

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 1 September 2021 to 31 August 2022

PUTM BOTHWELL EUROPEAN CREDIT FUND



Contents

Investment review*	2-3
Portfolio of investments*	4-12
Top ten purchases and sales	13
Statistical information*	14-17
Statements of total return & change in unitholders' funds	18
Balance sheet	19
Notes to the financial statements	20-30
Distribution tables	31
Responsibilities of the manager and trustee	32
Trustee's report and directors' statement	33
Independent auditor's report	34-36
Appendix	37-38
Corporate information*	39-41

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

Investment review

Dear Investor

Welcome to the PUTM Bothwell European Credit Fund annual report for the 12 months to 31 August 2022.

Performance Review

Over the review period the PUTM Bothwell European Credit Fund returned -11.8%. (Source: Factset, Gross of AMC, GBP, based on the movement in the Cancellation Price for 12 months to 31/08/22). This is compared to its benchmark index which returned -12.7%. (Source: Factset, iBoxx Euro Corporates, Total Return, GBP for 12 months to 31/08/22).

Standardised Past Performance

	Aug 21-22 % growth	Aug 20-21 % growth	Aug 19-20 % growth	Aug 18-19 % growth	Aug 17-18 % growth
PUTM Bothwell European Credit Fund	-11.8	-0.7	-1.6	8.2	-2.5
Benchmark Index	-12.7	-1.5	-2.1	8.0	-2.7

Source: Fund performance is from Factset, Gross of AMC, GBP, based on the movement in the Cancellation Price to 31 August for each year. Benchmark index performance is from: Factset, iBoxx Euro Corporates, Total Return, GBP to 31 August for each year. Please note that the benchmark returns are gross.

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

European corporate bond prices fell over the period. Spreads widened significantly while government bond yields rose significantly. The selling was motivated by persistently high inflation and fears that central banks' reactions will harm economies. The US Federal Reserve (Fed) and Bank of England both raised rates several times over the period, while the European Central Bank (ECB) made its first rate hikes in July. Early in 2022, the worsening Ukraine conflict dominated market attention, particularly following Russia's full-scale invasion on 24 February. In general, Europe is seen as more economically exposed to the conflict than other parts of the world. This is because it relies quite heavily on Russia for its energy imports, as well as significant other trade and financial linkages.

Over the review period, the Fund outperformed the index, mainly thanks to a shorter duration position than the index and an overweight holding of BBB rated bonds. In terms of individual holdings. In terms of individual holdings, the biggest benefit was a zero holding of Gazprom. Russian bonds were hit after the Ukrainian invasion, which led to international financial and trade sanctions. In a rising rate environment, short-dated holdings performed better including the bonds of CK Hutchison and Athene. Amid risk-off conditions, sovereign holdings such as German bunds and European Union bonds also aided performance.

On the downside, the bank sector detracted from performance. This included Deutsche Bank, Credit Suisse, Rabobank and NatWest. European property holdings struggled, such as Alstria, Digital Realty and Prologis.

Market Outlook and Fund Strategy

The near-term outlook remains challenging for corporate bonds. Lower gas flows from Russia, resulting in higher energy and electricity prices, and the potential rationing of gas consumption over the winter will likely tip Europe's economy into a recession. Higher energy prices translate into higher headline inflation, forcing central banks to keep hiking until inflation rolls over. Core inflation, which excludes energy and food price inflation, is lower but keeps increasing. It will likely take the demand dampening effect of a recession to change the current trend, which we expect to see in winter. On the upside, credit spreads for European investment-grade credit are already pricing in a mild to average recession, and all-in yields north of 3% are the most attractive in the last 10 years. Therefore, we definitely see value in our asset class over the medium term. In the short term, credit spreads and interest rates will remain volatile.

