

PHOENIX UNIT TRUST MANAGERS

MANAGER'S INTERIM REPORT

For the half year: 2 May 2023 to 1 November 2023 (unaudited)

PUTM UK STOCK MARKET FUND



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Investment review

Dear Investor

Welcome to the PUTM UK Stock Market Fund interim report for the six months to 1 November 2023.

Performance Review

Over the review period, the accumulation units in the PUTM UK Stock Market Fund returned -5.05% (Source: State Street Global Advisors (SSGA) for six months to 01/11/23). Over the same period, the FTSE 100 Index returned -5.02%. (Source: SSGA. Total return, six months to 01/11/23).

In the table below, you can see how the Fund performed against its benchmark over the last five discrete one-year periods.

Standardised Past Performance

	Nov 22-23 % growth	Nov 21-22 % growth	Nov 20-21 % growth	Nov 19-20 % growth	Nov 18-19 % growth
PUTM UK Stock Market Fund	7.11	2.23	34.71	-20.19	6.40
FTSE 100 Index	7.22	1.68	34.52	-20.48	6.47

Source: Fund performance is SSGA to 1 November for each year. Prior to 2023, source was FactSet. Benchmark index performance is SSGA; FTSE 100 Index to 1 November for each year. Prior to 2023, source was FactSet.

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

Market Review

The FTSE 100 Index, home of multinational companies, declined but performed relatively well in comparison to the FTSE 250 Index. A couple of factors explained the FTSE 100's relative resilience. Firstly, it is home to many so-called defensive shares that tend to hold their value better during times of economic uncertainty. Secondly, it also contains several energy and mining companies. Although commodity prices are below the levels reached after the outbreak of the war in Eastern Europe in early 2022, they remain historically high.

Inflation loomed large on the UK economic landscape. The Bank of England (BoE) continued to react to surging inflation with successive interest-rate rises, taking its base rate from 4.25% at the start of the period to 5.25% by the end of October. Specifically, the BoE increased its base rate by 25 basis points (bps) in May, by a further 50 bps in June and then by another 25 bps in August, taking it to 5.25%. As a result, UK annual consumer inflation has continued to trend downwards over recent months. However, it has still remained stubbornly high and significantly above that in the US and eurozone, in part due to elevated food prices. In the latest release, annual core inflation edged down from 6.2% in August to a slightly higher-than-expected 6.1% in September.

Market Outlook

Recent economic data presents an unclear picture regarding current conditions and future direction. However, in most developed economies, growth appears to be more robust than might be expected in light of the meaningful monetary policy tightening that has taken place over the past 18 months. On the other hand, the momentum of China's reopening has faded and more stimulus is likely to feature. Underlying price pressures have been sticky, reflecting excess demand across various sectors and economies and prompting central banks to remain hawkish. We believe that the current tightening cycle will ultimately restrict economic growth, with the subsequent downturn leading to a relatively rapid fall in inflationary pressures. That will allow for interest-rate cuts over the next 18 months.

The valuations of UK-listed companies remain attractive on both a relative and absolute basis. Apart from the Global Financial Crisis, the UK market's multiple is nearing its lowest point for 30 years. It is cheap in absolute terms, relative to history and also relative to global equities. Investors are benefiting from global income at a knockdown price. Moreover, the dividend yield of the UK market remains at an appealing premium to other regional equity markets.

