

# PHOENIX UNIT TRUST MANAGERS

## MANAGER'S INTERIM REPORT

For the half year: 1 September 2021 to 28 February 2022 (unaudited)

### PUTM BOTHWELL TACTICAL ASSET ALLOCATION FUND





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# Investment review

## Dear Investor

Welcome to the PUTM Bothwell Tactical Asset Allocation Fund interim report for the 6 months to 28 February 2022.

## Performance Review

Over the review period, the PUTM Bothwell Tactical Asset Allocation Fund returned -0.53%. This compares with a return of 0.10% by its Benchmark Index, SONIA. (source: BlackRock, gross of fees and expenses).

## Standardised Past Performance

In the table below you can see how the Fund performed against its benchmark index.

As BlackRock assumed investment management responsibilities on 1 April 2020, it has a limited performance history.

	Aug 21-Feb 22 % growth	Aug 20-21 % growth	Apr-Aug 20 % growth	Aug 18-19 % growth	Aug 17-18 % growth
<b>PUTM Bothwell Tactical Asset Allocation Fund</b>	-1.47	1.11	2.08	N/A	N/A
<b>Benchmark Index</b>	0.07	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.**

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# Investment review

## Portfolio and Market Review

The Fund generated returns of -0.53% (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.

In our thematic discretionary process, the Fund was primarily positioned for Global Reflation and European Resilience as fiscal stimulus and vaccines were deployed and nominal activity accelerated. Overall directional positioning included directional equity longs and shorts in longer-dated sovereign bonds. We also positioned underweight 5-year bonds in the summer / autumn months in anticipation of Fed Normalization as monetary policy became increasingly inconsistent with the inflation and growth data. The Fund's discretionary equity longs, 5-year bond shorts, and far-dated bond shorts all contributed positively over the period. Long Euro FX positions weighed on performance throughout the period.

Across the Fund's systematic positions, the relative value interest rate swap strategy contributed positively on intra-EM positions. Longs in South Africa versus shorts in Mexico and Poland based on inflation and monetary policy signals profited from divergences across those countries' central banks' actions throughout the year. Our relative value equity country strategy modestly detracted as European overweights (largely paired against the US) suffered late in the period following Russia's invasion of Ukraine.

The largest detractor over the period came from systematic directional bond exposures. Losses were generated by long positions in the second half of the period premised on growth signals that responded to the COVID Delta variant slowdown. Long positions in Australian bonds premised on slowing Chinese growth and strict lockdowns were particularly wrong sided in October as the Reserve Bank of Australia ceased its yield curve control program.

## Market Outlook and Fund Strategy

Developments in Eastern Europe have been the primary driver of markets over recent weeks. While daily newsflow is likely to shape asset prices in the near-term, investors should not lose sight of the ways in which the underlying macro environment is continuing to evolve. Specifically, it appears that developments across inflation, policy, and geopolitics (three major drivers of macro markets) in this

cycle look radically different from the prior cycle. The inflation backdrop has changed from low and stable to high and variable, monetary policy has shifted from loose and predictable to tightening and uncertain, and geopolitics has moved from a background ambience of ongoing globalization to increased polarization, a pandemic, and war. In this context, it is unlikely that the asset price patterns of the last cycle will be repeated.

Our approach over recent weeks has been to look beyond near-term headlines and seek opportunities in which market pricing is misaligned with the medium-term macro outlook. Our central scenario anticipates that the conflict's growth impact is not of the same magnitude as other prior large exogenous shocks (e.g. COVID-19). The most likely triggers to challenge this judgement include an escalation into a NATO-Russia conflict or an outright ban/boycott of all Russian energy exports across Europe. While these are the most likely triggers, they are obviously not exhaustive (the shelling of a Ukrainian nuclear plant and military activity around Chernobyl is a reminder of the scope for unanticipated consequences). We will be monitoring for triggers that could result in the macro consequences of the war shifting materially higher though note that most recent headlines have been somewhat encouraging.

As noted above, the initial macro conditions for this exogenous shock differ greatly from prior incidents such as COVID-19, Brexit and 2018 US-China trade tensions – in particular, labor markets are tighter and inflation is higher. In light of these differences, we felt that the market's initial response of pricing in a more dovish policy path for the Federal Reserve (Fed) was inappropriate and in early March 2022 re-introduced our Fed Normalization theme expressed with an underweight position in US 5-year bond futures. We believe that fiscal policy (through greater defense spending and, potentially, energy subsidies) is a more likely source of any incremental stimulus rather than a reassessment of the monetary policy path. Higher commodity prices also represent a negative terms of trade shock for Europe and consequently we closed our overweight position in the euro against a basket of the Australian dollar, Canadian dollar, and Japanese yen, again in the early days of March 2022.

