

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 1 October 2021 to 30 September 2022

PUTM BOTHWELL EMERGING MARKETS EQUITY FUND



Contents

Investment review*	2-3
Portfolio of investments*	4-7
Top ten purchases and sales	8
Statistical information*	9-12
Statements of total return & change in net assets attributable to unitholders	13
Balance sheet	14
Notes to the financial statements	15-25
Distribution tables	26
Responsibilities of the manager and the trustee	27
Trustee's report and directors' statement	28
Independent auditor's report	29-31
Appendix	32
Corporate information*	33-34

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

Investment review

Dear Investor

Welcome to the PUTM Bothwell Emerging Markets Equity Fund annual report for the 12 months to 30 September 2022.

Performance Review

Over the review period, the PUTM Bothwell Emerging Markets Equity Fund returned -18.9%. (Source: abrdn for 12 months to 30/09/22). This is compared to its benchmark index, which returned -12.8% (Source: Factset, MSCI Emerging Markets (net return), GBP for 12 months to 30/09/22).

Standardised Past Performance

	Sep 21-22 % growth	Sep 20-21 % growth	Sep 19-20 % growth	Sep 18-19 % growth	Sep 17-18 % growth
PUTM Bothwell Emerging Markets Equity Fund	-18.9	18.9	6.0	10.7	1.4
Benchmark Index	-12.8	13.7	5.7	4.1	2.4

Source: Fund performance is abrdn for 12 months to 30 September for each year. Benchmark index performance is Factset, MSCI Emerging Markets Index, Net Return, GBP to 30 September for each year.

Past performance is not a guide to future performance.

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

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.

Investment review

Portfolio and Market Review

Global emerging market equities fell over the period on a wave of volatility driven by Russia's invasion of Ukraine and the continuation of Covid-19 lockdowns, along with rising concerns about inflation and recession.

The war in Ukraine triggered a sell-off in global risk assets. Commodity prices soared amid fears over supply disruptions, and Russian valuations collapsed after the invasion. Foreign selling of Russia-listed assets became, and remains, banned.

South Africa and oil-producing nations in the Middle East initially rose. However, resource-rich Latin America and most Middle East oil-producing nations later pulled back as commodity and oil prices came under strain amid mounting concerns over a global economic slowdown.

Investor sentiment turned increasingly pessimistic as commodity-led inflation prompted major central banks to ramp up policy tightening, increasing recession fears. Higher-than-expected inflation in the US triggered a more hawkish response from the Federal Reserve as it signalled more future interest rate increases.

The strong US dollar further dented investor sentiment. Compounding these concerns were worries about China's growth outlook and a further deterioration in US-China relations over Taiwan. Headwinds facing Chinese equities included regulatory pressures, a resurgence in Covid-19 outbreaks across the mainland and the potential delisting of US-listed Chinese companies.

Against this backdrop, the Fund underperformed its benchmark over the period. Stock selection was the main drag on relative performance, although this was offset slightly by sector allocation.

Exposure to Russia and the Commonwealth of Independent States, where the Fund had an overweight position heading into the crisis, was a significant detractor from performance. Revaluing our Russian holdings, particularly Lukoil and Novatek, to zero was a material detractor when Western sanctions on Moscow were introduced. On a more positive note, not holding Russia-based energy company Gazprom proved favourable.

The Fund's underperformance was exacerbated by an underweight to the energy sector as a whole and the Middle East, in particular, where markets have been highly correlated with the rising oil price.

The impact on demand from fresh Covid-19 outbreaks in China weighed on luxury car distributor Zhongsheng Group. Elsewhere, e-commerce company Sea Ltd was buffeted by concerns about rising interest rates, intensifying competition and increasing regulation. A flare-up in Covid-19 cases and subsequent lockdowns weighed on China Tourism Group Duty Free.

Conversely, a number of the Fund's Chinese holdings performed relatively well. Solar company LONGi Green Energy was aided by strong policy support for renewables and solid demand for global solar installations. China Tourism Group Duty Free was buoyed by the easing of Covid-19 restrictions. Elsewhere, brewer Budweiser APAC rose on the improving outlook of the operating environments in both mainland China and Hong Kong.

In Latin America, lender Banorte rallied on the back of the higher interest rate environment and domestic consumption strength. Within emerging Asia, Indonesia's Bank Central Asia benefited from the central bank's successive rate hikes in August and September.

Besides the key portfolio activity mentioned in the interim report, further new positions in Latin America included Banco Santander Chile, one of the country's largest banks in terms of total assets, loans and deposits. The lender has best-in-class operational metrics and a management team with a world-class environmental, social and governance agenda. We also added Brazil's leading enterprise software company TOTVS, which has largely completed its transition to subscription-based pricing, and initiated a position in Brazil-based oil company Petrobras, which offers a compelling dividend yield.