Portfolio of investments

Investments held at 1 November 2023

Holding	Investment	Market value £	Percentage of total net assets %
	United Kingdom (01/05/23 – 98.15%)		98.35
	Aerospace & Defence (01/05/23 – 2.13%)		2.74
50,271	BAE Systems	553,735	1.78
138,809	Rolls-Royce	300,522	0.96
	Banks (01/05/23 – 9.93%)		9.96
261,299	Barclays	337,389	1.08
329,006	HSBC Holdings	1,940,148	6.22
1,058,715	Lloyds Banking Group	422,798	1.36
94,478	NatWest Group	167,699	0.54
38,146	Standard Chartered	237,192	0.76
	Beverages (01/05/23 – 4.20%)		3.88
3,288	Coca Cola	69,147	0.22
36,740	Diageo	1,142,063	3.66
	Chemicals (01/05/23 – 0.62%)		0.32
2,343	Croda International	99,109	0.32
	Construction & Materials (01/05/23 – 1.41%)		0.00
	Electricity (01/05/23 – 0.95%)		0.96
18,351	SSE	300,222	0.96
	Electronic & Electrical Equipment (01/05/23 – 0.42%)		0.37
6,357	Halma	116,333	0.37
	Equity Investment Instruments (01/05/23 – 0.69%)		0.72
8,831	Foreign & Colonial Investment Trust	74,445	0.24
23,231	Scottish Mortgage Investment Trust	149,050	0.48
	Financial Services (01/05/23 – 2.96%)		3.59
15,870	3i Group	311,290	1.00
6,362	Hargreaves Lansdown	44,636	0.14
7,649	London Stock Exchange	631,501	2.02
39,919	M&G Prudential	78,900	0.25
14,914	Schroders	54,898	0.18
	Fixed Line Telecommunications (01/05/23 – 0.60%)		0.44
17,567	Airtel Africa	20,395	0.06
104,836	BT Group	117,259	0.38
	Food & Drug Retailers (01/05/23 – 1.35%)		1.43
10,235	Ocado Group	47,122	0.15
30,592	Sainsbury (J)	79,417	0.25
118,188	Tesco	319,580	1.03
	Food Producers (01/05/23 – 0.33%)		0.38
5,840	Associated British Foods	119,778	0.38

Portfolio of investments

Investments held at 1 November 2023

Holding	Investment	Market value £	Percentage of total net assets %
	Forestry & Paper (01/05/23 – 0.30%)		0.35
8,261	Mondi	110,284	0.35
	Gas, Water & Multiutilities (01/05/23 – 3.09%)		3.18
93,816	Centrica	151,794	0.48
61,325	National Grid	601,353	1.93
4,326	Severn Trent	114,379	0.37
11,661	United Utilities Group	123,782	0.40
	General Industrials (01/05/23 – 0.88%)		0.89
21,668	Smith (DS)	61,927	0.20
5,919	Smiths Group	95,296	0.31
4,398	Smurfit Kappa	119,802	0.38
	General Retailers (01/05/23 – 2.22%)		2.60
16,036	B&M European Value	85,119	0.27
1,927	Frasers Group	15,416	0.05
89,808	Haleon	295,738	0.95
41,549	JD Sports Fashion	51,604	0.17
30,644	Kingfisher	64,046	0.20
32,478	Marks & Spencer	71,841	0.23
2,029	Next Group	144,303	0.46
2,928	RELX (EUR)	83,246	0.27
	Healthcare Equipment & Services (01/05/23 – 0.72%)		0.61
27,624	Convatec Group	56,022	0.18
1,971	NMC Health*	–	0.00
14,735	Smith & Nephew	134,825	0.43
	Household Goods (01/05/23 – 3.18%)		2.74
16,930	Barratt Developments	69,565	0.22
1,648	Berkeley Group Holdings	66,035	0.21
11,851	Reckitt Benckiser	655,360	2.10
59,580	Taylor Wimpey	64,853	0.21
	Industrial Engineering (01/05/23 – 0.62%)		0.75
4,302	IMI	61,734	0.20
1,219	Spirax Sarco Engineering	98,788	0.32
4,331	Weir Group	72,977	0.23
	Industrial Metals (01/05/23 – 0.00%)		0.00
8,238	Evraz*	–	0.00
	Life Insurance (01/05/23 – 3.39%)		2.71
47,360	Aviva	188,588	0.60
99,554	Legal & General	211,154	0.68
45,266	Prudential	385,485	1.24
9,213	St.James's Place	58,687	0.19

