

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 1 February 2021 to 31 January 2022

PUTM BOTHWELL JAPAN EQUITY FUND



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

Investment review

Dear Investor

Welcome to the PUTM Bothwell Japan Equity Fund annual report for 12 months to 31 January 2022.

Please note that all of the assets were transferred into the PUTM ACS Japan Equity Fund on 14 April 2022. The Fund is currently being wound-up following receipt of FCA's approval on 8 September 2021.

Performance Review

Over the review period, the PUTM Bothwell Japan Equity Fund returned 1.9% (Source: HSBC, Gross of AMC, GBP, based upon the movement in the Cancellation Price for the year). This compares with its benchmark index return of -0.5% (Source: Datastream, FTSE World Japan Index until 04/03/14 and thereafter the Topix Index, Total Return in GBP terms for the year).

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

Over the review period all of the assets were transferred to the PUTM ACS Japan Equity Fund.

Standardised Past Performance

	Jan 21-22 % growth	Jan 20-21 % growth	Jan 19-20 % growth	Jan 18-19 % growth	Jan 17-18 % growth	Jan 16-17 % growth*
PUTM Bothwell Japan Equity Fund	1.9	6.5	9.9	-6.5	10.8	22.8
Benchmark Index	-0.5	9.3	10.4	-5.4	12.5	23.4

*Due to a change of investment objective performance for 2016-2017 is only available up to the end of December 2016.

Source: Fund performance is HSBC, Gross of AMC, GBP, based upon the movement in the Cancellation Price to 31 January for each year. Benchmark Index performance is Datastream, FTSE World Japan Index until 04/03/14 and thereafter the Topix Index, Total Return in GBP terms to 31 January for each year.

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 portfolio's significant outperformance during the reporting period can be explained by a number of factors, including strong tailwinds for Value stocks in certain months (Style contribution), the overall effectiveness of the N.ALPHA model's expected alpha and our stock selection. With regards to the effectiveness of the N.ALPHA model's expected alpha, it was slightly negative in the beginning of the reporting period (February 2021) as investors sold off quality stocks and those with positive earnings revisions. However, this became positive from March onward as undervalued stocks subsequently attracted investor buying and thanks to our diversified portfolio with multiple sources of excess return.

According to the performance attribution analysis based on the Barra model, during the period, Risk Indices (style) and Asset Selection contributed positively.

Market Outlook & Fund Strategy

Japanese equities have remained resilient throughout much of the past 12 months ending January 2022. The acceleration in vaccine roll-out in Japan from mid-year in 2021 and the ruling party solidifying its power in the election resulted in political risk receding after former Prime Minister Suga announced his intention to resign abruptly in September. Specifically, in November, the ruling party won an "absolute stable majority" (meaning winning a majority in all-subcommittees, in addition to the parliament itself) in the lower house election and the new Kishida administration was formed subsequently with a high approval rating.

However, towards the end of the year in 2021, the market declined due to global macro-driven concerns. In particular, this included credit issues at a top tier Chinese real estate firm, the expected monetary tightening in the US and Europe, as well as the possibility of the spread of the Omicron variant impacting economies around the world. The rebound in COVID-19 cases in many parts of the world including in Japan from December led

investors to be wary of the economic outlook which resulted in risk-off sentiment in the global markets.

While the continued spread of the Omicron variant (albeit at a slower rate) and the increasingly hawkish stance in US monetary policy could result in certain periods of heightened volatility and therefore need careful monitoring, we remain cautiously optimistic as we maintain our view that corporate earnings will continue to show recovery based on the following reasons:

First of all, we are expecting earnings recovery in the manufacturing sector as the global economy continues to recover.

Secondly, the lifting of the state of emergency and the new economic stimulus package announced by the new Kishida administration will help drive the recovery of domestic demand.

And thirdly, we are seeing Japanese companies taking drastic measures to improve profitability in reaction to the outbreak of the pandemic. Better than expected earnings by large-scale cost cutting have been reported at many companies that have been improving operational efficiency with the use of technology or enhancement of job routines. While there may be some cost increases as the economy reopens, we believe that companies taking a hard look at their cost structure to optimise it to improve profitability will certainly contribute to earnings growth in the medium term.

We also expect dividend hikes and share repurchases, which had been suspended given the economic uncertainty in 2020, to continue to recover on the back of earnings growth and this will certainly be a supporting factor for the equity market. So far, this fiscal year, companies have been signalling their confidence with the announcement of aggressive share buyback programs—the aggregate of buybacks is likely to surpass the highest level marked pre-COVID-19 in 2019.

Part of the reason for this is the suspension in shareholder distribution in 2020 resulted in companies hoarding more cash to be distributed at a later date. The aforementioned improvement in

Investment review

profitability is also resulting in higher free cash flow to be returned to shareholders. Moreover, management teams are increasingly gaining confidence in future profitability as the pace of the recovery has picked up. We have also been hearing directly from many of the management teams on the ground that they are willing to spend more cash for future growth and distribution going forward.

Since the pandemic began, the markets were flooded with excess liquidity on a global basis but going forward financial markets are expected to normalise in light of the recent concerns regarding spiking inflation.

The Japanese equity market is likely to become more earnings-driven as a result, and therefore companies with strong fundamentals will be well positioned.

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Oil & Gas (31/01/21 - 0.47%)		0.70
	Oil & Gas Producers		
60,000	Idemitsu Kosan	1,137	0.35
119,000	Inpex Holdings	888	0.27
8,700	Japan Petroleum Exploration	154	0.05
16,400	San-Ai Oil	98	0.03
	Basic Materials (31/01/21 - 3.52%)		4.76
	Chemicals		
700	Carlit Holdings	3	0.00
14,400	Daicel	78	0.02
1,000	Dainichiseika Colour & Chemicals Manufacturing	15	0.00
31,200	Denka	808	0.25
24,400	Fujikura Rubber	126	0.04
3,700	Fujimi	164	0.05
100	Fujimori Kogyo	3	0.00
9,100	Harima Chemicals Group	48	0.01
5,700	Ishihara Sangyo Kaisha	42	0.01
1,200	JCU	38	0.01
18,700	Kanto Denka Kogyo	132	0.04
18,900	KH Neochem	357	0.11
2,800	Kureha Chemical Industry	154	0.05
20,800	Mitsubishi Gas Chemical	293	0.09
19,000	Nagase	224	0.07
7,500	Nippon Carbide Industries	67	0.02
1,700	Nippon Shokubai	59	0.02
4,300	Nippon Soda	91	0.03
2,200	Nippon Valqua	36	0.01
9,100	Nissan Chemical Industries	364	0.11
33,300	Nitto Denko	1,904	0.59
5,600	NOF	188	0.06
10,000	Okura Industrial	127	0.04
1,000	Rasa Industries	10	0.00
13,300	Sakai Chemical Industry	178	0.05
23,300	Shin-Etsu Chemical	2,869	0.89
3,900	Showa Denko K.K	60	0.02
150,900	Sumitomo Chemical	560	0.17
1,700	T Hasegawa	28	0.01
1,600	Taiyo Holdings	35	0.01
700	Tayca	6	0.00
2,200	Tomoe-gawa	12	0.00
126,200	Tosoh	1,454	0.45
37,600	Zeon	321	0.10