In South Africa, we took a position in Sanlam, a multi-line insurer with a skew to life insurance. It has been gaining market share and is well-positioned to benefit from the rising interest rate environment.

In the Middle East, we established positions in stock exchange Saudi Tadawul and Saudi National Bank, which are set to benefit from the country's Vision 2030 goals. We also introduced Saudi Aramco, whose high-quality, low-cost production assets should allow it to generate significant cash flow over the long term.

In emerging Asia, we invested in Prosus, which offers discounted exposure to China-based internet company Tencent. We participated in China Tourism Group Duty Free's Hong Kong initial public offering and introduced Shenzhen Mindray Bio-Medical Electronics, one of the largest medical device makers in China, given its premium brand, established distribution network and solid commitment to research and development. Another addition was Telkom Indonesia, the largest and strongest player in the country's key telecommunications growth areas.

Against this, we sold Accon Technology, Allegro, Anta Sports Products, Biocon, FirstRand, GDS Holdings, Hangzhou Tigermed Consulting, Li Ning, Samsung SDI and Sands China, H World, Sea Ltd and Shenzhou International to fund better investment opportunities elsewhere.

Market Outlook and Fund Strategy

After a rough start to 2022, dominated by Russia's invasion of Ukraine and the subsequent supply shock in markets, emerging markets face risks from higher inflation and a tighter financial environment. While the US continues to unwind years of loose monetary policies, emerging markets have been well ahead of the curve. This cycle, the larger emerging economies' currency reserves and current account positions are also in much better shape than before, and their central banks are closer to ending their tightening cycle. Meanwhile, the potential for a counter-cyclical recovery in China remains. Policymakers have room to stimulate the economy as inflation remains relatively low. Relaxation of the 'zero-Covid' policy over time would also be hugely stimulative for the economy. Separately, increasing investments in renewables should benefit emerging market companies, which dominate much of the renewable energy supply chain.

Overall, the asset class remains attractive due to the diversity of high-quality companies underpinned by structural growth drivers, including healthy demographics, a growing middle class and relatively undemanding valuations. By sticking to our disciplined, 'bottom-up' approach, we expect our holdings to deliver sustainable returns to shareholders over the longer term.

Portfolio of investments (unaudited)

Investments held at 30 September 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	United Kingdom (30/09/21 – 0.73%)		0.72
	Forestry & Paper		
526,158	Mondi	7,358	0.72
	Bermuda (30/09/21 – 0.00%)		0.58
	Banks		
53,802	Credicorp	5,924	0.58
	Brazil (30/09/21 – 3.78%)		6.03
	Banks		
4,883,437	Banco Bradesco	13,191	1.29
	Electronic & Electrical Equipment		
1,744,510	WEG	9,283	0.91
	Financial Services		
2,201,705	B3 Brasil Bolsa Balcao	4,759	0.46
	Food & Drug Retailers		
2,616,268	Raia Drogasil	9,849	0.96
	Industrial Transportation		
3,063,282	Rumo	9,376	0.92
	Oil & Gas Producers		
1,012,286	Petrobras	5,546	0.54
	Software & Computer Services		
1,997,730	Totvs	9,708	0.95
	Cayman Islands (30/09/21 – 21.48%)		16.32
	Automobiles & Parts		
403,800	LI Auto	4,173	0.41
2,112,000	Zongsheng Group	7,556	0.74
	Beverages		
5,425,842	Budweiser Brewing	12,724	1.24
	Healthcare Equipment & Services		
2,223,735	WuXi Biologics	12,029	1.18
	Real Estate & Investment Services		
2,515,112	China Resources Land	8,855	0.87
	Software & Computer Services		
4,488,199	Alibaba Group	39,899	3.90
957,913	JD.com	21,699	2.12
540,455	Meituan Dianping	10,213	1.00
1,405,103	Tencent Holdings	42,717	4.17
4,000,800	Tongcheng Travel	7,031	0.69
	Chile (30/09/21 – 0.25%)		0.50
	Banks		
410,182	Banco Santander Chile	5,148	0.50
	China (30/09/21 – 9.40%)		12.21
	Alternative Energy		
609,440	Sungrow Power Supply	8,517	0.83
	Banks		
3,423,487	China Merchants Bank	14,240	1.39
	Beverages		
66,185	Kweichow Moutai A	15,653	1.53
	Electronic & Electrical Equipment		
2,754,450	NARI Technology Development A	8,643	0.84
	Food Producers		
917,817	Foshan Haitian Flavour and Food	9,600	0.94

Portfolio of investments (unaudited)