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Government Bonds (31/08/21 – 0.55%)		0.90
€787,300	Bundesobligation 1.3% 15/10/2027	677	0.08
€865,000	Bundesrepublik 0% 15/08/2026	711	0.08
€472,000	Bundesrepublik 0.25% 15/02/2027	390	0.04
€300,000	Bundesrepublik 0.50% 15/02/2028	248	0.03
€591,600	Bundesrepublik Deutschland 1.25% 15/08/2048	473	0.05
€1,571,000	Bundesrepublik Deutschland 0% 15/02/2031	1,205	0.14
€1,217,800	Bundesrepublik Deutschland 0.25% 15/08/2028	985	0.11
€2,089,300	Bundesrepublik Deutschland 0.5% 15/08/2027	1,736	0.20
€1,312,400	Bundesrepublik Deutschland 4% 04/01/2037	1,474	0.17
	Public Authorities (31/08/21 – 0.82%)		0.45
€3,439,000	Bank of America 1.776% VRN 04/05/2027	2,811	0.32
€1,400,000	BPCE 1% 01/04/2025	1,151	0.13
	Supranational Bonds (31/08/21 – 0.00%)		3.20
€9,650,000	European Union 0% 06/07/2026	7,752	0.88
€15,950,000	European Union 0% 04/07/2031	11,339	1.29
€9,702,000	European Union 0.75% 04/04/2031	7,411	0.84
€1,866,000	European Union 2011 3% 04/09/2026	1,678	0.19
	Corporate Bonds (31/08/21 – 95.62%)		93.24
€3,841,000	AbbVie 0.75% 18/11/2027	2,977	0.34
€1,597,000	AbbVie 1.25% 18/11/2031	1,164	0.13
€1,412,000	AbbVie 2.125% 01/06/2029	1,149	0.13
€1,600,000	Abertis Infraestructuras 1.125% 26/03/2028	1,202	0.14
€2,000,000	ABN Amro Bank 2.875% 18/01/2028	1,728	0.20
\$3,600,000	ABN Amro Bank 4.4% VRN 27/03/2028	3,057	0.35
€3,151,000	ACEF Holding 1.25% 26/04/2030	2,123	0.24
€3,591,000	AIA Group 0.88% VRN 09/09/2033	2,512	0.29
€5,777,000	Airbus 2.375% 09/06/2040	4,148	0.47
€4,100,000	Alstria office REIT 0.5% 26/09/2025	2,979	0.34
€4,100,000	Alstria office REIT 1.5% 23/06/2026	2,975	0.34
€1,100,000	Alstria office REIT 1.5% 15/11/2027	749	0.09
€5,565,000	Altria Group 3.125% 15/06/2031	4,175	0.48
€4,061,000	America Movil 0.75% 26/06/2027	3,147	0.36
€7,259,000	America Movil 6.375% VRN 06/09/2073	6,427	0.73
€1,244,000	American Medical Systems 0.75% 08/03/2025	1,027	0.12
€2,026,000	American Medical Systems 1.375% 08/03/2028	1,599	0.18
€1,022,000	American Medical Systems 1.625% 08/03/2031	772	0.09
€4,586,000	American Tower 0.45% 15/01/2027	3,466	0.39
€6,314,000	American Tower 0.875% 21/05/2029	4,493	0.51
€1,086,000	American Tower 1% 15/01/2032	713	0.08
€4,618,000	Anheuser-Busch InBev 1.15% 22/01/2027	3,730	0.42
€5,147,000	APT Pipelines 2% 22/03/2027	4,119	0.47
€2,300,000	APT Pipelines 2% 15/07/2030	1,692	0.19
€2,503,000	Aquarius & Investments Zurich 4.25% VRN 02/10/2043	2,194	0.25
€1,200,000	Assicurazioni Generali 5.5% VRN 27/10/2047	1,050	0.12
€4,298,000	AstraZeneca 0.375% 03/06/2029	3,179	0.36
€2,600,000	AT&T 1.6% 19/05/2028	2,077	0.24
€1,281,000	AT&T 3.15% 04/09/2036	1,008	0.11
€4,187,000	AT&T 3.55% 17/12/2032	3,587	0.41
€2,932,000	Athene Global Funding 0.625% 12/01/2028	2,133	0.24
€1,866,000	Athene Global Funding 1.125% 02/09/2025	1,509	0.17
€5,436,000	Athene Global Funding 1.241% 08/04/2024	4,585	0.52