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Forestry & Paper		
11,400	Chuetsu Pulp & Paper	72	0.02
30,800	Nippon Paper Industries	231	0.07
	Industrial Metals		
5,100	Araya Industrial	54	0.02
5,000	JFE	47	0.01
309,400	Kobe Steel	1,085	0.34
1,200	Matsuda Sangyo	18	0.01
26,800	Mitsui Mining & Smelting	555	0.17
4,500	Mory Industries	75	0.02
91,700	Nakayama Steel Works	254	0.08
37,200	Neturen	142	0.04
21,200	Nichia Steel Works	38	0.01
2,900	Nippon Kinzoku	18	0.01
2,000	Nippon Seisen	58	0.02
73,100	Nippon Steel	877	0.27
33,800	Tokyo Steel Manufacturing	238	0.07
30,000	Yamato Kogyo	679	0.21
	Mining		
700	Nittetsu Mining	29	0.01
1,500	Pacific Metals	22	0.01
148,600	Sumiseki Holdings	133	0.04
	Industrials (31/01/21 – 29.31%)		30.32
	Aerospace & Defence		
5,700	Sumitomo Precision Products	67	0.02
	Construction & Materials		
14,200	Asahi Glass	480	0.15
7,200	Bunka Shutter	49	0.02
11,700	Chudenko	160	0.05
8,600	Citi Engineering International	133	0.04
64,400	Comsys	1,134	0.35
13,000	Daiken	177	0.05
193,500	Haseko	1,809	0.56
5,300	Hazama	30	0.01
51,200	Kandenko	281	0.09
4,900	Kawada Technologies	122	0.04
4,100	Komai Tekko	61	0.02
1,000	Komatsu Wall Industry	12	0.00
200	Kumagai Gumi	4	0.00
6,800	LIXIL Group	115	0.04
1,600	Nichias	27	0.01
9,300	Nippon Densetsu Kogyo	89	0.03

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Construction & Materials (continued)		
13,700	Onoken	145	0.04
1,800	Sanko Metal Industrial	29	0.01
2,500	Sankyo Tateyama	10	0.00
7,300	Taihei Dengyo	128	0.04
4,500	Takuma	42	0.01
2,200	Toa Road	34	0.01
14,800	Tomoe	47	0.01
9,400	Wakachiku Construction	101	0.03
200	Yamato	1	0.00
6,000	Yondenko	64	0.02
8,900	Yurtec	39	0.01
	General Industrials		
2,000	CTS	10	0.00
7,100	Fuji Seal	99	0.03
7,800	Nihon Yamamura Glass	39	0.01
300	Nomura Micro Science	8	0.00
11,900	Rengo	66	0.02
2,700	Taisei Lamick	47	0.01
10,100	Takemoto Yohki	49	0.02
10,400	Tokyo Keiki	68	0.02
28,800	Toyo Seikan Group	258	0.08
	Electronic & Electrical Equipment		
6,300	Aiphone	88	0.03
1,800	Azbil	52	0.02
2,200	Daihen	58	0.02
3,800	Dexerials	77	0.02
2,300	Elematec	15	0.00
800	Fuji Electric	32	0.01
8,600	Fujikura	34	0.01
2,000	Hamamatsu Photonics	75	0.02
4,900	Hirose Electric	539	0.17
600	Hochiki	4	0.00
5,200	Hokuriku Electric	43	0.01
8,700	Horiba	346	0.11
4,000	Hosiden	29	0.01
70,700	Hoya	6,746	2.08
2,800	Idec Izumi	44	0.01
6,500	Japan Cash Machine	26	0.01
5,000	Keyence	1,883	0.58
124,300	Kyocera	5,656	1.75
2,800	Kyoei Sangyo	32	0.01
8,000	Macnica Fuji Electronics Holdings	130	0.04

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Electronic & Electrical Equipment (continued)			
300	Maruwa	29	0.01
42,700	Maxell Holdings	338	0.10
2,500	Mitachi	15	0.00
128,900	Murata Manufacturing	7,119	2.20
49,000	NGK Insulators	610	0.19
1,400	Nippon Chemi-Con	15	0.00
11,100	Nippon Electric Glass	204	0.06
6,100	Nippon Pillar Packing	130	0.04
2,800	Nitto Kogyo	28	0.01
37,500	Omron	2,012	0.62
3,600	Origin Electric	29	0.01
300	Rorze	21	0.01
100	Sanyo Denki	3	0.00
5,000	Satori Electric	30	0.01
2,000	Sinfonia Technology	16	0.01
1,700	SMK	24	0.01
9,300	Sodick	48	0.02
3,400	Softcreate Holdings	79	0.02
8,000	Sun-Wa Technos	67	0.02
10,900	Taiyo Yuden	386	0.12
5,800	Takaoka Toko	52	0.02
200	Takebishi	2	0.00
6,100	Teikoku Tsushin	52	0.02
7,900	TOA	41	0.01
35,000	Ushio	401	0.12
Industrial Engineering			
260,300	Amada	1,852	0.57
46,500	Anest Iwata	231	0.07
21,500	Asahi Diamond Industrial	84	0.03
22,000	Daiwa Industries	160	0.05
7,000	Disco	1,406	0.43
39,400	Fanuc	5,723	1.77
30,700	Fuji Machine Manufacturing	521	0.16
2,500	Fukushima Industries	68	0.02
31,300	Glory	435	0.13
16,600	Hino Motors	106	0.03
7,600	Hitachi Construction Machine	142	0.04
7,700	Hoshizaki Electric	421	0.13
14,700	Isuzu Motors	133	0.04
2,300	Japan Elevator Service	24	0.01
42,700	JGC	310	0.10
6,000	Kitz	26	0.01