Investments held at 30 September 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	General Industrials		
455,484	Yunnan Energy New Material	10,019	0.98
	General Retailers		
309,000	China Tourism Group	6,957	0.68
	Healthcare Equipment & Services		
337,100	Shenzhen Mindray Bio-Medical Electronics A	12,732	1.24
	Industrial Engineering		
2,928,296	Estun Automation	6,962	0.68
	Other Equipments		
1,403,358	Midea Group	8,742	0.85
	Software & Computer Services		
1,543,495	Yonyou Network Technology	3,432	0.34
	Technology Hardware & Equipment		
1,884,480	Longi Green Energy Technology	11,406	1.12
	Travel & Leisure		
323,541	China International Travel Service A	8,103	0.79
	Cyprus (30/09/21 – 1.08%)		0.24
	Software & Computer Services		
180,242	HeadHunter Group*	2,427	0.24
	Hong Kong (30/09/21 – 3.92%)		2.56
	Financial Services		
259,879	Hong Kong Exchanges and Clearing	7,990	0.78
	Life Insurance		
2,444,447	AIA Group	18,258	1.78
	India (30/09/21 – 13.00%)		14.93
	Banks		
1,057,411	Kotak Mahindra Bank	21,183	2.07
	Construction & Materials		
512,390	Larsen & Toubro	10,425	1.02
97,227	UltraTech Cement	6,697	0.65
	Electricity		
5,014,860	Power Grid Corporation of India	11,718	1.14
	Financial Services		
1,298,864	Housing Development Finance Corporation	32,721	3.20
	Life Insurance		
1,483,693	SBI Life Insurance	20,430	2.00
	Oil & Gas Producers		
444,574	Reliance Industries	11,640	1.14
	Personal Goods		
547,209	Hindustan Unilever	16,248	1.59
	Software & Computer Services		
418,700	Tata Consultancy Services	13,853	1.35
	Tobacco		
2,158,844	ITC	7,897	0.77
	Indonesia (30/09/21 – 1.70%)		4.68
	Banks		
43,157,770	Bank Central Asia	21,708	2.12
52,932,169	Bank Rakyat Indonesia	13,982	1.37
	Fixed Line Telecommunications		
46,508,700	Telekomunikasi Indonesia	12,203	1.19

Portfolio of investments (unaudited)

Investments held at 30 September 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Israel (30/09/21 – 0.00%)		0.67
	Technology Hardware & Equipment		
89,735	Nova	6,846	0.67
	Kazakstan (30/09/21 – 1.13%)		0.94
	Software & Computer Services		
186,241	Kaspi.kz JSC GDR+ +	9,627	0.94
	Luxembourg (30/09/21 – 1.63%)		1.95
	Industrial Transportation		
1,923,609	InPost	10,149	0.99
	Software & Computer Services		
58,248	Globant	9,766	0.96
	Malaysia (30/09/21 – 0.64%)		0.68
	General Retailers		
18,478,500	MR DIY Group M Bhd	6,961	0.68
	Mexico (30/09/21 – 3.66%)		5.79
	Banks		
4,432,974	Grupo Financiero Banorte SAB de CV	25,479	2.49
	Beverages		
2,288,641	Fomento Economico Mexicano	12,828	1.25
	Industrial Metals		
5,170,000	Grupo Mexico 'B'	15,669	1.53
	Industrial Transportation		
300,203	Grupo Aeroportuario del Sureste	5,296	0.52
	Netherlands (30/09/21 – 4.76%)		2.13
	Technology Hardware & Equipment		
24,086	ASM International	4,940	0.48
21,107	ASML Holding	8,032	0.79
	Financial Services		
186,659	Prosus	8,838	0.86
	Russia (30/09/21 – 3.69%)		0.00
	Banks		
738,152	Sberbank of Russia*	-	0.00
	Oil & Gas Producers		
287,319	Lukoil*	-	0.00
1,003,456	Novatek*	-	0.00
	Saudi Arabia (30/09/21 – 0.00%)		1.88
	Banks		
363,614	The Saudi National Bank	5,462	0.53
	Financial Services		
114,966	Tadawul	5,521	0.54
	Oil Equipment & Services		
967,304	Saudi Arabian Oil Company	8,257	0.81
	South Africa (30/09/21 – 2.25%)		3.44
	Life Insurance		
3,684,685	Sanlam	9,475	0.93
	Mining		
265,060	Anglo American Platinum	17,020	1.66
	Mobile Telecommunications		
1,424,082	Vodacom Group	8,665	0.85

Portfolio of investments (unaudited)