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€5,558,000	Athene Global Funding 1.875% 23/06/2023	4,794	0.55
€100,000	Autostrade per l'Italia 1.75% 26/06/2026	78	0.01
€4,518,000	Aviva 3.875% VRN 03/07/2044	3,900	0.44
€1,555,000	AXA 1.875% VRN 10/07/2042	1,051	0.12
€2,610,000	AXA 3.875% VRN Perpetual	2,229	0.25
€3,630,000	AXA 3.941% VRN Perpetual	3,106	0.35
€1,602,000	AXA 5.125% VRN 04/07/2043	1,417	0.16
€4,100,000	Banco Santander 0.1% VRN 26/01/2025	3,429	0.39
€1,400,000	Bank of America 0.583% VRN 24/08/2028	1,053	0.12
€4,900,000	Bank of America 0.808% VRN 09/05/2026	3,984	0.45
€152,000	Bank of America 1.379% VRN 07/02/2025	129	0.01
€3,254,000	Bank of America 1.662% VRN 25/04/2028	2,596	0.30
€5,718,000	Bank of America Corporation 1.949% VRN 27/10/2026	4,750	0.54
€4,200,000	Banque Federative du Credit Mutuel 0.625% 03/11/2028	3,013	0.34
€3,293,000	Barclays 0.577% VRN 09/08/2029	2,284	0.26
€3,986,000	Barclays 0.877% VRN 28/01/2028	2,977	0.34
€4,881,000	Barclays 1.125% VRN 22/03/2031	3,620	0.41
€6,924,000	Barclays Bank 2% VRN 07/02/2028	5,905	0.67
£900,000	Barclays Bank 3.125% 17/01/2024	877	0.10
€1,166,000	BAT International Finance 1.25% 13/03/2027	883	0.10
€1,339,000	BAT International Finance 2.25% 16/01/2030	958	0.11
€4,500,000	Bayer 0.75% 06/01/2027	3,505	0.40
€2,700,000	Bayer 1.125% 06/01/2030	1,940	0.22
€3,500,000	Bayer 1.375% 06/07/2032	2,378	0.27
€4,100,000	Bayer Capital 1.5% 26/06/2026	3,344	0.38
€4,800,000	Belfius Bank 0.375% 02/09/2025	3,833	0.44
€1,092,000	BHP Billiton Finance 3.25% 24/09/2027	958	0.11
€5,500,000	BNP Paribas 0.25% VRN 13/04/2027	4,198	0.48
€4,600,000	BNP Paribas 0.5% VRN 19/02/2028	3,430	0.39
€3,300,000	BNP Paribas 0.5% VRN 30/05/2028	2,444	0.28
€4,100,000	BNP Paribas 2.125% VRN 23/01/2027	3,365	0.38
€5,900,000	BNP Paribas 2.5% VRN 31/03/2032	4,603	0.52
€1,800,000	BNP Paribas 2.75% VRN 25/07/2028	1,468	0.17
€3,200,000	BNP Paribas 3.625% 01/09/2029	2,693	0.31
€200,000	Boston Scientific 0.625% 01/12/2027	152	0.02
€4,539,000	BP Capital Markets 1.876% 07/04/2024	3,901	0.44
€600,000	BPCE 0.625% 15/01/2030	431	0.05
€2,200,000	BPCE 2.75% VRN 30/11/2027	1,902	0.22
€3,800,000	CaixaBank 1.625% VRN 13/04/2026	3,096	0.35
€3,207,000	Canadian Imperial Bank of Commerce 0.375% 03/05/2024	2,678	0.30
€4,811,000	CBRE Global Investors Open Ended Funds 0.5% 27/01/2028	3,436	0.39
€2,790,000	CBRE Global Investors Open Ended Funds 0.9% 12/10/2029	1,937	0.22
€3,316,000	Celanese US Holdings 4.777% 19/07/2026	2,812	0.32
€1,750,000	Channel Link Enterprises Finance 2.706% VRN 30/06/2050	1,419	0.16
€7,050,000	Cheung Kong Infrastructure Finance 1% 12/12/2024	5,794	0.66
\$2,611,000	Chevron 3.25% 15/10/2029	2,109	0.24
€2,311,000	Citigroup 0.5% VRN 08/10/2027	1,778	0.20
€5,392,000	Citigroup 1.5% VRN 24/07/2026	4,437	0.50