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrial Engineering (continued)		
228,000	Komatsu	4,137	1.28
49,600	Komori	220	0.07
2,000	Makino Mill Machine	51	0.02
6,900	Mimaki Engineering	35	0.01
38,000	Misumi	908	0.28
120,600	Mitsubishi Electric	1,116	0.35
249,100	Mitsubishi Heavy Industries	4,992	1.54
3,900	Nagano Keiki	33	0.01
11,700	Nitta	212	0.07
8,500	Nitto Kohki	91	0.03
1,800	Okuma	58	0.02
500	Organo	27	0.01
25,200	OSG	326	0.10
21,500	Punch Industry	68	0.02
3,000	Sakai Heavy Industries	53	0.02
47,500	Shimadzu	1,260	0.39
25,100	Sintokogio	112	0.03
13,000	SMC	5,331	1.65
9,100	Star Micronics	85	0.03
22,400	Sumitomo Heavy Industries	432	0.13
8,800	Takeuchi MFG	161	0.05
4,100	Takisawa Machine Tool	31	0.01
9,000	Tsubakimoto Chain	185	0.06
5,600	Tsukishima Kikai	39	0.01
12,100	Yamabiko	81	0.03
13,500	Yuasa Trading	253	0.08
	Industrial Transportation		
9,100	AIT	86	0.03
11,500	Japan Transcity	48	0.02
22,600	Kamigumi	322	0.10
12,600	Kawasaki Kisen Kaisha	575	0.18
8,900	Kintetsu World Express	164	0.05
6,900	Maruzen Showa Unyu	141	0.04
21,000	Mitsui OSK Lines	1,194	0.37
4,300	Mitsui Soko	66	0.02
15,000	Naigai Trans Line	180	0.06
13,400	Nippon Concept	112	0.03
22,500	Nippon Yusen Kabushiki Kaisha	1,291	0.40
8,600	Nissin	88	0.03
700	NS United Kaiun Kaisha	14	0.00
5,300	Sankyu	141	0.04
5,100	SG Holdings	79	0.02
5,300	Sumitomo Warehouse	70	0.02

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Support Services		
3,000	Askul	27	0.01
32,500	Benefit One	728	0.23
1,300	Careerindex	6	0.00
12,100	Careerlink	126	0.04
6,400	En-Japan	113	0.04
4,300	Envipro Holdings	44	0.01
3,800	Fullcast	53	0.02
14,800	Hanwa	301	0.09
3,700	Inui Global Logistics	55	0.02
313,300	Itochu	7,430	2.30
11,700	JAC Japan	150	0.05
17,300	JK Holdings	122	0.04
22,100	Kyoritsu Printing	20	0.01
5,600	Link & Motivation	16	0.01
756,800	Marubeni	5,772	1.78
2,600	Meitec	112	0.03
42,300	Mitsubishi	1,061	0.33
2,000	Mitsui	37	0.01
24,200	Monotaro	291	0.09
12,900	Nissha Printing	121	0.04
2,400	Pasona Group	39	0.01
49,600	Persol Holdings	938	0.29
120,600	Recruit Holdings	4,364	1.35
16,100	Shinwa	86	0.03
481,300	Sumitomo	5,514	1.70
11,200	Toppan Printing	158	0.05
4,900	WDB	85	0.03
8,400	Will Group	67	0.02
	Consumer Goods (31/01/21 – 22.87%)		17.53
	Automobiles & Parts		
2,100	Ashimori Industry	13	0.00
31,700	Bridgestone	1,028	0.32
15,700	Exedy	170	0.05
800	G-7 Holdings	7	0.00
4,800	GMB	25	0.01
347,900	Honda Motor	7,546	2.33
95,300	Mazda Motor	544	0.17
144,600	NGK Spark Plug	1,816	0.56
9,000	Nippon Piston Ring	75	0.02
590,300	Nissan Motor	2,319	0.72
104,300	NOK	823	0.25
7,400	Riken	124	0.04

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Automobiles & Parts (continued)		
5,100	Ryobi	36	0.01
44,100	Subaru	596	0.18
1,800	Sumitomo Rubber Industries	14	0.00
11,200	TBK	29	0.01
15,000	Teikoku Piston Ring	140	0.04
10,700	Toyota Industries	615	0.19
636,200	Toyota Motor	9,239	2.85
69,900	Yamaha Motor	1,226	0.38
32,200	Yokohama Rubber	346	0.11
13,200	Yorozu	82	0.03
	Beverages		
500	Suntory Beverage & Food	14	0.00
	Food Producers		
14,200	Ariake Japan	557	0.17
43,100	Calbee	735	0.23
16,000	Chubu Shiryo	105	0.03
5,700	Hokuryo	26	0.01
14,800	Itoham Yonekyu	64	0.02
3,500	Kakiyasu Honten	58	0.02
18,100	Megmilk Snow Brand	239	0.07
8,400	Mitsubishi Shokuhin	152	0.05
28,600	Morinaga	674	0.21
12,600	Morinaga Milk Industry	452	0.14
6,000	Nagatanien Holdings	75	0.02
3,300	Natori	43	0.01
1,500	Nippon	16	0.01
4,300	Nippon Beet Sugar Manufacturing	47	0.01
9,000	Pickles	92	0.03
11,900	S Foods	270	0.08
3,300	Sakata Seed	72	0.02
18,100	Yakult Honsha	681	0.21
300	Yamami	3	0.00
6,900	Yukiguni Maitake	52	0.02
	Household Goods		
11,700	Cleanup	40	0.01
42,100	IIDA Group Holdings	646	0.20
1,700	Ishizuka Glass	22	0.01
7,300	Joyful Honda	72	0.02
33,700	Mitsubishi Pencil	260	0.08
52,600	Nihon House Holdings	151	0.05
1,700	Noritake	50	0.02

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Household Goods (continued)		
9,400	Pilot	247	0.08
8,600	Sangetsu	88	0.03
167,400	Sekisui Chemical	2,157	0.67
123,000	Sekisui House	1,841	0.57
5,700	Shoei	161	0.05
95,600	Sumitomo Forest	1,237	0.38
24,000	Takara Standard	211	0.07
1,200	Token	72	0.02
	Leisure Goods		
18,400	Bandai Namco Holdings	953	0.29
5,600	Casio Computer	52	0.02
8,500	Furyu	70	0.02
1,500	Globeride	26	0.01
82,600	Nikon	633	0.20
3,100	Nintendo	1,126	0.35
800	Snow Peak	12	0.00
127,900	Sony	10,520	3.25
8,600	Tomy	62	0.02
2,100	Ubicom Holdings	29	0.01
100	Yamaha	3	0.00
	Personal Goods		
4,200	Arata	109	0.03
16,500	Asics	236	0.07
2,400	C BON Cosmetics	27	0.01
500	Chori	6	0.00
14,400	Citizen Watch	45	0.01
2,900	Cota	29	0.01
700	Descente	16	0.01
6,300	Fujibo Holdings	155	0.05
600	Gunze	15	0.00
6,200	Honeys	41	0.01
13,200	Japan Wool Textile	75	0.02
5,000	Kose	337	0.10
8,100	Kurabo Industries	97	0.03
3,900	Milbon	136	0.04
3,700	Morito	17	0.01
3,600	Nagaileben	49	0.02
58,300	Nisshinbo Industries	358	0.11
105,200	Uni Charm	3,012	0.93
12,400	Yamato International	23	0.01