Investments held at 30 September 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	South Korea (30/09/21 - 12.01%)		9.48
	Chemicals		
52,732	LG Chem	17,697	1.73
	Construction & Materials		
1,000,751	Samsung Engineering	14,255	1.39
	Electronic & Electrical Equipment		
964,208	Samsung Electronics	31,998	3.13
691,330	Samsung Electronics Preference Share	20,302	1.98
	Technology Hardware & Equipment		
245,362	SK Hynix	12,767	1.25
	Taiwan (30/09/21 – 12.44%)		10.09
	Electronic & Electrical Equipment		
2,030,409	Chroma ATE	10,283	1.00
1,228,000	Delta Electronics	8,749	0.85
3,140,972	Hon Hai Precision Industry	8,995	0.88
	Personal Goods		
741,000	Makalot Industrial	3,826	0.37
	Technology Hardware & Equipment		
6,012,566	Taiwan Semiconductor Manufacturing	71,591	6.99
	Thailand (30/09/21 – 0.00%)		2.51
	Banks		
2,809,300	Kasikornbank	9,507	0.93
	Oil & Gas Producers		
4,252,700	PTT Exploration and Production	16,210	1.58
	United States (30/09/21 – 1.42%)		1.00
	General Retailers		
13,872	Mercadolibre	10,287	1.00
	Money Markets (30/09/21 – 0.94%)		0.84
£8,645	Aberdeen Standard Liquidity Fund (Lux) - Seabury Sterling Class Z-1~	8,632	0.84
	Portfolio of investments	1,025,354	100.17
	Net other liabilities	(1,764)	(0.17)
	NAV	<u>1,023,590</u>	<u>100.00</u>

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.

*Suspended stock priced with last available traded price.

~SICAVs (open ended investment schemes registered outside the UK)

+ADR – American Depositary Receipt

++GDR – Global Depositary Receipt

Top ten purchases and sales

For the year ended 30 September 2022

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (Lux) —		Aberdeen Standard Liquidity Fund (Lux) –	
Seabury Sterling Class Z-1	277,967	Seabury Sterling Class Z-1	281,596
PTT Exploration and Production	16,308	Prosus	23,457
Globant	15,700	NARI Technology Development A	19,234
Samsung Engineering	15,666	China Conch Venture Holdings	17,162
Power Grid Corporation of India	15,416	Longi Green Energy Technology	14,206
JD.com	14,377	Taiwan Semiconductor Manufacturing	14,029
Estun Automation	14,265	Vale	13,072
Shenzhen Mindray Bio-Medical Electronics A	13,165	ITC	12,743
Yunnan Energy New Material	12,914	Samsung SDI	12,372
Kasikornbank	12,830	Tencent Holdings	11,513
Subtotal	408,608	Subtotal	419,384
Other purchases	354,536	Other sales	352,131
Total purchases for the year	763,144	Total sales for the year	771,515

Statistical information

Comparative tables

	30/09/22 pence	Class 'A' Accumulation 30/09/21 pence	30/09/20 pence
Change in net assets per unit			
Opening net asset value per unit	166.02	142.70	137.04
Return before operating charges*	(31.07)	25.93	7.78
Operating charges	(2.29)	(2.61)	(2.12)
Return after operating charges*	(33.36)	23.32	5.66
Distributions on accumulation units	(0.71)	(0.51)	(0.76)
Retained distributions on accumulation units	0.71	0.51	0.76
Closing net asset value per unit	132.66	166.02	142.70
*after direct transaction costs of:	0.19	0.19	0.12

Performance

Return after charges	(20.09%)	16.34%	4.13%
----------------------	----------	--------	-------

Other information

Closing net asset value (£000)	20,218	22,923	23,111
Closing number of units	15,240,926	13,807,785	16,196,098
Operating charges	1.54%	1.55%	1.57%
Direct transaction costs	0.13%	0.12%	0.09%

Prices+

Highest unit price (pence)	186.15	200.49	161.93
Lowest unit price (pence)	130.84	142.91	109.04

+ 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

	30/09/22 pence	Class 'B' Accumulation 30/09/21 pence	30/09/20 pence
Change in net assets per unit			
Opening net asset value per unit	216.66	183.51	173.62
Return before operating charges*	(40.90)	33.26	10.01
Operating charges	(0.07)	(0.11)	(0.12)
Return after operating charges*	(40.97)	33.15	9.89
Distributions on accumulation units	(3.72)	(3.92)	(3.55)
Retained distributions on accumulation units	3.72	3.92	3.55
Closing net asset value per unit	175.69	216.66	183.51
*after direct transaction costs of:	0.25	0.25	0.15

Performance

Return after charges	(18.91%)	18.06%	5.70%
----------------------	----------	--------	-------

Other information

Closing net asset value (£000)	1,003,372	1,286,938	1,097,591
Closing number of units	571,116,755	593,996,335	598,098,987
Operating charges	0.04%	0.05%	0.07%
Direct transaction costs	0.13%	0.12%	0.09%

Prices+

Highest unit price (pence)	226.06	240.77	191.34
Lowest unit price (pence)	171.72	183.52	138.91

+ 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 0.5% to 1.5% per annum over any given 3 year period.