The Fund finished the period ended 28 February 2022 with a net long position in both global equities and global bonds and an overweight to the Euro versus a basket. The team continues to seek relative value opportunities intra-region and intra-asset class.

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Government Bonds (31/08/21 – 65.30%)</b>		<b>68.12</b>
£34,000,000	UK Treasury 0.125% 31/01/2023	33,773	5.65
£12,000,000	UK Treasury 0.125% 31/01/2024	11,783	1.97
£170,000,000	UK Treasury 0.5% 22/07/2022	169,990	28.45
£10,000,000	UK Treasury 0.75% 22/07/2023	9,965	1.67
£5,000,000	UK Treasury 1% 22/04/2024	4,992	0.84
£150,448,093	UK Treasury 1.75% 07/09/2022	151,328	25.33
£10,000,000	UK Treasury 2.25% 07/09/2023	10,170	1.70
£15,000,000	UK Treasury 4% 07/03/2022	15,010	2.51
	<b>Money Market (31/08/21 – 17.38%)</b>		<b>18.16</b>
£1,000,000	BlackRock Institutional Cash Series Sterling Liquidity Agency Accumulation+	108,531	18.16
	<b>Interest Rate Swaps – Capital Protection (31/08/21 – 0.19%)</b>		<b>(0.03)</b>
AUD 10,000,000	General Broker 1.211% 16/03/2027	313	0.05
(AUD 10,000,000)	General Broker BBSW 16/03/2027	(571)	(0.10)
AUD 9,000,000	General Broker 1.237% 16/03/2027	288	0.05
(AUD 9,000,000)	General Broker BBSW 16/03/2027	(514)	(0.09)
AUD 9,000,000	General Broker 1.231% 16/03/2027	287	0.05
(AUD 9,000,000)	General Broker BBSW 16/03/2027	(515)	(0.09)
AUD 10,500,000	General Broker 1.286% 16/03/2027	349	0.06
(AUD 10,500,000)	General Broker BBSW 16/03/2027	(600)	(0.10)
AUD 10,500,000	General Broker 1.305% 16/03/2027	354	0.06
(AUD 10,500,000)	General Broker BBSW 16/03/2027	(600)	(0.10)
AUD 9,100,000	General Broker 1.361% 16/03/2027	320	0.05
(AUD 9,100,000)	General Broker BBSW 16/03/2027	(520)	(0.09)
AUD 8,500,000	General Broker 1.360% 16/03/2027	299	0.05
(AUD 8,500,000)	General Broker BBSW 16/03/2027	(486)	(0.08)
AUD 8,400,000	General Broker 1.36% 16/03/2027	295	0.05
(AUD 8,400,000)	General Broker BBSW 16/03/2027	(480)	(0.08)
AUD 19,000,000	General Broker 1.321% 16/03/2027	649	0.11
(AUD 19,000,000)	General Broker BBSW 16/03/2027	(1,086)	(0.18)
AUD 7,000,000	General Broker 1.531% 16/03/2027	277	0.05
(AUD 7,000,000)	General Broker BBSW 16/03/2027	(400)	(0.07)
AUD 21,000,000	General Broker 1.537% 16/03/2027	834	0.14
(AUD 21,000,000)	General Broker BBSW 16/03/2027	(1,200)	(0.20)
AUD 35,000,000	General Broker 1.565% 16/03/2027	1,417	0.24
(AUD 35,000,000)	General Broker BBSW 16/03/2027	(2,001)	(0.33)