Portfolio of investments

Investments held at 1 November 2023

Holding	Investment	Market value £	Percentage of total net assets %
	Media (01/05/23 – 3.74%)		4.13
23,591	Informa	168,157	0.54
12,103	Pearson	116,697	0.38
28,763	RELX	817,732	2.62
12,825	Rightmove	60,226	0.19
17,429	WPP	123,049	0.40
	Mining (01/05/23 – 7.51%)		7.73
20,292	Anglo American	423,900	1.36
5,601	Antofagasta	74,801	0.24
3,205	Endeavour Mining	53,075	0.17
3,183	Fresnillo	17,246	0.05
204,559	Glencore	884,309	2.84
18,165	Rio Tinto	958,022	3.07
	Mobile Telecommunications (01/05/23 – 1.13%)		0.88
364,316	Vodafone Group	274,476	0.88
	Non-Life Insurance (01/05/23 – 0.68%)		0.62
5,348	Admiral Group	131,133	0.42
12,302	Beazley	63,232	0.20
	Oil & Gas Producers (01/05/23 – 12.68%)		14.03
283,790	BP	1,414,267	4.54
111,757	Shell	2,960,443	9.49
	Personal Goods (01/05/23 – 5.92%)		5.55
6,276	Burberry Group	104,809	0.34
41,644	Unilever	1,623,393	5.21
	Pharmaceuticals & Biotechnology (01/05/23 – 11.29%)		11.57
24,629	AstraZeneca	2,528,413	8.11
1,824	Dechra Pharmaceuticals	69,093	0.22
66,817	GSK	956,819	3.07
2,667	Hikma Pharmaceuticals	51,340	0.17
	Real Estate Investment Services (01/05/23 – 0.38%)		0.39
12,295	Land Securities	69,196	0.22
5,929	Unite Group	51,553	0.17
	Real Estate Investment Trusts (01/05/23 – 0.88%)		0.70
2,560	Pershing Square Holdings	74,906	0.24
20,629	Segro Real Estate Investment Trust	142,505	0.46
	Software & Computer Services (01/05/23 – 0.71%)		0.84
15,059	Auto Trader Group	92,794	0.30
17,433	Sage Group	168,856	0.54

Portfolio of investments

Investments held at 1 November 2023

Holding	Investment	Market value £	Percentage of total net assets %
	Support Services (01/05/23 – 4.51%)		4.84
7,151	Ashtead Group	335,167	1.07
5,677	Bunzl	167,131	0.54
1,675	DCC (London listed)	76,816	0.25
2,160	Diploma	61,214	0.20
15,338	Experian Group	377,775	1.21
8,571	Howden Joinery Group	54,323	0.17
2,687	Intertek Group	101,461	0.32
22,767	Melrose Industries	108,029	0.35
42,035	Rentokil Initial	174,277	0.56
7,782	RS Group	51,953	0.17
	Tobacco (01/05/23 – 4.10%)		3.80
36,924	British American Tobacco	913,131	2.93
15,349	Imperial Brands	272,061	0.87
	Travel & Leisure (01/05/23 – 4.63%)		4.65
28,784	Compass Group	601,298	1.93
10,701	Entain	98,107	0.32
2,964	Flutter Entertainment	382,504	1.23
2,851	InterContinental Hotels	167,525	0.54
61,916	International Consolidated Airlines	88,911	0.28
3,295	Whitbread	110,152	0.35
	Portfolio of investments	30,664,908	98.35
	Net other assets	513,007	1.65
	Net assets	31,177,915	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

*These shares are currently suspended.