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Healthcare (31/01/21 – 6.68%)		8.60
	Healthcare Equipment & Services		
2,800	A & D	18	0.01
13,200	BML	296	0.09
8,900	Elan	58	0.02
7,000	Falco SD	93	0.03
6,800	Japan Lifeline	44	0.01
67,600	Nihon Kohden	1,318	0.41
3,800	Paramount Bed	47	0.01
4,800	Rion	71	0.02
6,200	Shin Nippon Biomedical Laboratories	49	0.02
4,500	Shofu	52	0.02
3,600	Solasto	24	0.01
	Pharmaceuticals & Biotechnology		
14,800	ASKA Pharmaceutical Holdings	94	0.03
286,100	Astellas Pharma	3,424	1.06
238,700	Chugai Pharmaceutical	5,728	1.77
2,600	Daito Pharmaceutical	47	0.01
55,200	H.U. Group	1,037	0.32
1,900	JCR Pharmaceuticals	25	0.01
98,400	Kyowa Kirin	1,817	0.56
175,700	ONO Pharmaceuticals	3,152	0.97
155,000	Otsuka Holdings	3,927	1.21
23,700	PeptiDream	313	0.10
2,400	Pharma Foods International	25	0.01
37,000	Rohto Pharmaceutical	755	0.23
124,300	Santen Pharmaceutical	1,042	0.32
61,400	Shionogi	2,552	0.79
20,700	Takara Bio	305	0.09
4,100	Torii Pharmaceutical	76	0.02
8,400	Towa Pharmaceutical	152	0.05
	Tobacco		
88,100	Japan Tobacco	1,307	0.40
	Consumer Services (31/01/21 – 9.36%)		7.93
	Food & Drug Retailers		
900	Albis	13	0.00
3,000	Axial Retailing	63	0.02
5,700	Cawachi	85	0.03
2,400	Fuji	29	0.01
2,500	Halows	45	0.01
3,800	Ishihara Chemical	31	0.01
16,100	Kobe Bussan	371	0.11
6,400	Life	127	0.04

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Food & Drug Retailers (continued)		
7,800	MatsukiyoCocokara	198	0.06
13,500	Medical System Network	48	0.02
3,900	Nishimoto	73	0.02
1,100	Okuwa	6	0.00
2,900	QOL	25	0.01
8,000	Ride on Express	78	0.02
4,600	Sugi Holdings	199	0.06
22,700	Sundrug	423	0.13
6,100	Tea Life	52	0.02
1,400	Welcia Holdings	28	0.01
2,700	Yamaya	43	0.01
	General Retailers		
1,900	Aoyama Trading	8	0.00
11,000	Baroque Japan	64	0.02
3,300	Belluna	15	0.00
7,500	Brass	30	0.01
15,500	DCM Holdings	109	0.03
29,000	Duskin	516	0.16
5,600	Ecos Consult	74	0.02
2,400	Fast Retailing	1,040	0.32
1,100	Felissimo	9	0.00
8,900	Gakkyusha	87	0.03
15,700	Gift	236	0.07
1,400	Global Kids	7	0.00
7,400	gremz	91	0.03
19,900	H2O Retailing	102	0.03
12,600	Hamee	83	0.03
2,000	Ichinen Holdings	16	0.01
1,200	Isetan Mitsukoshi	7	0.00
3,200	Itochu Enex	21	0.01
7,300	Izutsuya	18	0.01
28,300	J Front Retailing	188	0.06
91,500	JP-Holdings	138	0.04
19,400	Kakaku.Com	295	0.09
900	Kamei	6	0.00
2,700	Kohnan Shoji	59	0.02
9,000	Komeri	155	0.05
500	Kushikatsu Tanaka Holdings	7	0.00
900	Kusuri No Aoki Holdings	40	0.01
600	Management Solutions	12	0.00
12,700	Misawa	54	0.02
2,600	Mitsui Matsushima	30	0.01

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	General Retailers (continued)		
6,100	Nakamoto Packs	67	0.02
700	Nextage	13	0.00
21,200	Nissan Tokyo Sales	31	0.01
8,400	Pal	91	0.03
120,400	Pan Pacific International	1,201	0.37
12,600	Paris Miki	20	0.01
26,200	Senshukai	63	0.02
109,400	Seven & I Holdings	3,956	1.22
3,500	Shimamura	237	0.07
17,700	SK Japan	47	0.01
6,400	SPRIX	59	0.02
2,800	Step	33	0.01
121,700	Takashimaya	854	0.26
6,800	Toyota Tsusho	203	0.06
3,100	Treasure Factory	17	0.01
31,700	USS	383	0.12
6,800	Valor	97	0.03
11,800	Welbe	92	0.03
7,500	World	56	0.02
2,900	Yellow Hat	30	0.01
30,900	ZOZO	605	0.19
	Media		
7,100	Asahi Broadcasting	32	0.01
1,400	Dentsu	36	0.01
1,900	Direct Marketing Mix	17	0.01
1,400	Fuji Media	10	0.00
1,100	MS & Consulting	5	0.00
87,100	Nippon Television Holdings	672	0.21
27,600	SKY Perfect JSAT	77	0.02
40,200	So-Net M3	1,131	0.35
600	Toei	66	0.02
7,900	TV Tokyo Holdings	101	0.03
300	ValueCommerce	7	0.00
	Travel & Leisure		
11,800	Arcland Service	165	0.05
43,200	Central Japan Railway	4,231	1.31
2,800	Daikoku Denki	22	0.01
46,200	Hankyu	992	0.31
600	Keisei Electric Railway	12	0.00
106,700	Nagoya Railroad	1,247	0.39
30,900	Nankai Electric Railway	453	0.14

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Travel & Leisure (continued)		
19,000	Oriental Land	2,443	0.76
12,700	Tobu Railway	220	0.07
2,300	Tokyotokeiba	62	0.02
900	Toridoll	13	0.00
3,600	Yoshinoya D & C	55	0.02
	Telecommunications (31/01/21 – 3.90%)		3.70
	Mobile Telecommunications		
305,900	KDDI	7,211	2.23
145,800	SoftBank	4,725	1.46
	Fixed Line Telecommunications		
3,300	Vision	21	0.01
	Utilities (31/01/21 – 0.48%)		0.67
	Electricity		
99,500	Electric Power Development	966	0.30
200	Erex	2	0.00
83,800	Hokuriku Electric Power	306	0.09
103,400	Kyushu Electric Power	568	0.18
20,300	The Okinawa Electric Power	184	0.06
4,600	Tohoku Electric Power	24	0.01
47,700	Tokyo Electric Power	94	0.03
	Financials (31/01/21 – 9.69%)		12.17
	Banks		
8,600	Bank of Iwate	105	0.03
1,300	Bank of Nagoya	25	0.01
6,800	Daishi Hokuetsu	116	0.04
46,200	Fukuoka Financial Group	670	0.21
527,800	Gunma Bank	1,277	0.39
374,200	Hachijuni Bank	1,021	0.32
500	Hokkoku Financial Holdings	9	0.00
77,900	Hokuhoku Financial Group	454	0.14
29,900	Hyakugo Bank	68	0.02
1,400	Iyo Bank	5	0.00
62,400	Japan Post Bank	455	0.14
8,800	Jimoto Holdings	38	0.01
3,300	Kanto Tsukuba Bank	4	0.00
5,400	Kita-Nippon Bank	57	0.02
1,303,300	Mitsubishi UFJ Financial Group	5,826	1.80
194,100	Mizuho Financial Group	1,944	0.60
16,400	Nishi-Nippon Financial Holdings	86	0.03
4,100	North Pacific Bank	7	0.00
5,300	Ogaki Kyoritsu Bank	69	0.02

