40,038	514,767	554,805	98,985	528,518	627,503
Australian Dollar	2,381	(2,184)	197	(585)	(12,581)	(13,166)
Canadian Dollar	4,469	(4,655)	(186)	473	(13,404)	(12,931)
Euro	9,593	(4,350)	5,243	5,251	36,781	42,032
Hong Kong Dollar	617	54	671	121	(86)	35
Japanese Yen	3,250	(3,828)	(578)	1,497	(14,561)	(13,064)
Mexican Dollar	2,893	(895)	1,998	649	(787)	(138)
Polish Zloty	1,102	(1,116)	(14)	17	(2,223)	(2,206)
Singapore Dollar	828	(286)	542	125	(320)	(195)
South African Rand	1,035	(2,146)	(1,111)	336	290	626
Swedish Krona	2,559	(672)	1,887	370	(498)	(128)
US Dollar	4,250	(3,688)	562	3,900	(8,108)	(4,208)
	73,015	491,001	564,016	111,139	513,021	624,160

Income received in other currencies is converted to Sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid, movement risk on accrued income.

Interest profile

The interest rate risk profile of financial assets and liabilities at 31 August 2022 was:

Currency	Fixed rate		Floating rate	Financial assets not carrying interest	Total
	financial assets	financial assets			
	£000	£000		£000	£000
Sterling	394,619	134,181		73,456	602,256
Australian Dollar	–	3,848		25,843	29,691
Canadian Dollar	–	4,746		16,085	20,831
Euro	–	9,593		24,899	34,492
Hong Kong Dollar	–	677		1,014	1,691
Japanese Yen	–	3,250		446	3,696
Mexican Dollar	–	2,893		21,228	24,121
Polish Zloty	–	2,500		9,224	11,724
Singapore Dollar	–	918		192	1,110
South African Rand	–	2,052		25,349	27,401
Swedish Krona	–	3,481		6,121	9,602
US Dollar	–	4,250		3,433	7,683
	394,619	172,389		207,290	774,298

Notes to the financial statements

Note 17 Financial instruments (continued)

Interest profile (continued)

Currency	Floating rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Sterling	–	(47,451)	(47,451)
Australian Dollar	(1,467)	(28,027)	(29,494)
Canadian Dollar	(277)	(20,740)	(21,017)
Euro	–	(29,249)	(29,249)
Hong Kong Dollar	(60)	(960)	(1,020)
Japanese Yen	–	(4,274)	(4,274)
Mexican Dollar	–	(22,123)	(22,123)
Polish Zloty	(1,398)	(10,340)	(11,738)
Singapore Dollar	(90)	(478)	(568)
South African Rand	(1,017)	(27,495)	(28,512)
Swedish Krona	(922)	(6,793)	(7,715)
US Dollar	–	(7,121)	(7,121)
	(5,231)	(205,051)	(210,282)

The interest rate risk profile of financial assets and liabilities at 31 August 2021 was:

Currency	Fixed rate financial assets £000	Floating rate financial assets £000	Financial assets not carrying interest £000	Total £000
Sterling	407,561	201,619	59,023	668,203
Australian Dollar	–	1,850	55,332	57,182
Canadian Dollar	–	1,919	19,220	21,139
Euro	–	5,251	64,594	69,845
Hong Kong Dollar	–	131	13,730	13,861
Japanese Yen	–	1,497	18,166	19,663
Mexican Dollar	–	649	6,569	7,218
Polish Zloty	–	124	7,130	7,254
Singapore Dollar	–	158	18,736	18,894
South African Rand	–	758	17,477	18,235
Swedish Krona	–	370	628	998
US Dollar	–	3,924	94,370	98,294
	407,561	218,250	374,975	1,000,786

Currency	Floating rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Sterling	–	(40,700)	(40,700)
Australian Dollar	(2,435)	(67,913)	(70,348)
Canadian Dollar	(1,446)	(32,624)	(34,070)
Euro	–	(27,813)	(27,813)
Hong Kong Dollar	(10)	(13,816)	(13,826)
Japanese Yen	–	(32,727)	(32,727)
Mexican Dollar	–	(7,356)	(7,356)
Polish Zloty	(107)	(9,353)	(9,460)
Singapore Dollar	(33)	(19,056)	(19,089)
South African Rand	(422)	(17,187)	(17,609)
Swedish Krona	–	(1,126)	(1,126)
US Dollar	(24)	(102,478)	(102,502)
	(4,477)	(372,149)	(376,626)

Notes to the financial statements

Note 17 Financial instruments (continued)

Sensitivity analysis

Interest rate risk sensitivity

Changes in interest rates or changes in expectation of future interest rates may result in an increase or decrease in the the market value of the investments held. A one percent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of decreasing the return and net assets by £12,670,448 (31/08/21: £13,481,856). A one percent decrease would have an equal and opposite effect.