The benchmark is the MSCI Emerging Markets £ 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 emerging market companies that are listed or traded on an eligible market. In order to improve liquidity, the Fund will have the ability to invest in the securities of companies incorporated in emerging markets whose securities are traded on Eligible Markets in developed economies.

The Fund's holdings will typically consist of equities or "Equity related securities" which will include convertible stocks, stock exchange listed warrants, depository receipts, exchange traded funds (ETFs), MSCI Opals, participation notes (or similar equivalent securities) where these provide a cost effective method of gaining access to some emerging markets, offer reduced settlement risk and improved liquidity. The Fund will also hold such investments which entitled 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 Manager, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash and other collective investment schemes. The Fund's exposure to unapproved securities will be limited to no more than 10% of its net asset value.

The Fund may invest in companies incorporated outside of emerging markets whose revenue derives substantially from emerging markets or whose assets are substantially in emerging markets. The Fund may also invest in eligible collective investment schemes and in equities of (or interests in) other investment companies (or similar funds) the investment objective of which is to invest in emerging markets. The Fund may also invest part of its assets in stocks of companies incorporated in developed markets.

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 research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term. The Investment Adviser references the Index, which means that while the Fund is not required to match the weightings of the Index and does not concentrate on any particular sector, the Fund is managed within constraints, so that divergence from the Index is controlled. The Fund's portfolio may, therefore, be similar to the components of the Index.

Statistical information

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 31 March and a final distribution as at 30 September.

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.

Risk and reward profile

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



This Fund is ranked at 6 (30/09/21: 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

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.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective.

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

Annual financial statements

For the year ended 30 September 2022

Statement of total return

	Notes	30/09/22		30/09/21	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	4		(274,582)		170,042
Revenue	5	25,420		25,947	
Expenses	6	(734)		(1,007)	
Interest payable and similar charges		(3)		(6)	
Net revenue before taxation		24,683		24,934	
Taxation	7	(1,250)		(8,481)	
Net revenue after taxation			23,433		16,453
Total (deficit)/return before distributions			(251,149)		186,495
Distributions	8		(22,557)		(22,349)
Change in net assets attributable to unitholders from investment activities			(273,706)		164,146

Statement of change in net assets attributable to unitholders

	30/09/22		30/09/21	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		1,309,861		1,120,702
Amounts receivable on issue of units	85,990		253,870	
Amounts payable on cancellation of units	(120,516)		(250,964)	
		(34,526)		2,906
Change in net assets attributable to unitholders from investment activities		(273,706)		164,146
Retained distributions on accumulation units		21,961		22,107
Closing net assets attributable to unitholders		1,023,590		1,309,861

Annual financial statements

As at 30 September 2022

Balance sheet

	Notes	30/09/22 £000	30/09/21 £000
Assets:			
Fixed assets:			
Investments		1,025,354	1,308,719
Current assets:			
Debtors	9	18,237	2,593
Cash and bank balances	10	<u>11,021</u>	<u>5,012</u>
Total current assets		29,258	7,605
Total assets		<u>1,054,612</u>	<u>1,316,324</u>
Liabilities:			
Creditors:			
Bank overdraft	11	(5,297)	–
Other creditors	12	<u>(22,794)</u>	<u>(731)</u>
Total creditors		(28,091)	(731)
Deferred tax liability		<u>(2,931)</u>	<u>(5,732)</u>
Total liabilities		<u>(31,022)</u>	<u>(6,463)</u>
Net assets attributable to unitholders		<u>1,023,590</u>	<u>1,309,861</u>

Notes to the financial statements

Note 1 Accounting policies

(a) Basis of preparation

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

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

(b) Valuation of investments

The quoted investments of the Fund have been valued at bid dealing prices as at close of business on 30 September 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

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

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

(c) Foreign exchange

Transactions in foreign currencies during the year are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 30 September 2022, the last valuation point in the accounting year.

(d) Revenue

Dividends receivable from equity investments and distributions receivable from collective investment schemes are credited to revenue when they are first quoted ex-dividend. Interest receivable on bank deposits is accounted for on a receipts basis and money market funds is accounted for on an accruals basis.

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.

Notes to the financial statements

Note 1 Accounting policies (continued)

(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 costs associated with the purchase and sale of investments, which are charged to capital.

(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 distributed/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.

Notes to the financial statements

Note 2 Distribution policies (continued)

(f) Distributions from collective investment schemes

It is the policy of the Fund to distribute revenue from both income and accumulation distributions.

(g) Expenses

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

Costs arising from the filing of European withholding tax reclaims are charged to revenue but deducted from capital for the purpose of calculating the distribution. On receipt of any withholding tax reclaims relevant costs are transferred back to revenue and deducted from the distribution.