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Banks (continued)		
910,100	Resona	2,889	0.89
37,500	San-in Godo Bank	155	0.05
84,500	Senshu Ikeda Holdings	98	0.03
4,200	Seventy Seven Bank	41	0.01
9,700	Shiga Bank	139	0.04
287,500	Sumitomo Mitsui Financial	7,649	2.36
500	The Taiko Bank	4	0.00
85,300	Toho Bank	117	0.04
7,400	Tohoku Bank	48	0.02
8,300	Yamagata Bank	51	0.02
	Life Insurance		
119,800	Dai-ichi Mutual Life Insurance	1,992	0.62
449,900	Japan Post Holdings	2,843	0.88
28,700	Japan Post Insurance	372	0.12
20,900	T & D	228	0.07
	Non-Life Insurance		
54,900	Tokio Marine Holdings	2,423	0.75
	Real Estate & Investment Services		
6,200	CRE	67	0.02
7,100	Daito Trust Construction	601	0.19
42,300	Dear Life	143	0.04
5,000	E'grand	47	0.01
22,800	ERI	168	0.05
4,800	First Juken	36	0.01
20,400	FJ Next	130	0.04
1,300	Fuji	5	0.00
15,800	Goldcrest	183	0.06
100	Hoosiers Holdings	0	0.00
2,800	JSB	51	0.02
600	Katitas Co Ltd	13	0.00
700	Ki-Star Real Estate	32	0.01
4,300	Sansei Landic	23	0.01
9,000	Starts	145	0.04
1,100	Tama Home	17	0.01
65,900	Tokyo Tatemono	726	0.22
	Financial Services		
89,400	Credit Saison	739	0.23
3,700	Fuyo General Lease	181	0.06
10,700	Iwai Cosmo Securities	94	0.03
6,200	JACCS	124	0.04
3,400	J-Lease	41	0.01

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Financial Services (continued)		
7,600	Kyushu Leasing Service	29	0.01
16,200	Mitsubishi HC Capital	62	0.02
4,200	Mizuho Leasing	87	0.03
13,500	Monex Group	50	0.02
62,400	Nihon M&A Center	721	0.22
222,400	Nomura Holdings	726	0.22
21,700	Okasan Securities Group	53	0.02
66,700	Orix	1,016	0.31
82,500	SBI Holdings	1,570	0.49
67,600	Tokai Tokyo Securities	175	0.05
	Technology (31/01/21 – 8.10%)		9.22
	Software & Computer Services		
6,500	Arteria Networks	57	0.02
1,900	Ateam	9	0.00
900	Base	24	0.01
3,100	Baycurrent Consulting	859	0.27
500	Benefit Japan	6	0.00
97,500	Capcom	1,734	0.54
1,000	Core	10	0.00
10,900	Cresco	125	0.04
5,800	Cross Cat	56	0.02
2,900	Cube System	17	0.01
107,700	Cyber Agent	923	0.29
1,800	Digital Arts	78	0.02
6,700	Digital Garage	174	0.05
4,700	Digital Information	36	0.01
2,200	Double Standard	34	0.01
3,200	eBASE	10	0.00
900	Fuji Soft ABC	28	0.01
700	Fukui Computer	13	0.00
8,300	Geechs	72	0.02
4,700	Himacs	34	0.01
28,200	Infoteria Corporation	159	0.05
14,100	IT Holdings	273	0.08
11,000	ITFOR	53	0.02
16,500	ITmedia	167	0.05
38,900	Kitanotatsujin	55	0.02
900	Koei Tecmo Holdings	24	0.01
14,500	NEOJAPAN	96	0.03
19,600	Nexon	273	0.08
2,000	Nippon Systemware	26	0.01
54,500	Nomura Research Institute	1,394	0.43

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Software & Computer Services (continued)			
400	Nomura System	1	0.00
16,800	NSD	211	0.07
7,600	OBIC	923	0.29
6,700	Oracle Japan	369	0.11
3,400	ORO	52	0.02
30,300	Otsuka	907	0.28
8,600	PR Times	148	0.05
5,100	ProShip	45	0.01
700	PSC	4	0.00
8,300	SCSK	103	0.03
1,700	SHIFT	206	0.06
4,600	Softbank Technology	70	0.02
27,400	Synchro Food	51	0.02
4,400	System Integrator	14	0.00
3,300	System Research	37	0.01
6,900	System Support	42	0.01
14,700	Systema	33	0.01
33,100	Syuppin	225	0.07
7,200	TDC Software Engineering	49	0.02
4,300	Toho System Science	26	0.01
1,600	VINX	8	0.00
4,500	WingArc1st	37	0.01
102,200	ZIGExN	190	0.06
Technology Hardware & Equipment			
17,900	Advantest	1,108	0.34
9,800	AI Holdings	112	0.03
10,800	Asahi Organic Chemicals	124	0.04
15,200	Axell	111	0.03
66,500	Brother Industries	904	0.28
343,600	Canon	6,019	1.86
13,200	Canon Marketing Japan	199	0.06
2,800	Eizo	71	0.02
97,100	Fuji Photo Film	4,791	1.48
700	Innotech	6	0.00
24,000	I-PEX	265	0.08
5,300	Japan Electronic Materials	86	0.03
2,300	Kaga Electronics	44	0.01
1,100	Kanematsu Electronics	27	0.01
48,600	Konica Minolta Holdings	152	0.05
6,200	Lasertec	1,005	0.31
2,900	Marubun	14	0.00
8,500	Micronics Japan	85	0.03

Portfolio of investments (unaudited)

Investments held at 31 January 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Technology Hardware & Equipment (continued)			
6,500	Miraial	64	0.02
600	Mitsui High-tec	32	0.01
800	OKI Electric Industries	5	0.00
40,900	Ricoh	255	0.08
9,500	ROHM	585	0.18
1,700	Roland DG	30	0.01
1,200	Sanken Electric	38	0.01
1,200	Screen	88	0.03
600	Soshin Electric	2	0.00
71,000	Sumco	953	0.29
3,400	Tachibana Eletech	34	0.01
4,900	Tokyo Electron	1,735	0.54
7,400	Tokyo Seimitsu	229	0.07
900	Towa	15	0.00
1,600	YAC	12	0.00
8,600	Yamaichi Electronics	114	0.04
Futures (31/01/21 – 0.10%)			(0.20)
93	OSE Topix Index Future March 2022	(641)	(0.20)
Portfolio of investments ^		308,770	95.40
Net other assets		14,902	4.60
Net assets		323,672	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.