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value €000	Percentage of total net assets %
Corporate Bonds (continued)			
€2,550,000	CK Hutchison Finance 0.875% 03/10/2024	2,119	0.24
€11,000,000	CK Hutchison Finance 1.25% 06/04/2023	9,499	1.08
€3,343,000	CK Hutchison Telecommunications Finance 0.375% 17/10/2023	2,832	0.32
€837,000	CK Hutchison Telecommunications Finance 0.75% 17/04/2026	663	0.08
€1,163,000	CK Hutchison Telecommunications Finance 1.125% 17/10/2028	856	0.10
€1,423,000	Cloverie 1.5% 15/12/2028	1,142	0.13
€2,788,000	CNH Industrial Finance Europe 0% 01/04/2024	2,325	0.26
€5,900,000	Co-entreprise de Transport d Electricite 1.5% 29/07/2028	4,588	0.52
€100,000	Co-entreprise de Transport d Electricite 2.125% 29/07/2032	75	0.01
€2,783,000	Coloplast Finance 2.25% 19/05/2027	2,324	0.26
€1,594,000	Coloplast Finance 2.75% 19/05/2030	1,334	0.15
€2,133,000	Comcast 0.25% 20/05/2027	1,634	0.19
€800,000	Cooperatieve Rabobank 4.375% VRN Perpetual	620	0.07
€2,000,000	Cooperatieve Rabobank 4.875% VRN Perpetual	1,469	0.17
€2,300,000	Credit Agricole 0.5% VRN 21/09/2029	1,636	0.19
€300,000	Credit Agricole 1% VRN 22/04/2026	245	0.03
€729,000	Credit Suisse 0.625% 18/01/2033	389	0.04
€4,306,000	Credit Suisse 0.65% VRN 14/01/2028	3,018	0.34
€1,622,000	Credit Suisse 1% VRN 24/06/2027	1,193	0.14
€4,030,000	Credit Suisse 1.25% VRN 17/07/2025	3,276	0.37
€3,801,000	Credit Suisse 3.25% VRN 02/04/2026	3,175	0.36
€5,642,000	Cromwell EREIT 2.125% 19/11/2025	4,269	0.49
€830,000	CTP 0.5% 21/06/2025	629	0.07
€6,444,000	CTP 0.75% 18/02/2027	4,506	0.51
€1,547,000	CTP 1.25% 21/06/2029	989	0.11
€1,000,000	Daimler Truck International Finance 1.25% 06/04/2025	831	0.09
€3,305,000	Danske Bank 0.5% VRN 27/08/2025	2,697	0.31
€6,085,000	Danske Bank 0.875% 22/05/2023	5,215	0.59
€4,500,000	Danske Bank 1.375% VRN 12/02/2030	3,574	0.41
€2,000,000	Danske Bank 1.5% 02/09/2030	1,557	0.18
€2,733,000	Dell Bank International 0.625% 17/10/2022	2,361	0.27
€1,000,000	Dell Bank International 1.625% 24/06/2024	849	0.10
€2,800,000	Delta Lloyd 4.375% VRN Perpetual	2,400	0.27
€3,600,000	Deutsche Bank 0.75% VRN 17/02/2027	2,703	0.31
€4,100,000	Deutsche Bank 1% VRN 19/11/2025	3,300	0.38
€3,800,000	Deutsche Bank 1.375% VRN 03/09/2026	3,005	0.34
€4,400,000	Deutsche Bank 1.375% VRN 17/02/2032	2,796	0.32
€1,900,000	Deutsche Bank 1.625% 20/01/2027	1,433	0.16
€3,900,000	Deutsche Bank 1.75% VRN 19/11/2030	2,672	0.30
€1,500,000	Deutsche Bank 5% VRN 05/09/2030	1,270	0.14
€84,000	Deutsche Telekom International Finance 1.5% 03/04/2028	68	0.01
€2,526,000	Diageo Capital 1.5% 08/06/2029	2,015	0.23
€3,961,000	Digital Dutch Finco 1% 15/01/2032	2,549	0.29
€5,189,000	Digital Dutch Finco 1.25% 01/02/2031	3,485	0.40
€1,828,000	Digital Dutch Finco 1.5% 15/03/2030	1,307	0.15
€1,300,000	Digital Euro Finco 1.125% 09/04/2028	961	0.11