Note 3 Risk management policies

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

(a) Market price risk

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

(b) Interest rate risk

The 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

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

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

Notes to the financial statements

Note 3 Risk management policies (continued)

(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 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 forward foreign currency contracts to hedge the portfolio where assets are denominated in foreign currency. The purpose of undertaking these contracts is to protect the portfolio as far as possible from a movement in the value of exchange rates.

Note 4 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	30/09/22	30/09/21
	£000	£000
(Losses)/gains on non-derivative securities	(274,994)	170,731
Gains/(losses) on derivative contracts	1	(83)
Currency gains/(losses)	453	(652)
Handling charges	(42)	(13)
Capital special dividends	–	59
Net capital (losses)/gains	<u>(274,582)</u>	<u>170,042</u>

Notes to the financial statements

Note 5 Revenue	30/09/22 £000	30/09/21 £000
Overseas dividends	25,295	25,798
Interest on overseas debt securities	–	1
Stocklending commission	66	136
Bank interest	7	2
Liquidity interest	52	10
Total revenue	25,420	25,947

Note 6 Expenses	30/09/22 £000	30/09/21 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them: Manager's periodic charge	392	488
(b) Payable to the Trustee or associates of the Trustee and agents of either of them: Trustee's fees	35	40
(c) Other expenses:		
Audit fee	9	9
Safe custody charges	243	330
Printing & stationery	1	1
Revenue collection expenses	9	76
Professional fees	36	45
Service fees	9	18
	307	479
Total expenses	734	1,007

Note 7 Taxation	30/09/22 £000	30/09/21 £000
(a) Analysis of tax charge for the year		
Corporation tax	240	615
Double tax relief	(209)	(457)
Overseas withholding tax	2,288	2,693
Irrecoverable overseas tax on capital special dividends	–	14
Adjustments in respect of prior year	–	(2)
Reclaimable tax written off now recovered	2	–
Overseas capital gains tax	1,730	696
Total current tax	4,051	3,559
Deferred tax on overseas capital gains (Note 7(c))	(2,801)	4,922
Total taxation (Note 7(b))	1,250	8,481

- (b) Factors affecting the tax charge for the year
The tax assessed for the year is lower (30/09/21: higher) 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:

Notes to the financial statements

Note 7 Taxation (continued)

	30/09/22 £000	30/09/21 £000
Net revenue before taxation	24,683	24,934
Corporation tax at 20% (30/09/21: 20%)	4,937	4,987
Effects of:		
Revenue not subject to taxation	(4,697)	(4,372)
Overseas withholding tax	2,288	2,693
Irrecoverable Overseas tax on capital special dividends	–	14
Double tax relief	(209)	(457)
Adjustments in respect of prior year	–	(2)
Reclaimable tax written off	2	–
Overseas capital gains tax	(1,071)	5,618
Total tax charge for the year (Note 7(a))	1,250	8,481
(c) Provision for deferred taxation		
	30/09/22 £000	30/09/21 £000
Provision at the start of the year	5,732	810
Deferred tax charge in year (Note 7(a))	(2,801)	4,922
Provision at the end of the year	2,931	5,732

While Authorised Unit Trusts are exempt from tax on Capital Gains in the UK, this is not the case for certain overseas domiciles. As such, the Manager has determined there is potential liability for capital gains tax on Indian Securities and a provision of £2,930,889 (30/09/21: £5,731,970) has been made.

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:

	30/09/22 £000	30/09/21 £000
Interim	8,714	7,176
Final	13,247	14,931
	21,961	22,107
Amounts deducted on cancellation of units	899	532
Amounts added on issue of units	(303)	(290)
Net distribution for the year	22,557	22,349
Net revenue after taxation	23,433	16,453
Expenses taken to capital	243	330
Tax credit taken to capital	(48)	(66)
Capital tax balances	(1,071)	5,632
Net distribution for the year	22,557	22,349

Details of the distribution per unit are set out in the tables on page 26.

Note 9 Debtors

	30/09/22 £000	30/09/21 £000
Creations awaiting settlement	230	3
Sales awaiting settlement	17,357	–
Accrued income	546	2,514
Corporation tax receivable	89	69
Overseas tax recoverable	15	7
Total debtors	18,237	2,593

Notes to the financial statements

Note 10 Cash and bank balances	30/09/22 £000	30/09/21 £000
Cash and bank balances	11,021	5,012
Total cash and bank balances	<u>11,021</u>	<u>5,012</u>

Note 11 Bank overdraft	30/09/22 £000	30/09/21 £000
Bank overdraft	5,297	–
Total bank overdraft	<u>5,297</u>	<u>–</u>