The counterparty for the Future is UBS.

^ Includes investment liabilities.

Top ten purchases and sales

For the year ended 31 January 2022

Purchases	Cost £000	Sales	Proceeds £000
Sumitomo Mitsui Financial	22,379	Nintendo	28,197
Nintendo	21,712	Sony	23,606
Fanuc	20,899	Tokyo Electron	21,500
Sony	20,541	Nippon Steel	19,316
Nippon Steel	19,446	Keyence	18,094
Tokyo Electron	18,175	Sumitomo Mitsui Financial	16,956
SoftBank	17,396	SoftBank	16,747
Murata Manufacturing	16,662	Fanuc	16,525
Recruit Holdings	16,148	Nomura Holdings	15,905
Oriental Land	15,563	Recruit Holdings	15,554
Subtotal	<u>188,921</u>	Subtotal	<u>192,400</u>
Other purchases	<u>1,015,749</u>	Other sales	<u>1,027,134</u>
Total purchases for the year	<u>1,204,670</u>	Total sales for the year	<u>1,219,534</u>

Statistical information

Comparative tables

	31/01/22 pence	Class 'A' Accumulation 31/01/21 pence	31/01/20 pence
Change in net assets per unit			
Opening net asset value per unit	150.07	143.28	132.15
Return before operating charges*	3.45	9.12	13.43
Operating charges	(2.53)	(2.33)	(2.30)
Return after operating charges*	0.92	6.79	11.13
Distributions on accumulation units	(0.87)	(0.88)	(1.00)
Retained distributions on accumulation units	0.87	0.88	1.00
Closing net asset value per unit	150.99	150.07	143.28
*after direct transaction costs of: ^	0.02	–	0.01

Performance

Return after charges	0.61%	4.74%	8.42%
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Other information

Closing net asset value (£000)	27,965	29,745	30,261
Closing number of units	18,521,380	19,820,026	21,119,416
Operating charges	1.62%	1.65%	1.65%
Direct transaction costs	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	182.58	169.79	160.05
Lowest unit price (pence)	145.02	114.29	128.85

^ 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

Comparative tables

	31/01/22	Class 'B' Accumulation 31/01/21	31/01/20
	pence	pence	pence
Change in net assets per unit			
Opening net asset value per unit	175.33	165.00	150.00
Return before operating charges*	3.98	10.67	15.33
Operating charges	(0.34)	(0.34)	(0.33)
Return after operating charges*	3.64	10.33	15.00
Distributions on accumulation units	(3.65)	(3.38)	(3.44)
Retained distributions on accumulation units	3.65	3.38	3.44
Closing net asset value per unit	178.97	175.33	165.00
*after direct transaction costs of: ^	0.03	0.01	0.01

Performance

Return after charges	2.08%	6.26%	10.00%
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Other information

Closing net asset value (£000)	197,414	212,842	222,101
Closing number of units	110,307,787	121,392,837	134,604,402
Operating charges	0.18%	0.21%	0.21%
Direct transaction costs	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	200.11	184.28	171.08
Lowest unit price (pence)	170.04	131.79	146.44

^ 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

Comparative tables

	31/01/22 pence	Class 'C' Accumulation 31/01/21 pence	31/01/20 pence
Change in net assets per unit			
Opening net asset value per unit	117.31	110.50	100.54
Return before operating charges*	2.65	7.14	10.28
Operating charges	(0.34)	(0.33)	(0.32)
Return after operating charges*	2.31	6.81	9.96
Distributions on accumulation units	(2.34)	(2.16)	(2.21)
Retained distributions on accumulation units	2.34	2.16	2.21
Closing net asset value per unit	119.62	117.31	110.50
*after direct transaction costs of: ^	0.02	–	0.01

Performance

Return after charges	1.97%	6.16%	9.91%
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Other information

Closing net asset value (£000)	98,293	99,736	104,996
Closing number of units	82,170,478	85,022,060	95,019,538
Operating charges	0.27%	0.30%	0.30%
Direct transaction costs	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	133.97	123.44	114.71
Lowest unit price (pence)	113.87	88.35	98.26

^ 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 capital growth by outperforming the benchmark (before fees) by 0.75% to 1.5% over any given 3 year period.

The benchmark is the Tokyo Stock Price Total Return Index (the "Index").

Investment policy

The Fund aims to achieve its objective by investing at least 70% of the portfolio in equities and equity related securities of Japanese companies that are constituents of the Index. The Fund may invest up to 15% in Japanese companies listed outside of the Index.

The Fund's holdings will typically consist of "equity related securities" which will include convertible stocks, stock exchange listed warrants, depositary receipts, and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the Investment Adviser, influenced significantly by the stock market performance of the company's ordinary shares. The Fund may also invest in other transferable securities, which are non-approved securities (essentially unlisted securities), money-market instruments, deposits, cash and near cash and other collective investment schemes.

Derivatives may be used for efficient portfolio management and hedging only.

Investment strategy

Although a minimum of 70% of the Fund is invested in components of the Index, the Fund is actively managed. The Investment Adviser uses numerical techniques to select investments, seeking to improve the level of return that can be achieved for a level of risk similar to that of the Index. The Fund is managed within constraints, so that divergence from the Index is controlled. The Fund's portfolio may, therefore, be similar to components of the Index.

Revenue distribution and pricing

Units of the Fund are available as either Class 'A' Accumulation, 'B' Accumulation or 'C' 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 31 July and a final distribution as at 31 January.

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.

← Typically lower rewards, lower risk			Typically higher rewards, higher risk →			
1	2	3	4	5	6	7

This Fund is ranked at 6 (31/01/21: 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 classes:

- Class 'A' Accumulation
- Class 'B' Accumulation
- Class 'C' 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.
- 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.

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.