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Interest Rate Swaps – Capital Protection (continued)</b>			
AUD 43,500,000	General Broker 1.752% 16/03/2027	1,971	0.33
(AUD 43,500,000)	General Broker BBSW 16/03/2027	(2,486)	(0.42)
AUD 10,500,000	General Broker 1.865% 16/03/2027	506	0.08
(AUD 10,500,000)	General Broker BBSW 16/03/2027	(600)	(0.10)
AUD 26,000,000	UBS 1.985% 16/03/2027	1,334	0.22
(AUD 26,000,000)	UBS BBSW 16/03/2027	(1,486)	(0.25)
CAD 18,000,000	General Broker 1.4% 16/03/2027	705	0.12
(CAD 18,000,000)	General Broker LIBOR 16/03/2027	(1,113)	(0.19)
CAD 28,000,000	General Broker 1.705% 16/03/2027	1,336	0.22
(CAD 28,000,000)	General Broker LIBOR 16/03/2027	(1,731)	(0.29)
CAD 14,000,000	General Broker 1.677% 16/03/2027	657	0.11
(CAD 14,000,000)	General Broker LIBOR 16/03/2027	(866)	(0.14)
CAD 42,000,000	General Broker 1.687% 16/03/2027	1,983	0.33
(CAD 42,000,000)	General Broker LIBOR 16/03/2027	(2,597)	(0.43)
CAD 12,000,000	General Broker 1.67% 16/03/2027	561	0.09
(CAD 12,000,000)	General Broker LIBOR 16/03/2027	(742)	(0.12)
CAD 18,000,000	General Broker 1.797% 16/03/2027	905	0.15
(CAD 18,000,000)	General Broker LIBOR 16/03/2027	(1,113)	(0.19)
CAD 12,000,000	General Broker 1.807% 16/03/2027	607	0.10
(CAD 12,000,000)	General Broker LIBOR 16/03/2027	(742)	(0.12)
CAD 22,000,000	General Broker 1.787% 16/03/2027	1,100	0.18
(CAD 22,000,000)	General Broker LIBOR 16/03/2027	(1,360)	(0.23)
CAD 9,000,000	General Broker 1.903% 16/03/2027	479	0.08
(CAD 9,000,000)	General Broker LIBOR 16/03/2027	(556)	(0.09)
CAD 10,000,000	General Broker 2.1% 16/03/2027	588	0.10
(CAD 10,000,000)	General Broker LIBOR 16/03/2027	(619)	(0.10)
CAD 32,000,000	General Broker 2.117% 16/03/2027	1,896	0.32
(CAD 32,000,000)	General Broker LIBOR 16/03/2027	(1,979)	(0.33)
CAD 22,000,000	General Broker 2.029% 16/03/2027	1,249	0.21
(CAD 22,000,000)	General Broker LIBOR 16/03/2027	(1,360)	(0.23)
CAD 15,000,000	General Broker 1.99% 16/03/2027	835	0.14
(CAD 15,000,000)	General Broker LIBOR 16/03/2027	(927)	(0.15)
CAD 11,000,000	General Broker 1.935% 16/03/2027	596	0.10
(CAD 11,000,000)	General Broker LIBOR 16/03/2027	(680)	(0.11)
CAD 18,000,000	General Broker 2.011% 16/03/2027	1,013	0.17
(CAD 18,000,000)	General Broker LIBOR 16/03/2027	(1,113)	(0.19)
CAD 11,000,000	General Broker 2.134% 16/03/2027	657	0.11

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Interest Rate Swaps – Capital Protection (continued)</b>			
(CAD 11,000,000)	General Broker LIBOR 16/03/2027	(680)	(0.11)
CAD 32,000,000	General Broker 2.135% 16/03/2027	1,912	0.32
(CAD 32,000,000)	General Broker LIBOR 16/03/2027	(1,979)	(0.33)
EUR 14,000,000	General Broker 0.1% 16/03/2027	58	0.01
(EUR 14,000,000)	General Broker EURIB 16/03/2027	(305)	(0.05)
EUR 37,000,000	General Broker 0.140% 16/03/2027	216	0.04
(EUR 37,000,000)	General Broker EURIB 16/03/2027	(807)	(0.13)
EUR 41,000,000	General Broker 0.113% 16/03/2027	194	0.03
(EUR 41,000,000)	General Broker EURIB 16/03/2027	(894)	(0.15)
HKD 50,400,000	General Broker HIBOR 16/03/2027	415	0.07
(HKD 50,400,000)	General Broker 1.73% 16/03/2027	(402)	(0.07)
HKD 29,600,000	General Broker HIBOR 16/03/2027	244	0.04
(HKD 29,600,000)	General Broker 1.725% 16/03/2027	(235)	(0.04)
MXN 1,000,000	Goldman Sachs TIE 10/03/2027	12	0.00
(MXN 1,000,000)	Goldman Sachs 7.056% 10/03/2027	(11)	0.00
MXN 242,000,000	Morgan Stanley TIE 10/03/2027	2,857	0.48
(MXN 242,000,000)	Morgan Stanley 7.372% 10/03/2027	(2,703)	(0.45)
MXN 187,000,000	Goldman Sachs TIE 10/03/2027	2,208	0.37
(MXN 187,000,000)	Goldman Sachs 7.34% 10/03/2027	(2,080)	(0.35)
MXN 194,000,000	Barclays TIE 10/03/2027	2,290	0.38
(MXN 194,000,000)	Barclays 7.54% 10/03/2027	(2,216)	(0.37)
MXN 156,000,000	SAK TIE 10/03/2027	1,842	0.31
(MXN 156,000,000)	SAK 7.435% 10/03/2027	(1,758)	(0.29)
MXN 214,000,000	Barclays TIE 10/03/2027	2,527	0.42
(MXN 214,000,000)	Barclays 7.545% 10/03/2027	(2,447)	(0.41)
MXN 148,000,000	Goldman Sachs TIE 10/03/2027	1,747	0.29
(MXN 148,000,000)	Goldman Sachs 7.72% 10/03/2027	(1,731)	(0.29)
MXN 169,000,000	Deutsche Bank TIE 10/03/2027	1,995	0.33
(MXN 169,000,000)	Deutsche Bank 7.667% 10/03/2027	(1,963)	(0.33)
MXN 148,000,000	BNP Paribas TIE 10/03/2027	1,747	0.29
(MXN 148,000,000)	BNP Paribas 7.725% 10/03/2027	(1,732)	(0.29)
MXN 321,000,000	Barclays TIE 10/03/2027	3,790	0.63
(MXN 321,000,000)	Barclays 7.366% 10/03/2027	(3,583)	(0.60)
MXN 162,000,000	Goldman Sachs TIE 10/03/2027	1,913	0.32
(MXN 162,000,000)	Goldman Sachs 7.5% 10/03/2027	(1,841)	(0.31)
MXN 299,000,000	Barclays TIE 10/03/2027	3,530	0.59
(MXN 299,000,000)	Barclays 7.215% 10/03/2027	(3,269)	(0.55)



# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Interest Rate Swaps – Capital Protection (continued)</b>			
PLN 50,000,000	JP Morgan 1.837% 16/03/2027	725	0.12
(PLN 50,000,000)	JP Morgan WIBOR 16/03/2027	(1,639)	(0.27)
PLN 77,000,000	HSBC WIBOR 16/03/2027	2,524	0.42
(PLN 77,000,000)	HSBC 2.686% 16/03/2027	(1,633)	(0.27)
PLN 53,000,000	JP Morgan WIBOR 16/03/2027	1,737	0.29
(PLN 53,000,000)	JP Morgan 2.745% 16/03/2027	(1,148)	(0.19)
PLN 21,000,000	Goldman Sachs WIBOR 16/03/2027	688	0.12
(PLN 21,000,000)	Goldman Sachs 2.737% 16/03/2027	(453)	(0.08)
PLN 57,000,000	Goldman Sachs WIBOR 16/03/2027	1,868	0.31
(PLN 57,000,000)	Goldman Sachs 3.27% 16/03/2027	(1,471)	(0.25)
PLN 80,000,000	HSBC WIBOR 16/03/2027	2,622	0.44
(PLN 80,000,000)	HSBC 3.077% 16/03/2027	(1,943)	(0.33)
PLN 48,000,000	JP Morgan WIBOR 16/03/2027	1,573	0.26
(PLN 48,000,000)	JP Morgan 3.301% 16/03/2027	(1,250)	(0.21)
PLN 30,000,000	Goldman Sachs WIBOR 16/03/2027	983	0.16
(PLN 30,000,000)	Goldman Sachs 3.434% 16/03/2027	(813)	(0.14)
PLN 34,000,000	JP Morgan WIBOR 16/03/2027	1,114	0.19
(PLN 34,000,000)	JP Morgan 3.23% 16/03/2027	(866)	(0.14)
ZAR 202,000,000	JP Morgan 6.24% 16/03/2027	2,590	0.43
(ZAR 202,000,000)	JP Morgan JIBAR 16/03/2027	(2,787)	(0.47)
ZAR 325,000,000	HSBC 6.297% 16/03/2027	4,205	0.70
(ZAR 325,000,000)	HSBC JIBAR 16/03/2027	(4,483)	(0.75)
ZAR 83,000,000	Deutsche Bank 6.668% 16/03/2027	1,137	0.19
(ZAR 83,000,000)	Deutsche Bank JIBAR 16/03/2027	(1,145)	(0.19)
ZAR 173,000,000	HSBC 6.877% 16/03/2027	2,445	0.41
(ZAR 173,000,000)	HSBC JIBAR 16/03/2027	(2,387)	(0.40)
ZAR 95,000,000	Morgan Stanley 6.94% 16/03/2027	1,355	0.23
(ZAR 95,000,000)	Morgan Stanley JIBAR 16/03/2027	(1,311)	(0.22)
SEK 83,000,000	General Broker 0.779% 16/03/2027	249	0.04
(SEK 83,000,000)	General Broker STIB 16/03/2027	(371)	(0.06)
SEK 86,000,000	General Broker 0.682% 16/03/2027	225	0.04
(SEK 86,000,000)	General Broker STIB 16/03/2027	(384)	(0.06)
SEK 59,000,000	General Broker 0.772% 16/03/2027	176	0.03
(SEK 59,000,000)	General Broker STIB 16/03/2027	(264)	(0.04)
SEK 113,000,000	General Broker 0.898% 16/03/2027	391	0.07
(SEK 113,000,000)	General Broker STIB 16/03/2027	(505)	(0.08)
SEK 237,000,000	General Broker 0.838% 16/03/2027	765	0.13