Top ten purchases and sales

For the half year ended 1 November 2023

Purchases	Cost	Sales	Proceeds
	£		£
London Stock Exchange	108,560	CRH (London Listed)	559,824
Shell	89,458	Shell	221,086
AstraZeneca	72,494	Glencore	152,644
Marks & Spencer	71,711	HSBC Holdings	130,813
IMI	71,349	AstraZeneca	108,188
Dechra Pharmaceuticals	69,887	BP	96,700
Diploma	67,699	Unilever	87,244
Unilever	66,163	Hiscox	65,613
Howden Joinery Group	64,060	Diageo	60,104
HSBC Holdings	56,642	Persimmon	59,172
Subtotal	738,023	Subtotal	1,541,388
Other purchases	697,413	Other sales	973,268
Total purchases for the half year	1,435,436	Total sales for the half year	2,514,656

Statistical information

Comparative table

	01/11/23	Accumulation		01/05/21
	pence	01/05/23	01/05/22	pence
		pence	pence	
Change in net assets per unit				
Opening net asset value per unit	443.53	412.36	367.32	296.07
Return before operating charges*	(19.26)	31.45	45.26	71.48
Operating charges	(0.15)	(0.28)	(0.22)	(0.23)
Return after operating charges*	(19.41)	31.17	45.04	71.25
Distributions on accumulation units	(7.47)	(14.47)	(14.36)	(10.87)
Retained distributions on accumulation units	7.47	14.47	14.36	10.87
Closing net asset value per unit	424.12	443.53	412.36	367.32
*after direct transaction costs of: ^	0.10	0.12	0.20	0.10

Performance

Return after charges	(4.38%)	7.56%	12.26%	24.07%
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Other information

Closing net asset value (£000)	31,178	34,419	34,866	33,700
Closing number of units	7,351,252	7,760,292	8,455,405	9,174,648
Operating charges	0.07%	0.07%	0.05%	0.06%
Direct transaction costs	0.02%	0.03%	0.05%	0.03%

Prices+

Highest unit price (pence)	447.70	450.10	419.00	371.20
Lowest unit price (pence)	415.50	382.50	363.80	288.70

^ The direct transaction costs includes commission on futures.

+ 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 a total return (a combination of capital growth and income) by delivering an overall return in line with the FTSE 100 Index (the "Index") before fees.

Investment policy

The Fund will seek to physically replicate the Index, which consists of a diversified portfolio of UK equities. This process will involve investing in components of the Index, though not necessarily in the same proportions of the Index at all times. Consequently, the Fund may not track the Index exactly but will contain a meaningful exposure to the market. Stock index futures contracts may also be used to manage the cash portion of the Fund. It is intended that the Fund will normally be close to fully invested as outlined above. The Scheme may also invest in deposits and money market instruments and use derivative contracts.

Investment strategy

It is anticipated that for the Fund that in normal market conditions the tracking error of the Fund will be a maximum of 0.5%.

The tracking error measures the standard deviation of the relative returns. It is the annualised standard deviation of the returns of a fund minus those of its benchmark (relative returns) and not the standard deviation of each fund's unique returns. The lower the tracking error of a fund, the more the fund resembles its benchmark or the market regarding risk and return characteristics. Small differences in returns between the index tracking fund and the index (and tracking error) are due to levels of cash, expenses and portfolio turnover.

Revenue distribution and pricing

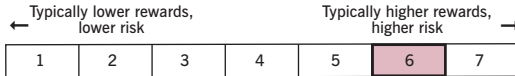
Units of the Fund are available as Accumulation units (where revenue is reinvested to enhance the unit price). There will be two potential distributions in each accounting year: an interim distribution as at 1 November and a final distribution as at 1 May.

At each distribution the net revenue after deduction of expenses, from the investments of the Fund, is apportioned amongst the unitholders. Unitholders receive a tax voucher giving details of the distribution and the Manager's Report no later than two months after these dates.

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 6 (01/05/23: 6) because funds of this type have experienced high rises and falls in value in the past. Although this is a high risk ranking it is not the highest. The above figure applies to the following unit class:

- 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:

- The small differences in the returns between the index tracking Fund and the Index (and tracking error) are due to levels of cash, expenses and portfolio turnover.
- Counterparty Risk: the insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective.

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 (KIIDs). These are available online at www.phoenixunittrust.co.uk.