Annual financial statements

For the year ended 31 January 2022

Statement of total return

	Notes	31/01/22		31/01/21	
		£000	£000	£000	£000
Income					
Net capital gains	4		856		13,931
Revenue	5	8,041		8,228	
Expenses	6	<u>(804)</u>		<u>(841)</u>	
Net revenue before taxation		7,237		7,387	
Taxation	7	<u>(788)</u>		<u>(823)</u>	
Net revenue after taxation			<u>6,449</u>		<u>6,564</u>
Total return before distributions			7,305		20,495
Distributions	8		(6,477)		(6,611)
Change in net assets attributable to unitholders from investment activities			<u>828</u>		<u>13,884</u>

Statement of change in net assets attributable to unitholders

	31/01/22		31/01/21	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		342,323		357,358
Amounts receivable on issue of units	2,841		1,394	
Amounts payable on cancellation of units	<u>(28,623)</u>		<u>(36,641)</u>	
Change in net assets attributable to unitholders from investment activities		(25,782)		(35,247)
Retained distributions on accumulation units		6,303		6,328
Closing net assets attributable to unitholders		<u>323,672</u>		<u>342,323</u>

Annual financial statements

As at 31 January 2022

Balance sheet

	Notes	31/01/22		31/01/21	
		£000	£000	£000	£000
Assets:					
Current assets:					
Investments			309,411		323,430
Debtors	9	13,330		8,060	
Cash and bank balances	10	16,328		18,403	
Total current assets		<u>16,328</u>	<u>29,658</u>	<u>18,403</u>	<u>26,463</u>
Total assets			<u>339,069</u>		<u>349,893</u>
Liabilities:					
Investment liabilities			(641)		–
Creditors:					
Other creditors	11	<u>(14,756)</u>		<u>(7,570)</u>	
Total creditors			<u>(14,756)</u>		<u>(7,570)</u>
Total liabilities			<u>(15,397)</u>		<u>(7,570)</u>
Net assets attributable to unitholders			<u>323,672</u>		<u>342,323</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 Authorised Funds issued by The Investment Association in May 2014 and as amended in June 2017.

All of the assets of the Fund were transferred into the PUTM ACS Japan Equity Fund on 14 April 2022. The Fund is currently being wound-up following receipt of the FCA's approval on 8 September 2021. Accordingly, the financial statements have been prepared on a break-up basis, all assets are measured at recoverable value and all liabilities at settlement value. No adjustments were required in these financial statements to reduce assets to their recoverable value or liabilities to their settlement value. The Manager of the Fund will bear the costs relating to any such liabilities arising. Unless otherwise stated all accounting policies are consistent with those of the prior year.

(b) Valuation of investments

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

Derivatives are valued as at close of business on 31 January 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.

(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 January 2022, the last valuation point in the accounting year.

(d) Revenue

Dividends receivable from equity investments are credited to revenue when they are first quoted ex-dividend. Interest receivable on bank deposits is accounted for on a receipts basis. Any commission arising from stocklending is recognised on an accruals basis and is disclosed net of fees.

(e) Special dividends

Special dividends are treated either as revenue or repayments of capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend should be treated as revenue.

(f) Stock dividends

The ordinary element of stocks received in lieu of cash is recognised as revenue. Any excess in value of shares received over the amount of cash forgone would be treated as capital.

(g) 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.

Notes to the financial statements

Note 1 Accounting policies (continued)

(h) Taxation

The charge for taxation is based on taxable income for the year less allowable expenses. UK dividends and franked distributions from UK collective investment schemes are disclosed net of any related tax credit. Overseas dividends, unfranked distributions from UK collective investment schemes, and distributions from overseas collective investment schemes are disclosed gross of any tax suffered, the tax element being separately disclosed in the taxation note.

(i) 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 not more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg 20) and will pay a dividend 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) Stock dividends

It is the policy of the Fund, where applicable, to distribute the revenue element of stock dividends.

(e) Special dividends

It is the policy of the Fund, where applicable, to distribute special dividends which have been treated as revenue.

(f) Expenses

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

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 and counterparty risk.

The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

Notes to the financial statements

Note 3 Risk management policies (continued)

(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 majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

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

(c) Foreign currency risk

All 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 unitholder 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.

(e) 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.

(f) 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

Notes to the financial statements

Note 3 Risk management policies (continued)

(f) Derivatives (continued)

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 derivative counterparty is shown at the bottom of the Portfolio of investments on page 20.

Note 4 Net capital gains

	31/01/22 £000	31/01/21 £000
The net capital gains during the year comprise:		
Gains on non-derivative securities	1,174	12,691
Gains on derivative contracts	1,087	1,751
Currency losses	(1,052)	(139)
Handling charges	<u>(353)</u>	<u>(372)</u>
Net capital gains	<u>856</u>	<u>13,931</u>

Note 5 Revenue

	31/01/22 £000	31/01/21 £000
Overseas dividends	8,041	8,226
Bank interest	<u>–</u>	<u>2</u>
Total revenue	<u>8,041</u>	<u>8,228</u>

Note 6 Expenses

	31/01/22 £000	31/01/21 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them: Manager's periodic charge	<u>751</u>	<u>762</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them: Trustee's fees	<u>15</u>	<u>24</u>
(c) Other expenses: Audit fee	7	7
Safe custody charges	28	47
Printing & stationery	2	–
Professional fees	<u>1</u>	<u>1</u>
	<u>38</u>	<u>55</u>
Total expenses	<u>804</u>	<u>841</u>

Notes to the financial statements

Note 7 Taxation

	31/01/22 £000	31/01/21 £000
(a) Analysis of tax charge for the year		
Overseas withholding tax	788	823
Total taxation (Note 7(b))	788	823
(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 before taxation	7,237	7,387
Corporation tax at 20% (31/01/21: 20%)	1,447	1,477
Effects of:		
Revenue not subject to taxation	(1,608)	(1,645)
Overseas withholding tax	788	823
Current period expenses not utilised	161	168
Total tax charge for the year (Note 7(a))	788	823

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

- (c) Provision for deferred taxation
At 31 January 2022 the Fund had a potential deferred tax asset of £1,776,625 (31/01/21: £1,615,806) in relation to surplus management expenses of £8,883,124 (31/01/21: £8,079,028). 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:

	31/01/22 £000	31/01/21 £000
Interim	3,446	3,560
Final	2,857	2,768
	6,303	6,328
Amounts deducted on cancellation of units	184	289
Amounts added on issue of units	(10)	(6)
Net distribution for the year	6,477	6,611
Net revenue after taxation	6,449	6,564
Expenses taken to capital	28	47
Net distribution for the year	6,477	6,611

Details of the distribution per unit are set out in the tables on pages 39 and 40.

Notes to the financial statements

Note 9 Debtors

	31/01/22	31/01/21
	£000	£000
Creations awaiting settlement	–	50
Sales awaiting settlement	12,791	7,459
Accrued income	539	551
Total debtors	<u>13,330</u>	<u>8,060</u>

Note 10 Cash and bank balances

	31/01/22	31/01/21
	£000	£000
Cash and bank balances	10,671	10,317
Amounts held at futures clearing houses	5,657	8,086
Total cash and bank balances	<u>16,328</u>	<u>18,403</u>

Note 11 Other creditors

	31/01/22	31/01/21
	£000	£000
Cancellations awaiting settlement	1,987	1,201
Purchases awaiting settlement	12,411	6,231
Manager's periodic charge payable	315	68
Trustee's fees payable	3	4
Safe custody charges payable	2	3
Audit fee payable	7	7
Handling charges payable	31	56
Total other creditors	<u>14,756</u>	<u>7,570</u>

Note 12 Reconciliation of units

	Class 'A' Accumulation	Class 'B' Accumulation	Class 'C' Accumulation
Opening units issued at 01/02/21	19,820,026	121,392,837	85,022,060
Unit movements in year:			
Units issued	77,199	1,049,098	641,337
Units cancelled	(1,375,845)	(12,134,148)	(3,492,919)
Closing units at 31/01/22	<u>18,521,380</u>	<u>110,307,787</u>	<u>82,170,478</u>

Note 13 Contingencies and commitments

At 31 January 2022 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (31/01/21: £nil).