Foreign currency risk sensitivity

A five percent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £460,593 (31/08/21: £167,150). A five percent decrease would have an equal and opposite effect.

Market price risk sensitivity

A five percent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £24,550,074 (31/08/21: £31,208,000). A five percent decrease would have an equal and opposite effect.

Note 18 Fair value of investments

The fair value of the Fund's investments has been determined using the hierarchy below.

This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.			
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.			
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.			

For the year ended 31/08/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Bonds	394,619	-	-	394,619
Derivatives	7,892	6,307	-	14,199
Money markets	94,951	-	-	94,951
	497,462	6,307	-	503,769
Investment liabilities	£000	£000	£000	£000
Derivatives	(7,034)	(5,734)	-	(12,768)
	(7,034)	(5,734)	-	(12,768)

Notes to the financial statements

Note 18 Fair value of investments (continued)

For the year ended 31/08/21				
Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Bonds	407,561	–	–	407,561
Derivatives	4,107	4,083	–	8,190
Money markets	108,469	–	–	108,469
	520,137	4,083	–	524,220
Investment liabilities	£000	£000	£000	£000
Derivatives	(6,037)	(5,162)	–	(11,199)
	(6,037)	(5,162)	–	(11,199)

Note 19 Portfolio transaction costs

For the year ended 31/08/22							
	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	Total costs £000
Analysis of total purchases costs							
Bond transactions	560,571	–	–	–	–	–	560,571
Total	560,571	–	–	–	–	–	560,571
	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	Total costs £000
Analysis of total sales costs							
Bond transactions	393,875	–	–	–	–	–	393,875
Money markets	14,128	–	–	–	–	–	14,128
Corporate actions	172,510	–	–	–	–	–	172,510
Total	580,513	–	–	–	–	–	580,513

The Fund has paid £410,092 as commission on purchases and sales of derivatives transactions for the year ended 31/08/22.

Commission, taxes and other expenses as % of average net assets:

Commission	0.07%
Taxes	0.00%
Other expenses	0.00%

Notes to the financial statements

Note 19 Portfolio transaction costs (continued)

For the year ended 31/08/21

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Bond transactions	503,738	–	–	–	–	–	–	503,738
Money markets	8,134	–	–	–	–	–	–	8,134
Total	511,872	–	–	–	–	–	–	511,872

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total sales costs								
Bond transactions	10,197	–	–	–	–	–	–	10,197
Corporate actions	423,000	–	–	–	–	–	–	423,000
Total	433,197	–	–	–	–	–	–	433,197

The Fund has paid £616,356 as commission on purchases and sales of derivatives transactions for the year ended 31/08/21.

Commission, taxes and other expenses as % of average net assets:

Commission	0.10%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.04% (31/08/21: 0.03%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 31 August 2022

Interest distributions

Interim distribution in pence per unit

Group 1: units purchased prior to 1 September 2021

Group 2: units purchased 1 September 2021 to 28 February 2022

	Gross income	Equalisation	2022 pence per unit paid 30 Apr	2021 pence per unit paid 30 Apr
Class 'A' Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Class 'B' Accumulation				
Group 1	0.0168	—	0.0168	0.0000
Group 2	0.0110	0.0058	0.0168	0.0000

Final distribution in pence per unit

Group 1: units purchased prior to 1 March 2022

Group 2: units purchased 1 March 2022 to 31 August 2022

	Gross income	Equalisation	2022 pence per unit payable 31 Oct	2021 pence per unit paid 31 Oct
Class 'A' Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Class 'B' Accumulation				
Group 1	0.2055	—	0.2055	0.0000
Group 2	0.1500	0.0555	0.2055	0.0000

Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of the units for capital gains tax purposes.