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Interest Rate Swaps – Capital Protection (continued)</b>			
(SEK 237,000,000)	General Broker STIB 16/03/2027	(1,059)	(0.18)
GBP 12,000,000	General Broker SONIA 16/03/2027	887	0.15
(GBP 12,000,000)	General Broker 0.982% 16/03/2027	(563)	(0.09)
GBP 10,000,000	General Broker SONIA 16/03/2027	739	0.12
(GBP 10,000,000)	General Broker 0.957% 16/03/2027	(457)	(0.08)
GBP 2,000,000	General Broker SONIA 16/03/2027	148	0.02
(GBP 2,000,000)	General Broker 0.944% 16/03/2027	(90)	(0.02)
GBP 25,000,000	General Broker SONIA 16/03/2027	1,848	0.31
(GBP 25,000,000)	General Broker 1.050% 16/03/2027	(1,254)	(0.21)
GBP 27,000,000	General Broker SONIA 16/03/2027	1,995	0.33
(GBP 27,000,000)	General Broker 1.082% 16/03/2027	(1,395)	(0.23)
GBP 8,000,000	General Broker SONIA 16/03/2027	591	0.10
(GBP 8,000,000)	General Broker 1.058% 16/03/2027	(404)	(0.07)
GBP 9,000,000	General Broker SONIA 16/03/2027	665	0.11
(GBP 9,000,000)	General Broker 1.071% 16/03/2027	(460)	(0.08)
GBP 12,000,000	General Broker SONIA 16/03/2027	887	0.15
(GBP 12,000,000)	General Broker 1.097% 16/03/2027	(629)	(0.11)
GBP 10,000,000	General Broker SONIA 16/03/2027	739	0.12
(GBP 10,000,000)	General Broker 0.877% 16/03/2027	(419)	(0.07)
GBP 9,000,000	General Broker SONIA 16/03/2027	665	0.11
(GBP 9,000,000)	General Broker 0.875% 16/03/2027	(376)	(0.06)
GBP 39,000,000	General Broker SONIA 16/03/2027	2,882	0.48
(GBP 39,000,000)	General Broker 1.2% 16/03/2027	(2,234)	(0.37)
GBP 25,000,000	General Broker SONIA 16/03/2027	1,848	0.31
(GBP 25,000,000)	General Broker 1.182% 16/03/2027	(1,411)	(0.23)
GBP 36,000,000	General Broker SONIA 16/03/2027	2,661	0.45
(GBP 36,000,000)	General Broker 1.198% 16/03/2027	(2,060)	(0.34)
USD 10,000,000	General Broker LIBOR 16/03/2027	668	0.11
(USD 10,000,000)	General Broker 1.08% 16/03/2027	(386)	(0.06)
USD 4,000,000	General Broker LIBOR 16/03/2027	267	0.04
(USD 4,000,000)	General Broker 1.215% 16/03/2027	(174)	(0.03)
USD 8,000,000	General Broker LIBOR 16/03/2027	534	0.09
(USD 8,000,000)	General Broker 1.35% 16/03/2027	(386)	(0.06)
USD 33,000,000	General Broker LIBOR 16/03/2027	2,203	0.37
(USD 33,000,000)	General Broker 1.39% 16/03/2027	(1,639)	(0.27)