Note 12 Other creditors	30/09/22 £000	30/09/21 £000
Cancellations awaiting settlement	20,901	394
Purchases awaiting settlement	1,675	–
Manager's periodic charge payable	95	266
Trustee's fees payable	11	15
Safe custody charges payable	100	43
Audit fee payable	9	9
Handling charges payable	3	4
Total other creditors	<u>22,794</u>	<u>731</u>

Note 13 Reconciliation of units	Class 'A' Accumulation	Class 'B' Accumulation
Opening units issued at 01/10/21	13,807,785	593,996,335
Unit movements in year:		
Units issued	1,711,639	48,004,029
Units cancelled	<u>(278,498)</u>	<u>(70,883,609)</u>
Closing units at 30/09/22	<u>15,240,926</u>	<u>571,116,755</u>

Note 14 Contingencies and commitments

At 30 September 2022 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (30/09/21: £nil).

Note 15 Stocklending

The total value of securities on loan at the Balance sheet date was £nil (30/09/21: £1,438,800). Collateral was held in the following form:

	30/09/22 £000	30/09/21 £000
Overseas Equities	–	1,616
	<u>–</u>	<u>1,616</u>

The gross earnings and fees paid for the year were £80,167 (30/09/21: £195,829) and £14,430 (30/09/21: £29,872) respectively.

The gross earnings were split by the lending agent as follows:
 82% to the Lender (PUTM Bothwell Emerging Markets Equity Fund)
 8% to the Manager (Phoenix Unit Trust Managers Limited)
 10% retained by the Lending Agent (eSec)

Notes to the financial statements

Note 16 Unitholders' Funds

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

The Manager's periodic charge in respect of Class 'A' and Class 'B' units is expressed as an annual percentage of the value of the property of the Fund attributable to each unit class and is currently 1.5050% in respect of Class 'A' units and 0.0050% in respect of Class 'B' units.

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

Note 17 Related party transactions

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

The Manager is part of the Phoenix Group. Phoenix Life Limited which is also part of the Phoenix Group, is a material unitholder in the Fund and therefore a related party, holding 100% of the units in Class 'A' Accumulation at the year end (30/09/21: 100%) and 99.94% of the units in Class 'B' Accumulation at the year end (30/09/21: 99.95%).

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 30 September 2022 in respect of these transactions are shown in Notes 9 and 12.

Note 18 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 also 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

There was no counterparty exposure held at the year end.

Notes to the financial statements

Note 18 Financial instruments (continued)

Currency exposure

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

Currency	Net currency assets 30/09/22			Net currency assets 30/09/21		
	Monetary exposure	Non- monetary exposure	Total exposure	Monetary exposure	Non- monetary exposure	Total exposure
	£000	£000	£000	£000	£000	£000
Sterling	(8,318)	8,633	315	(599)	12,269	11,670
Brazilian Real	844	61,712	62,556	1,537	49,628	51,165
Chinese Yuan	3,105	103,808	106,913	113	89,622	89,735
Hong Kong Dollar	96	214,341	214,437	173	346,279	346,452
Indian Rupee	1,579	152,812	154,391	(5,681)	170,468	164,787
Indonesian Rupiah	2,037	47,892	49,929	–	–	–
South Korean Won	(106)	97,019	96,913	–	157,287	157,287
Mexican Peso	401	59,272	59,673	459	47,990	48,449
South African Rand	899	42,518	43,417	79	53,952	54,031
New Taiwan Dollar	3,077	103,445	106,522	2,129	162,925	165,054
US Dollar	(5,495)	50,025	44,530	2,925	91,925	94,850
Other foreign currencies*	117	83,877	83,994	7	126,374	126,381
	(1,764)	1,025,354	1,023,590	1,142	1,308,719	1,309,861

* foreign currencies included within 'other foreign currencies' above amounts to less than 10% (30/09/21: less than 10%) of the net asset value of the Fund.

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

Interest profile

At the year end date, 0.56% (30/09/21: 0.38%) 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. Interest was also earned on the investments in the Aberdeen Standard Liquidity Fund.

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 £51,163,819 (30/09/21: £64,909,526).

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 £51,267,689 (30/09/21: £65,435,967). A five percent decrease would have an equal and opposite effect.