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€1,345,000	Digital Intrepid Holding 0.625% 15/07/2031	849	0.10
€1,368,000	Dong Energy 6.25% VRN 26/06/3013	1,199	0.14
€1,500,000	Dow Chemical 0.5% 15/03/2027	1,138	0.13
€2,500,000	Dow Chemical 1.125% 15/03/2032	1,682	0.19
€4,933,000	DSV 0.375% 26/02/2027	3,845	0.44
€2,583,000	DSV Finance 1.375% 16/03/2030	1,970	0.22
€1,257,000	E.ON 1.625% 29/03/2031	940	0.11
€3,351,000	E.ON 2.875% 26/08/2028	2,834	0.32
€2,000,000	EDP Finance 1.875% 21/09/2029	1,570	0.18
€1,200,000	Electricite De France 1.875% 13/10/2036	815	0.09
€2,900,000	Électricité de France 2% 09/12/2049	1,623	0.18
€4,529,000	Emirates Telecommunications 2.75% 18/06/2026	3,942	0.45
€3,988,000	Enel 1.375% VRN Perpetual	2,710	0.31
€879,000	Enel 2.25% VRN Perpetual	641	0.07
\$8,600,000	Enel 8.75% VRN 24/09/2073	7,539	0.86
€4,724,000	Enel Finance International 0.25% 17/11/2025	3,748	0.43
€2,161,000	Enel Finance International 0.875% 17/06/2036	1,201	0.14
€2,000,000	Eni 1.25% 18/05/2026	1,638	0.19
€3,230,000	Eni 2% VRN Perpetual	2,287	0.26
€1,063,000	Eni 2.625% VRN Perpetual	829	0.09
€3,519,000	EQT 2.375% 06/04/2028	2,767	0.31
€2,500,000	Erste Group Bank 0.875% VRN 15/11/2032	1,762	0.20
€400,000	Erste Group Bank 1% VRN 10/06/2030	309	0.04
€1,900,000	Erste Group Bank 1.5% 07/04/2026	1,557	0.18
€812,000	Essity 0.25% 08/02/2031	542	0.06
€1,500,000	Eurogrid 1.113% 15/05/2032	1,061	0.12
€900,000	Eurogrid 3.279% 05/09/2031	778	0.09
€1,099,000	Experian Europe 1.56% 16/05/2031	824	0.09
€975,000	Exxon Mobil Corporation 0.835% 26/06/2032	670	0.08
€7,586,000	Exxon Mobil Corporation 1.408% 26/06/2039	4,675	0.53
€3,132,000	FCA Bank 0% 16/04/2024	2,592	0.30
€2,095,000	FCA Bank 0.125% 16/11/2023	1,763	0.20
€2,509,000	FCA Bank 0.25% 28/02/2023	2,157	0.25
€3,614,000	FedEx 0.45% 04/05/2029	2,608	0.30
€3,837,000	Fiat Chrysler Automobiles 3.375% 07/07/2023	3,340	0.38
€800,000	Fiat Chrysler Automobiles 3.875% 05/01/2026	704	0.08
€1,563,000	Fidelity National Information Services 0.625% 03/12/2025	1,252	0.14
€2,377,000	Fidelity National Information Services 0.75% 21/05/2023	2,040	0.23
€1,510,000	Fidelity National Information Services 1% 03/12/2028	1,111	0.13
€5,263,000	Firmenich Productions Participations 1.75% 30/04/2030	4,090	0.47
€7,734,000	First Abu Dhabi Bank PJSC 0.125% 16/02/2026	6,096	0.69
€2,843,000	Fiserv 0.375% 01/07/2023	2,427	0.28
€1,134,000	Fiserv 1.625% 01/07/2030	838	0.10
€3,719,000	Fresenius Finance Ireland 0.5% 01/10/2028	2,675	0.30
€2,761,000	Fresenius Finance Ireland 0.875% 01/10/2031	1,823	0.21
€3,065,000	GELF Bond Issuer I 1.125% 18/07/2029	2,133	0.24
€1,081,000	General Electric 2.125% 17/05/2037	771	0.09
€476,000	General Electric 4.125% 19/09/2035	421	0.05
€2,346,000	General Motors Financial 0.6% 20/05/2027	1,714	0.19