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b>			
<b>(31/08/21 – (0.37%))</b>			
			<b>(0.07)</b>
GBP 1,055,940	GBP Forward Currency Contract 16/03/2022	1,056	0.18
(JPY 157,986,000)	JPY Forward Currency Contract 16/03/2022	(1,022)	(0.17)
GBP 2,555,723	GBP Forward Currency Contract 16/03/2022	2,556	0.43
(EUR 2,992,000)	EUR Forward Currency Contract 16/03/2022	(2,506)	(0.42)
GBP 1,247,938	GBP Forward Currency Contract 16/03/2022	1,248	0.21
(AUD 2,330,000)	AUD Forward Currency Contract 16/03/2022	(1,260)	(0.21)
GBP 648,461	GBP Forward Currency Contract 16/03/2022	648	0.11
(CAD 1,105,000)	CAD Forward Currency Contract 16/03/2022	(649)	(0.11)
GBP 180,636	GBP Forward Currency Contract 16/03/2022	181	0.03
(ZAR 3,898,000)	ZAR Forward Currency Contract 16/03/2022	(188)	(0.03)
GBP 2,547,385	GBP Forward Currency Contract 16/03/2022	2,547	0.43
(USD 3,386,000)	USD Forward Currency Contract 16/03/2022	(2,523)	(0.42)
GBP 427,646	GBP Forward Currency Contract 16/03/2022	428	0.07
(SGD 776,000)	SGD Forward Currency Contract 16/03/2022	(426)	(0.07)
GBP 426,433	GBP Forward Currency Contract 16/03/2022	426	0.07
(MXN 12,350,000)	MXN Forward Currency Contract 16/03/2022	(449)	(0.08)
GBP 404,583	GBP Forward Currency Contract 16/03/2022	404	0.07
(SEK 4,866,000)	SEK Forward Currency Contract 16/03/2022	(384)	(0.06)
GBP 207,603	GBP Forward Currency Contract 16/03/2022	208	0.03
(PLN 1,135,000)	PLN Forward Currency Contract 16/03/2022	(202)	(0.03)
EUR 47,252,961	EUR Forward Currency Contract 16/03/2022	39,578	6.62
(USD 53,606,358)	USD Forward Currency Contract 16/03/2022	(39,947)	(6.69)
USD 18,624,550	USD Forward Currency Contract 16/03/2022	13,879	2.32
(CAD 23,844,918)	CAD Forward Currency Contract 16/03/2022	(14,011)	(2.34)
USD 18,338,451	USD Forward Currency Contract 16/03/2022	13,666	2.29
(AUD 25,766,569)	AUD Forward Currency Contract 16/03/2022	(13,937)	(2.33)
USD 18,600,907	USD Forward Currency Contract 16/03/2022	13,861	2.32
(JPY 2,095,372,804)	JPY Forward Currency Contract 16/03/2022	(13,562)	(2.27)
EUR 3,064,000	EUR Forward Currency Contract 16/03/2022	2,566	0.43
(GBP 2,622,774)	GBP Forward Currency Contract 16/03/2022	(2,622)	(0.44)
GBP 2,269,366	GBP Forward Currency Contract 16/03/2022	2,269	0.38
(CAD 3,884,000)	CAD Forward Currency Contract 16/03/2022	(2,282)	(0.38)
GBP 2,461,087	GBP Forward Currency Contract 16/03/2022	2,461	0.41
(PLN 13,441,000)	PLN Forward Currency Contract 16/03/2022	(2,391)	(0.40)
EUR 1,124,000	EUR Forward Currency Contract 16/03/2022	941	0.16
(USD 1,273,731)	USD Forward Currency Contract 16/03/2022	(949)	(0.16)
GBP 2,703,756	GBP Forward Currency Contract 16/03/2022	2,704	0.45