Responsibilities of the manager and the trustee

- a) The Manager of the Fund is required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the Sourcebook') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and the net revenue or expense and the net gains or losses on the property of the Fund for the period then ended.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed, the Prospectus and the Sourcebook, maintain proper financial records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for Authorised Funds as issued by the IA in May 2014 (amended June 2017) and the Sourcebook and take reasonable steps for the prevention and detection of fraud and other irregularities.

- b) The Depositary in its capacity as Trustee of the PUTM Bothwell Tactical Asset Allocation Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Trustee's report and directors' statement

Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Unitholders of the PUTM Bothwell Tactical Asset Allocation Fund ("the Trust") for the period ended 31 August 2022.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

London
15 December 2022

HSBC Bank plc

Directors' statement

In accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of the Directors of Phoenix Unit Trust Managers Limited.

Birmingham
15 December 2022

Craig Baker, Director
Brid Meaney, Director

Independent auditor's report to the unitholders of the PUTM Bothwell Tactical Asset Allocation Fund

Opinion

We have audited the financial statements of the PUTM Bothwell Tactical Asset Allocation Fund ("the Fund") for the year ended 31 August 2022 which comprise the Statement of Total Return, the Statement of Change in Net Assets attributable to Unitholders, the Balance Sheet, the Distribution Tables and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 August 2022 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Fund Manager's ("the Manager") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the unitholders of the PUTM Bothwell Tactical Asset Allocation Fund

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("the FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 31, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so..

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent auditor's report to the unitholders of the PUTM Bothwell Tactical Asset Allocation Fund

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Investment Management Association Statement of Recommended practice (the "IMA SORP"), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the unitholders of the Fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

Our audit work has been undertaken so that we might state to the unitholders of the Fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the unitholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh

15 December 2022

Corporate information (unaudited)

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the year.

Phoenix Unit Trust Managers Limited is part of the Phoenix Group.

Unit prices appear daily on our website www.phoenixunittrust.co.uk.

Administration & Dealing: 0345 584 2803 (between the hours of 9am & 5pm).

Remuneration

The Manager has adopted a remuneration policy, up-to-date details of which can be found on www.phoenixunittrust.co.uk. This statement describes how remuneration and benefits are calculated and identifies the committee which oversees and controls this policy. A paper copy of these details can be requested free of charge from the Manager.

This statement fulfils Phoenix Unit Trust Managers Limited's ('the Manager') obligations as an authorised UK UCITS Manager in respect of compliance with the UCITS V Remuneration Code and contains relevant remuneration disclosures.

PUTM Unit Trusts are managed by Phoenix Unit Trust Managers Limited, which is a subsidiary of Phoenix Life Limited, part of The Phoenix Group plc ('the Group').

The Remuneration Committee ('the Committee') of the Group has established a Remuneration Policy which applies to all entities of the Group. The guiding principles of this policy ensure sound and effective risk management so as not to encourage risk-taking outside of the Group's risk appetite, and support management in the operation of their business through identification of minimum control standards and key controls. The Committee approves the list of UK UCITS Code Staff annually and identified UK UCITS Code Staff are annually notified of their status and the associated implications.

Further information on the Group Remuneration Policy can be found in the Group annual reports and accounts which can be found on www.phoenixgroup.com.

The below table provides detail of remuneration provided, split between fixed and variable remuneration, for UK UCITS Code Staff (defined as all staff whose professional activities have material impact on the risk profiles of the fund it manages).

As at 31 December 2021

	Headcount	Total remuneration
Phoenix Unit Trust Managers	2	90,655.88
of which		
Fixed Remuneration	2	59,744.92
Variable Remuneration	1	30,910.96
Carried Interest	n/a	
Highest paid Director's Remuneration		40,843.47

Corporate information (unaudited)

The Directors are employed by fellow entities of the Group. The total compensation paid to the Directors of the Manager is in respect of services to the Manager, irrespective of which entity within the Phoenix Group has paid the compensation.

Please note that due to the employment structure and resourcing practices of the Group, the staff indicated in this table may also provide services to other companies in the Group.

The table states the actual number of employees who are fully or partly involved in the activities of the Manager, no attempt has been made to apportion the time spent specifically in support of each fund as this data is not captured as part of the Manager's normal processes.

The remuneration disclosed is the total remuneration for the year and has been apportioned between the provisions of services to the Manager and not the Fund.