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€5,935,000	General Motors Financial 0.65% 07/09/2028	4,043	0.46
€2,470,000	General Motors Financial 1% 24/02/2025	2,004	0.23
€4,200,000	General Motors Financial 2.2% 01/04/2024	3,601	0.41
€659,000	Generali Finance 4.596% VRN Perpetual	554	0.06
€300,000	Givaudan 2% 17/09/2030	240	0.03
€999,000	Givaudan Finance Europe 1.625% 22/04/2032	757	0.09
€4,916,000	Global Switch Finance 1.375% 07/10/2030	3,693	0.42
€3,560,000	Global Switch Holdings 1.5% 31/01/2024	3,000	0.34
€200,000	Global Switch Holdings 2.25% 31/05/2027	160	0.02
€4,006,000	Great-West Lifeco 2.5% 18/04/2023	3,481	0.40
€1,703,000	GSK Consumer Healthcare Capital 1.25% 29/03/2026	1,389	0.16
€1,499,000	GSK Consumer Healthcare Capital 1.75% 29/03/2030	1,164	0.13
€1,291,000	GSK Consumer Healthcare Capital 2.125% 29/03/2034	947	0.11
€2,351,000	Heathrow Funding 1.5% 11/02/2030	1,753	0.20
€5,045,000	Heathrow Funding 1.875% 14/03/2036	3,400	0.39
£1,100,000	Heathrow Funding 5.225% VRN 15/02/2023	1,103	0.13
€3,235,000	Holcim Finance 1.5% 06/04/2025	2,697	0.31
€3,633,000	Holcim Finance Luxembourg 0.5% 03/09/2030	2,418	0.28
€2,216,000	Holcim Finance Luxembourg 0.625% 19/01/2033	1,355	0.15
€2,000,000	Holding d Infrastructures de Transport 1.475% 18/01/2031	1,420	0.16
€1,600,000	Iberdrola Finanzas 1.375% 11/03/2032	1,196	0.14
€2,900,000	Iberdrola Finanzas 1.575% VRN Perpetual	2,044	0.23
€1,700,000	Iberdrola International 1.825% VRN Perpetual	1,123	0.13
€2,700,000	Iberdrola International 1.874% VRN Perpetual	2,077	0.24
€6,300,000	Iberdrola International 1.875% VRN Perpetual	5,363	0.61
€1,419,000	Informa 1.25% 22/04/2028	1,044	0.12
€1,106,000	Informa 1.5% 05/07/2023	952	0.11
€10,700,000	Infra Park 1.625% 19/04/2028	8,206	0.93
€3,200,000	ING Groep 0.125% VRN 29/11/2025	2,579	0.29
€4,900,000	ING Groep 0.25% VRN 18/02/2029	3,483	0.40
€1,000,000	ING Groep 0.375% VRN 29/09/2028	728	0.08
€3,600,000	ING Groep 1.625% VRN 26/09/2029	2,937	0.33
€2,300,000	ING Groep 2.125% VRN 26/05/2031	1,826	0.21
\$4,725,000	ING Groep 3.875% VRN Perpetual	3,005	0.34
\$1,884,000	ING Groep 4.7% VRN 22/03/2028	1,600	0.18
€2,500,000	Intesa Sanpaolo 1.35% 24/02/2031	1,571	0.18
€4,737,000	JDE Peets 0.244% 16/01/2025	3,828	0.44
€4,287,000	JPMorgan Chase 0.389% VRN 24/02/2028	3,234	0.37
€1,600,000	JPMorgan Chase 0.625% 25/01/2024	1,355	0.15
€7,451,000	JPMorgan Chase 1.09% VRN 11/03/2027	5,961	0.68
€1,380,000	JPMorgan Chase 1.812% VRN 12/06/2029	1,083	0.12
€2,615,000	JPMorgan Chase 1.963% VRN 23/03/2030	2,038	0.23
€2,300,000	La Banque Postale 0.75% VRN 02/08/2032	1,629	0.19
€1,600,000	La Banque Postale 2.75% VRN 19/11/2027	1,382	0.16
€2,521,000	Lloyds Banking Group 0.625% VRN 15/01/2024	2,170	0.25
€2,129,000	Lloyds Banking Group 1.75% VRN 07/09/2028	1,782	0.20
€1,641,000	Lloyds Banking Group 3.125% VRN 24/08/2030	1,350	0.15
€2,300,000	Marsh and McLennan 1.349% 21/09/2026	1,866	0.21
€4,225,000	McDonalds 2.375% 31/05/2029	3,495	0.40
€3,160,000	Medtronic Global Holdings 1.125% 07/03/2027	2,553	0.29
€1,705,000	Medtronic Global Holdings 1.375% 15/10/2040	1,050	0.12