# Portfolio of investments

## Investments held at 28 February 2022

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (continued)</b>			
(EUR 3,235,000)	EUR Forward Currency Contract 16/03/2022	(2,710)	(0.45)
GBP 2,447,854	GBP Forward Currency Contract 16/03/2022	2,448	0.41
(CAD 4,222,000)	CAD Forward Currency Contract 16/03/2022	(2,481)	(0.42)
GBP 3,336,085	GBP Forward Currency Contract 16/03/2022	3,336	0.56
(EUR 3,948,000)	EUR Forward Currency Contract 16/03/2022	(3,307)	(0.55)
CAD 5,700,000	CAD Forward Currency Contract 16/03/2022	3,349	0.56
(GBP 3,323,004)	GBP Forward Currency Contract 16/03/2022	(3,323)	(0.56)
EUR 5,859,000	EUR Forward Currency Contract 16/03/2022	4,908	0.82
(GBP 4,937,866)	GBP Forward Currency Contract 16/03/2022	(4,938)	(0.83)
GBP 2,183,812	GBP Forward Currency Contract 16/03/2022	2,184	0.36
(CAD 3,762,000)	CAD Forward Currency Contract 16/03/2022	(2,211)	(0.37)
CAD 4,548,000	CAD Forward Currency Contract 16/03/2022	2,672	0.45
(GBP 2,661,054)	GBP Forward Currency Contract 16/03/2022	(2,661)	(0.45)
<b>Futures (31/08/21– (0.31%))</b>			<b>0.27</b>
708	CBT US 10Y Note Future June 2022	389	0.06
(156)	CBT US Ultra Bond CBT June 2022	(186)	(0.03)
178	CME 90Day Euro Future March 2022	(111)	(0.02)
(310)	CME S&P 500 E Mini Index Future March 2022	3,511	0.59
(57)	EOE Amsterdam Index Future March 2022	119	0.02
437	EOP CAC40 10 Euro Future March 2022	(568)	(0.10)
74	EUX DAX Index Future March 2022	(1,045)	(0.17)
1,177	EUX Euro-Bund Future March 2022	(1,793)	(0.30)
(301)	EUX Euro-Buxl 30Y Bond March 2022	4,717	0.79
111	ICF FTSE 100 Index Future March 2022	409	0.07
(2,047)	ICF Long Gilt Future June 2022	(501)	(0.08)
(512)	MFM IBEX 35 Index Future March 2022	235	0.04
171	MIL FTSE/MIB Index Future March 2022	(728)	(0.12)
1,055	MSE Canada 10Y Bond Future June 2022	264	0.04
42	MSE S&P/TSX 60 Index Future March 2022	(45)	(0.01)
200	OSE Topix Index Future March 2022	(1,329)	(0.22)
(135)	SFE Australian 10Y Bond Future March 2022	(127)	(0.02)
69	SFE SPI 200 Future March 2022	(195)	(0.03)
(464)	SGX FTSE China A50 Future March 2022	129	0.02
795	SGX MSCI Singapore Index ETS Future March 2022	(700)	(0.12)
1,188	SSE OMXS30 Index Future March 2022	(857)	(0.14)
<b>Portfolio of investments ^</b>		<b>516,541</b>	<b>86.45</b>
<b>Net other assets</b>		<b>80,992</b>	<b>13.55</b>
<b>Net assets</b>		<b>597,533</b>	<b>100.00</b>

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# Portfolio of investments

## Investments held at 28 February 2022

Holding Investment

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

The counterparty for the Futures is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are Barclays, 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, Morgan Stanley, SAK and UBS.

^ includes investment liabilities.

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

	Market value	Percentage of total net assets
<b>Credit Ratings</b>	£000	%
Investment grade	407,011	68.12
Total investment in bonds	<u>407,011</u>	<u>68.12</u>

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## Top ten purchases and sales

For the half year ended 28 February 2022

<b>Purchases</b>	<b>Cost £000</b>	<b>Sales</b>	<b>Proceeds £000</b>
UK Treasury 1.75% 07/09/2022	137,869	UK Treasury 3.75% 07/09/2021	156,000
UK Treasury 0.5% 22/07/2022	135,525	UK Treasury 4% 07/03/2022	140,439
UK Treasury 0.125% 31/01/2023	21,782	UK Treasury 0.5% 22/07/2022	11,987
UK Treasury 0.125% 31/01/2024	11,983		
UK Treasury 1% 22/04/2024	4,968		
<b>Subtotal</b>	<u>312,127</u>	<b>Subtotal</b>	<u>308,426</u>
<b>Other purchases</b>	–	<b>Other sales</b>	–
<b>Total purchases for the half year</b>	<u>312,127</u>	<b>Total sales for the half year</b>	<u>308,426</u>

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

Change in net assets per unit	28/02/22 pence	Class 'A' Accumulation		31/08/19 pence
		31/08/21 pence	31/08/20 pence	
Opening net asset value per unit	88.41	88.46	96.07	96.38
Return before operating charges*	(1.48)	0.94	(6.55)	0.77
Operating charges	(0.49)	(0.99)	(1.06)	(1.08)
Return after operating charges*	(1.97)	(0.05)	(7.61)	(0.31)
Distributions on accumulation units	0.00	0.00	(0.33)	(1.06)
Retained distributions on accumulation units	0.00	0.00	0.33	1.06
Closing net asset value per unit	86.44	88.41	88.46	96.07
* after direct transaction costs of: ^	0.03	0.09	0.12	0.02

## Performance

Return after charges	(2.23%)	(0.06%)	(7.92%)	(0.32%)
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## Other information

Closing net asset value (£000)	29,109	28,878	26,798	29,830
Closing number of units	33,676,001	32,665,783	30,294,870	31,050,713
Operating charges	1.11%	1.12%	1.13%	1.13%
Direct transaction costs	0.03%	0.10%	0.13%	0.02%

## Prices<sup>+</sup>

Highest unit price (pence)	95.86	97.63	107.70	105.66
Lowest unit price (pence)	86.07	88.04	87.09	92.33