Note 14 Unitholders' funds

There are three unit classes in issue within the Fund. These are Class 'A' Accumulation, Class 'B' Accumulation and Class 'C' Accumulation. The Manager's periodic charge in respect of Class 'A', Class 'B' and Class 'C' units is expressed as an annual percentage of the value of the property of the Fund attributable to each unit class and is currently 1.505% in respect of Class 'A' units, 0.065% in respect of Class 'B' units and 0.155% in respect of Class 'C' 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 15 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 the following percentage of the units at the year end:

	Class 'A' %	Class 'B' %	Class 'C' %
As at 31 January 2022:	100.00	100.00	100.00
As at 31 January 2021:	100.00	99.78	100.00

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 unitholders and Note 8.

Any balances due to/from the Manager or its associates at 31 January 2022 in respect of these transactions are shown in Notes 9 and 11.

Note 16 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 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

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.

Currency exposure

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

Currency	Net currency assets 31/01/22			Net currency assets 31/01/21		
	Monetary exposure £000	Non- monetary exposure £000	Total £000	Monetary exposure £000	Non- monetary exposure £000	Total £000
Sterling	3,134	–	3,134	3,904	–	3,904
Japanese Yen	11,763	308,770	320,533	14,984	323,430	338,414
US Dollar	5	–	5	5	–	5
	14,902	308,770	323,672	18,893	323,430	342,323

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.

Notes to the financial statements

Note 16 Financial instruments (continued)

Interest profile

At the year end date, 5.04% (31/01/21: 5.38%) of the Fund's net assets by value were interest bearing.

Interest rates earned/paid on deposits are earned/paid at a rate linked to SONIA (Sterling Overnight Index Average) or international equivalent.

Sensitivity analysis

Interest rate risk sensitivity

As the majority of the Fund's financial assets are non-interest bearing, the Fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

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 £16,026,912 (31/01/21: £16,920,950). 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 £15,438,516 (31/01/21: £17,116,150). A five percent decrease would have an equal and opposite effect.

Note 17 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 31/01/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	309,411	–	–	309,411
	309,411	–	–	309,411
Investment liabilities	£000	£000	£000	£000
Derivatives	(641)	–	–	(641)
	(641)	–	–	(641)

For the year ended 31/01/21

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	323,099	–	–	323,099
Derivatives	331	–	–	331
	323,430	–	–	323,430

Notes to the financial statements

Note 18 Portfolio transaction costs

For the year ended 31/01/22

	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total purchases costs						
Equity transactions	1,204,627	43	0.00	–	–	1,204,670
Total	1,204,627	43		–		1,204,670
Analysis of total sales costs						
Equity transactions	1,219,539	(7)	0.00	–	–	1,219,532
Corporate actions	2	–	–	–	–	2
Total	1,219,541	(7)		–		1,219,534

The Fund has paid £3,236 as commission on purchases and sales of derivatives transactions for the year ended 31/01/22.

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

Commission	0.02%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31/01/21

	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total purchases costs						
Equity transactions	535,223	4	0.00	–	–	535,227
Total	535,223	4		–		535,227
Analysis of total sales costs						
Equity transactions	563,638	(2)	0.00	–	–	563,636
Corporate actions	1	–	–	–	–	1
Total	563,639	(2)		–		563,637

The Fund has paid £5,037 as commission on purchases and sales of derivatives transactions for the year ended 31/01/21.

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

Commission	0.00%
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 0.24% (31/01/21: 0.31%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 31 January 2022

Interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2021

Group 2: units purchased 1 February 2021 to 31 July 2021

	Net income	Equalisation	2021 pence per unit paid 30 Sep	2020 pence per unit paid 30 Sep
Class 'A' Accumulation				
Group 1	0.5529	—	0.5529	0.6093
Group 2	0.0000	0.5529	0.5529	0.6093
Class 'B' Accumulation				
Group 1	1.9312	—	1.9312	1.8286
Group 2	1.8721	0.0591	1.9312	1.8286
Class 'C' Accumulation				
Group 1	1.2396	—	1.2396	1.1786
Group 2	0.1458	1.0938	1.2396	1.1786

Distribution tables

For the year ended 31 January 2022

Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2021

Group 2: units purchased 1 August 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit payable 31 Mar	2021 pence per unit paid 31 Mar
Class 'A' Accumulation				
Group 1	0.3135	—	0.3135	0.2671
Group 2	0.0000	0.3135	0.3135	0.2671
Class 'B' Accumulation				
Group 1	1.7213	—	1.7213	1.5467
Group 2	0.2726	1.4487	1.7213	1.5467
Class 'C' Accumulation				
Group 1	1.0957	—	1.0957	0.9846
Group 2	0.3958	0.6999	1.0957	0.9846

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 a going concern basis unless it is inappropriate to presume that the Fund will continue in operation. For reasons stated in the Manager's Report and Note 1(a), the financial statements have been prepared on a break-up basis as the Fund is not a going concern.

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 Japan Equity 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 Japan Equity Fund ('the Trust') for the period ended 31 January 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
31 May 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
31 May 2022

Craig Baker, Director
Andrew Moss, Director

Independent auditor's report to the unitholders of the PUTM Bothwell Japan Equity Fund

Opinion

We have audited the financial statements of the PUTM Bothwell Japan Equity Fund ("the Fund") for the year ended 31 January 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 January 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.

Emphasis of matter – financial statements prepared on a break up basis

We draw attention to Note 1(a) to the financial statements which explains that the Manager intends to wind up the Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis as described in Note 1(a). Our opinion is not modified in respect of this matter.

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 Japan Equity 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 40, 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 or 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 Japan Equity 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. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested appropriateness of management's classification of material special dividends as either a capital or revenue return.
- 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
31 May 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 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. 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 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 UCITS Code Staff annually and identified 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 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

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.

Corporate information (unaudited)

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 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 Japan Equity Fund. This has been performed based on the information available as at 31 January 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

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

Ignis Investment Services Limited
1 George Street
Edinburgh EH2 2LL
Registered in Scotland – No.SC101825
Authorised and regulated by the Financial Conduct Authority.

Former Investment Adviser (to 14 March 2022)

Nikko Asset Management Europe Limited
City Tower,
40 Basinghall Street
London
EC2V 5DE
Registered in England - 1803699
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.

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.

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.