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€4,417,000	Medtronic Global Holdings 1.5% 02/07/2039	2,842	0.32
€594,000	Medtronic Global Holdings 1.625% 15/10/2050	340	0.04
€4,200,000	Merck 1.625% VRN 09/09/2080	3,288	0.37
€1,230,000	Metropolitan Life Global Funding 1.75% 25/05/2025	1,045	0.12
€1,532,000	Mitsubishi UFJ Financial Group 0.978% 09/06/2024	1,294	0.15
€2,916,000	Mitsubishi UFJ Financial Group 2.264% VRN 14/06/2025	2,494	0.28
€107,000	Mizuho Financial 0.184% 13/04/2026	83	0.01
€1,803,000	Mizuho Financial 0.402% 06/09/2029	1,234	0.14
€4,061,000	Mizuho Financial Group Inc 3.49% 05/09/2027	3,497	0.40
€980,000	Mondi Finance 1.625% 27/04/2026	788	0.09
€1,397,000	Mondi Finance Europe 2.375% 01/04/2028	1,109	0.13
€11,579,000	Morgan Stanley 0.406% VRN 29/10/2027	8,837	1.01
€3,868,000	Morgan Stanley 0.495% VRN 26/10/2029	2,782	0.32
€4,673,000	Morgan Stanley 0.637% VRN 26/07/2024	3,979	0.45
€5,637,000	Morgan Stanley 1.342% VRN 23/10/2026	4,588	0.52
€1,365,000	Morgan Stanley 1.75% 11/03/2024	1,169	0.13
€1,190,000	Morgan Stanley 2.103% VRN 08/05/2026	1,000	0.11
€2,015,000	Motability Operations Group 0.125% 20/07/2028	1,475	0.17
€1,400,000	Motability Operations Group 0.375% 03/01/2026	1,121	0.13
€2,875,000	Mylan 2.125% 23/05/2025	2,375	0.27
€3,300,000	National Grid 0.25% 01/09/2028	2,367	0.27
€660,000	National Grid 0.553% 18/09/2029	463	0.05
€2,424,000	National Grid 2.949% 30/03/2030	1,993	0.23
€4,618,000	National Grid North America 0.41% 20/01/2026	3,656	0.42
€2,700,000	National Grid North America 1% 12/07/2024	2,265	0.26
€785,000	National Grid North America 1.054% 20/01/2031	548	0.06
€4,681,000	Natwest Group 0.67% VRN 14/09/2029	3,266	0.37
€3,569,000	Natwest Group 1.043% VRN 14/09/2032	2,513	0.29
€6,201,000	Natwest Group 1.75% VRN 02/03/2026	5,108	0.58
€3,187,000	Nestle Finance International 0% 03/03/2033	2,057	0.23
€2,071,000	Netflix 3.625% 15/05/2027	1,721	0.20
€400,000	Netflix 3.875% 15/11/2029	317	0.04
€3,727,000	Netflix 4.625% 15/05/2029	3,163	0.36
€4,290,000	NN Group 4.5% VRN Perpetual	3,666	0.42
€1,770,000	NN Group 4.625% VRN 08/04/2044	1,536	0.17
€1,063,000	NN Group 4.625% VRN 13/01/2048	903	0.10
€2,110,000	Nordea Bank 1.125% 16/02/2027	1,673	0.19
€3,088,000	NTT Finance 0.01% 03/03/2025	2,516	0.29
€1,323,000	NTT Finance 0.082% 13/12/2025	1,059	0.12
€1,275,000	NTT Finance 0.399% 13/12/2028	951	0.11
€3,739,000	Nykredit Realkredit 0.25% 20/01/2023	3,221	0.37
€731,000	Nykredit Realkredit 0.75% 20/01/2027	560	0.06
€2,700,000	Nykredit Realkredit 0.875% VRN 28/07/2031	2,031	0.23
€4,900,000	Nykredit Realkredit 2.75% VRN 17/11/2027	4,235	0.48
€3,549,000	OCI 3.625% 15/10/2025	3,067	0.35
€1,803,000	Orsted 2.25% 14/06/2028	1,521	0.17
€3,222,000	Orsted 2.25% VRN 24/11/3017	2,683	0.31
€2,010,000	Orsted 2.875% 14/06/2033	1,679	0.19
€867,000	Prologis Euro Finance 0.375% 06/02/2028	641	0.07
€1,263,000	Prologis Euro Finance 0.5% 16/02/2032	812	0.09
€1,639,000	Prologis Euro Finance 1% 08/02/2029	1,213	0.14