^ 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

Change in net assets per unit	28/02/22 pence	Class 'B' Accumulation		31/08/19 pence
		31/08/21 pence	31/08/20 pence	
Opening net asset value per unit	96.88	95.89	102.97	102.18
Return before operating charges*	(1.62)	1.01	(7.05)	0.82
Operating charges	(0.01)	(0.02)	(0.03)	(0.03)
Return after operating charges*	(1.63)	0.99	(7.08)	0.79
Distributions on accumulation units	(0.02)	0.00	(1.06)	(2.25)
Retained distributions on accumulation units	0.02	0.00	1.06	2.25
Closing net asset value per unit	95.25	96.88	95.89	102.97
* after direct transaction costs of: ^	0.03	0.10	0.13	0.02

## Performance

Return after charges	(1.68%)	1.03%	(6.88%)	0.77%
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## Other information

Closing net asset value (£000)	568,424	595,282	562,585	568,016
Closing number of units	596,768,174	614,426,349	586,723,505	551,616,041
Operating charges	0.01%	0.02%	0.03%	0.03%
Direct transaction costs	0.03%	0.10%	0.13%	0.02%

## Prices+

Highest unit price (pence)	97.78	98.85	107.85	105.23
Lowest unit price (pence)	94.53	95.51	94.11	98.22

^ 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.



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# 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 Investment Adviser uses their discretion to make flexible allocations to multiple types of assets depending on market conditions, the price of different assets or their value relative to each other based on their analysis of future economic and business conditions.

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. 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.

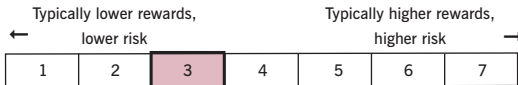
At each distribution the net revenue after deduction of expenses, from the investments of the Fund, is apportioned amongst the unitholders. Unitholders receive a tax voucher giving details of the distribution and the Manager's Report no later than two months after these dates.

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# 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 3 (31/08/21: 3) because funds of this type have experienced low to medium 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 (KIIDs). These are available online at [www.phoenixunittrust.co.uk](http://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.

26 April 2022

Craig Baker, Director  
Andrew Moss, Director

# Interim financial statements

For the half year ended 28 February 2022

## Statement of total return

	28/02/22		28/02/21	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(10,559)		1,823
Revenue	209		213	
Expenses	(199)		(220)	
Interest payable and similar charges	(66)		(186)	
Net expense before taxation	(56)		(193)	
Taxation	–		(2)	
Net expense after taxation		(56)		(195)
Total (deficit)/return before distributions		(10,615)		1,628
Distributions		(104)		1
Change in net assets attributable to unitholders from investment activities		(10,719)		1,629

## Statement of change in net assets attributable to unitholders

	28/02/22		28/02/21	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		624,160		589,383
Amounts receivable on issue of units	1,702		1,817	
Amounts payable on cancellation of units	(17,710)		(8,872)	
		(16,008)		(7,055)
Change in net assets attributable to unitholders from investment activities		(10,719)		1,629
Retained distributions on accumulation units		100		–
Closing net assets attributable to unitholders		597,533		583,957

\*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.

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# Interim financial statements

As at 28 February 2022

## Balance sheet

	28/02/22		31/08/21	
	£000	£000	£000	£000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investments		536,556		524,220
<b>Current assets:</b>				
Debtors	1,779		6,052	
Cash and bank balances	99,260		109,781	
Total current assets		101,039		115,833
Total assets		637,595		640,053
<b>Liabilities:</b>				
Investment liabilities		(20,015)		(11,199)
<b>Creditors:</b>				
Bank overdraft	(11,157)		(4,477)	
Other creditors	(8,890)		(217)	
Total creditors		(20,047)		(4,694)
Total liabilities		(40,062)		(15,893)
Net assets attributable to unitholders		597,533		624,160

## 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 31 August 2021 and are described in those financial statements.

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# Distribution table

For the half year ended 28 February 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 payable 30 Apr	2021 pence per unit paid 30 Apr
<b>Class 'A' Accumulation</b>				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>Class 'B' Accumulation</b>				
Group 1	0.0168	—	0.0168	0.0000
Group 2	0.0110	0.0058	0.0168	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.

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## 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](http://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](http://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 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.

### 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.

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# 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

**Andrew Moss** PUTM Director, Chief Executive  
Phoenix Life;

**Craig Baker** PUTM Director, Head of Investment  
Management Phoenix Life;

**Mike Urmston** 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 Throgmorton 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 UCITS fund.

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## Notes



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## Notes

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## 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](http://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.

Phoenix Unit Trust Managers Limited\* is a Phoenix Group Company. Registered in England No 3588031.  
Registered office: 1 Wythall Green Way, Wythall, Birmingham B47 6WG.

\*Authorised and regulated by the Financial Conduct Authority.