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

Brid Meaney, Director

19 December 2023

Craig Baker, Director

Interim financial statements

For the half year ended 1 November 2023

Statement of total return

	01/11/23		01/11/22	
	£	£	£	£
Income				
Net capital losses		(2,038,280)		(1,351,708)
Revenue	569,739		561,032	
Expenses	(9,651)		(3,804)	
Interest payable and similar charges	(8)		(2)	
Net revenue before taxation	<u>560,080</u>		<u>557,226</u>	
Taxation	8,691		(812)	
Net revenue after taxation		<u>568,771</u>		<u>556,414</u>
Total deficit before distribution		(1,469,509)		(795,294)
Distributions		(568,347)		(556,412)
Change in unitholders' funds from investment activities		<u>(2,037,856)</u>		<u>(1,351,706)</u>

Statement of change in unitholders' funds

	01/11/23		01/11/22*	
	£	£	£	£
Opening net assets		34,419,224		34,866,301
Amounts receivable on issue of units	27,993		73,080	
Amounts payable on cancellation of units	<u>(1,780,915)</u>		<u>(1,976,321)</u>	
		(1,752,922)		(1,903,241)
Change in unitholders' funds from investment activities		(2,037,856)		(1,351,706)
Retained distributions on accumulation units		<u>549,469</u>		<u>543,753</u>
Closing net assets		<u>31,177,915</u>		<u>32,155,107</u>

*Please note that the comparative figures are for the comparative interim period. The brought forward net assets for the current period do not, therefore, equal the carried forward figure in the comparative.

Interim financial statements

As at 1 November 2023

Balance sheet

	01/11/23		01/05/23	
	£	£	£	£
Assets:				
Fixed assets:				
Investments		30,664,908		33,783,364
Current assets:				
Debtors	50,531		177,915	
Cash and bank balances	562,618		470,475	
Total current assets		<u>613,149</u>		<u>648,390</u>
Total assets		<u>31,278,057</u>		<u>34,431,754</u>
Liabilities:				
Creditors:				
Bank overdraft	(740)		(919)	
Other creditors	(99,402)		(11,611)	
Total liabilities		<u>(100,142)</u>		<u>(12,530)</u>
Net assets		<u>31,177,915</u>		<u>34,419,224</u>
Unitholders' funds		<u>31,177,915</u>		<u>34,419,224</u>

Notes to the interim financial statements

Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the valuation of investments and in compliance with FRS 102 and in accordance with the Statement of Recommended Practice (2014 SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017). Unless otherwise stated all accounting policies applied are consistent with those of the Annual Report for the year ended 1 May 2023 and are described in those financial statements.

Distribution table

For the half year ended 1 November 2023

Interim distribution in pence per unit

Group 1: units purchased prior to 2 May 2023

Group 2: units purchased 2 May 2023 to 1 November 2023

	Net income	Equalisation	2024 pence per unit payable 1 Jan	2023 pence per unit paid 1 Jan
Accumulation				
Group 1	7.4745	—	7.4745	6.8098
Group 2	1.4371	6.0374	7.4745	6.8098

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.

Corporate information

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 period.

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. These details describe how remuneration and benefits are calculated and identify the committee which oversees and controls the policy. A paper copy of these details can be requested free of charge from the Manager. Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UK UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive, the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year, split into fixed and variable remuneration.

Fund Climate Report

We're working towards a more sustainable way of investing. For the latest information about what we're doing and our fund climate report, go to phoenix-unit-trust-managers.co.uk/fund-climate-report.

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.

Depending on the fund, the value of your investment may change with currency movements.

Corporate information

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 Meaney PUTM Director, Chief Executive
Phoenix Life;

Craig Baker PUTM Director, Head of
Policyholder Assets;

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

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Edinburgh EH2 2LL
Registered in Scotland – No.SC101825
Authorised and regulated by the Financial Conduct Authority.

Trustee

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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.

Investment Manager

State Street Global Advisors Limited
20 Churchill Place
Canary Wharf
London E14 5HJ
Authorised and regulated by the Financial Conduct Authority.

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.

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