Notes to the financial statements

Note 19 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 30/09/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	1,014,295	–	2,427*	1,016,722
Money markets/Time deposits	8,632	–	–	8,632
	1,022,927	–	2,427	1,025,354

For the year ended 30/09/21

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	1,296,450	–	–	1,296,450
Money markets/Time deposits	12,269	–	–	12,269
	1,308,719	–	–	1,308,719

*Stock suspended

Note 20 Portfolio transaction costs

For the year ended 30/09/22

Analysis of total purchases costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Equity transactions	484,420	401	0.08	216	0.04	40	0.01	485,077
Money markets	277,961	–	–	–	–	–	–	277,961
Corporate actions	106	–	–	–	–	–	–	106
Total	762,487	401		216		40		763,144

Analysis of total sales costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Equity transactions	490,270	(268)	(0.05)	(557)	(0.11)	(27)	(0.01)	489,418
Money markets	281,596	–	–	–	–	–	–	281,596
Corporate actions	501	–	–	–	–	–	–	501
Total	772,367	(268)		(557)		(27)		771,515

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

Commission	0.06%
Taxes	0.06%
Other expenses	0.01%

Notes to the financial statements

Note 20 Portfolio transaction costs (continued)

For the year ended 30/09/21

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Equity transactions	522,988	381	0.07	289	0.06	25	–	523,683
Money markets	367,620	–	–	–	–	–	–	367,620
Corporate actions	1,960	–	–	–	–	–	–	1,960
Total	892,568	381		289		25		893,263

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total sales costs								
Equity transactions	500,503	(240)	(0.05)	(487)	(0.10)	(29)	(0.01)	499,747
Money markets	372,146	–	–	–	–	–	–	372,146
Corporate actions	1,403	–	–	–	–	–	–	1,403
Total	874,052	(240)		(487)		(29)		873,296

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

Commission	0.05%
Taxes	0.06%
Other expenses	0.01%

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 0.17% (30/09/21: 0.15%) being the difference between the respective bid and offer prices for the Fund's investments.

Note 21 Post Balance sheet events

As indicated in the accounting policies in Note 1(b), the investments have been valued at close of business on 30 September 2022. Since the balance sheet date, the bid price of each of the Fund's share classes have moved as follows:

	Bid Price 30/09/22 pence	Bid Price 20/01/23 pence	Movement (%)
Class 'A' Accumulation	132.66	143.35	8.06
Class 'B' Accumulation	175.69	190.24	8.28

Distribution tables

For the year ended 30 September 2022

Interim distribution in pence per unit

Group 1: units purchased prior to 1 October 2021

Group 2: units purchased 1 October 2021 to 31 March 2022

	Net income	Equalisation	2022 pence per unit paid 31 May	2021 pence per unit paid 31 May
Class 'A' Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Class 'B' Accumulation

Group 1	1.4205	—	1.4205	1.4180
Group 2	0.7922	0.6283	1.4205	1.4180

Final distribution in pence per unit

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased 1 April 2022 to 30 September 2022

	Net income	Equalisation	2022 pence per unit payable 30 Nov	2021 pence per unit paid 30 Nov
Class 'A' Accumulation				
Group 1	0.7145	—	0.7145	0.5072
Group 2	0.7102	0.0043	0.7145	0.5072

Class 'B' Accumulation

Group 1	2.3004	—	2.3004	2.5018
Group 2	1.4970	0.8034	2.3004	2.5018

Equalisation

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

Responsibilities of the manager and the trustee

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

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

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

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

- b) The Depositary in its capacity as Trustee of the PUTM Bothwell Emerging Markets 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 Emerging Markets Equity Fund ("the Trust") for the Period Ended 30th September 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
27 January 2023

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
27 January 2023

Craig Baker, Director
Brid Meaney, Director

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

Opinion

We have audited the financial statements of the PUTM Bothwell Emerging Markets Equity Fund ("the Fund") for the year ended 30 September 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 30 September 2022 and of the net revenue and the net capital losses 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 including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

Basis for opinion

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

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Independent auditor's report to the unitholders of the PUTM Bothwell Emerging Markets 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 27, 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 Emerging Markets 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
27 January 2023

Appendix (unaudited)

The Fund carried out stocklending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

As at 30 September 2022 there were no securities on loan or collateral held. Thus none of the disclosure is given.

Return and cost

	Gross return £000	Cost £000	% of overall returns	Net return £000
Fund	80	(14)	82.00	66
	80	(14)		66

The gross earnings were split by the lending agent as follows:

- 82% to the Lender (PUTM Bothwell Emerging Markets Equity Fund)
- 8% to the Manager (Phoenix Unit Trust Managers Limited)
- 10% retained by the Lending Agent (eSec)

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.

Ignis Investment Services Limited is part of the Standard Life Aberdeen plc group and its subsidiaries.

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

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

Remuneration

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

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

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

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

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

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

As at 31 December 2021

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

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 Emerging Markets Equity Fund. This has been performed based on the information available as at 30 September 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 generally comfortable that the Fund meets most of the required Assessment of Value criteria. However, the Fund is not meeting its target outperformance of the benchmark index. PUTM will continue to monitor the Fund's performance and may take action, if required, which could involve change of investment strategy or investment manager.

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.

Notes

Corporate information (unaudited)

Manager

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

Directors

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

Registrar and correspondence address

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

Investment Adviser

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

Trustee

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

Independent Auditor

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

Authorised status

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

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.