Total remuneration can include any of the following;

- Fixed pay and annual/long term incentive bonuses.
- Where fixed pay is directly attributable to PUTM Unit Trusts (for example, fees for Phoenix Unit Trust Managers Limited), 100% of those fees.
- For other individuals, pro-rated using the average AUM of PUTM Unit Trusts (as a proportion of the aggregate average AUM of The Phoenix Group plc) as proxy.

Senior Management includes – PUTM Board and PUTM Executive Committees.

Other Code Staff includes all other UK UCITS Code Staff not covered by the above.

Assessment of Value

We are required to perform an annual assessment of the value for money for each unit class of PUTM Bothwell Tactical Asset Allocation Fund. This has been performed based on the information available as at 31 August 2022.

We have performed this review having regard to a wide range of factors. In doing so, we have made comparison with the other unit classes of the relevant fund, with the unit classes and sub-funds within our fund ranges and also with comparable unit classes and sub-funds in the rest of the market.

Broadly speaking, assessment of value requires consideration of a combination of factors, including the return achieved, the price paid, the risk taken and the quality and range of services provided by the asset manager. This also needs to be considered in the context of the investment objectives and policy for the Fund, the target investor and the recommended holding period.

In considering cost, regard needs to be had to the total cost of investing, including any adviser charges, platform charges, adviser fees and the on-going annual management charge. Regard also needs to be had to the degree of active management; as an investor, you would not be receiving value, if you were being charged fees for active portfolio management, where in fact, the Fund's composition of performance is staying very close to a benchmark. These factors also need to be considered in the context of the size of the portfolio and the ability of larger funds to benefit from economies of scale. As regards performance, it is important that performance is considered over an appropriate timescale given the Fund's objectives, and should be measured net of fees.

Based on our assessment of the value of each unit class, PUTM are comfortable that the fund meets the required Assessment of Value criteria. No immediate action is required.

Further details of the Assessment of Value can be found at the following link:

<https://www.phoenixunittrust.co.uk/report-and-accounts.aspx>

Risks

The price of units and the revenue from them can go down as well as up and investors may not get back the amount they invested, particularly in the case of early withdrawal. Tax levels and reliefs are those currently applicable and may change. The value of any tax relief depends on personal circumstances.

Management charges on some funds are charged to capital and therefore a reduction in capital may occur. Depending on the fund, the value of your investment may change with currency movements.

Corporate information (unaudited)

Manager

Phoenix Unit Trust Managers Limited (PUTM)
1 Wythall Green Way
Wythall
Birmingham B47 6WG
Tel: 0345 584 2803
Registered in England – No.03588031
Authorised and regulated by the Financial Conduct Authority.

Directors

Brid Meany	PUTM Director, Chief Executive Phoenix Life;
Craig Baker	PUTM Director, Head of Investment Management Phoenix Life;
Timothy Harris	Non Executive Director of PUTM;
Nick Poyntz-Wright	Non Executive Director of PUTM.

Registrar and correspondence address

Phoenix Unit Trust Managers Limited
Floor 1, 1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland
Authorised and regulated by the Financial Conduct Authority.

Investment Adviser

Blackrock Investment Management (UK) Limited
12 Thorgmorton Avenue
London
EC2N 2DL
Authorised and regulated by the Financial Conduct Authority.

Trustee

HSBC Bank plc
1-2 Lochside Way
Edinburgh Park
Edinburgh EH12 9DT
Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority and the
Prudential Regulation Authority.

Independent Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorised status

This Fund is an Authorised Unit Trust scheme under
section 243 of the Financial Services & Markets Act
2000 and is categorised under the Collective Investment
Schemes Sourcebook as a UK UCITS fund.

Notes

Notes

Contact: **Client Services**

Call: **0345 584 2803**

Correspondence Address: **Floor 1, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland**

Visit: **phoenixunittrust.co.uk**

Telephone calls may be monitored and/or recorded for the purposes of security, internal training, accurate account operation, internal customer monitoring and to improve the quality of service.

Please note the Key Investor Information Document (KIID), the Supplementary Information Document (SID) and the full prospectus are available free of charge. These are available by contacting Client Services on 0345 584 2803.

Phoenix Unit Trust Managers Limited does not accept liability for any claims or losses of any nature arising directly or indirectly from use of the data or material in this report. The information supplied is not intended to constitute investment, tax, legal or other advice.

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