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€3,199,000	Prologis Euro Finance 1.5% 10/09/2049	1,674	0.19
€2,311,000	Prologis International Funding 1.625% 17/06/2032	1,601	0.18
€1,225,000	PSA Tresorerie 6% 19/09/2033	1,173	0.13
€1,219,000	RCI Banque 0.5% 14/07/2025	958	0.11
€1,867,000	RCI Banque 1.125% 15/01/2027	1,413	0.16
€1,176,000	RCI Banque 1.75% 10/04/2026	942	0.11
€2,163,000	RELX Capital 1.3% 12/05/2025	1,809	0.21
€1,277,000	RELX Finance 0% 18/03/2024	1,072	0.12
€873,000	RELX Finance 0.5% 10/03/2028	658	0.07
€1,668,000	Rentokil Initial 0.5% 14/10/2028	1,199	0.14
€1,747,000	Rentokil Initial 0.875% 30/05/2026	1,390	0.16
€2,645,000	Rentokil Initial Finance 3.875% 27/06/2027	2,324	0.26
€2,334,000	Richemont International Holding 1.625% 26/05/2040	1,549	0.18
€1,400,000	Sanef 1.875% 16/03/2026	1,154	0.13
€3,896,000	Santander UK Group Holdings 0.603% VRN 13/09/2029	2,714	0.31
€2,529,000	Scentre Group Trust 2 3.25% 11/09/2023	2,204	0.25
€4,077,000	Schlumberger Finance 0.25% 15/10/2027	3,109	0.35
€525,000	Segro Capital 1.875% 23/03/2030	398	0.05
€1,300,000	SELP Finance 0.875% 27/05/2029	883	0.10
€2,544,000	SELP Finance 1.5% 20/11/2025	2,015	0.23
€711,000	SELP Finance 3.75% 10/08/2027	593	0.07
€5,000,000	Sirius Real Estate 1.125% 22/06/2026	3,690	0.42
€2,500,000	Sirius Real Estate 1.75% 24/11/2028	1,641	0.19
€5,300,000	Societe Generale 0.5% VRN 12/06/2029	3,745	0.43
€2,000,000	Societe Generale 1% VRN 24/11/2030	1,518	0.17
€700,000	Societe Generale 1.125% VRN 21/04/2026	571	0.06
€1,100,000	Societe Generale 1.125% VRN 30/06/2031	817	0.09
€2,500,000	Societe Generale 1.375% VRN 23/02/2028	2,120	0.24
€3,000,000	Societe Generale 2.125% 27/09/2028	2,337	0.27
€741,000	SSE 2.875% 01/08/2029	622	0.07
€3,975,000	SSE 3.125% VRN Perpetual	3,118	0.35
€3,375,000	SSE 4% VRN Perpetual	2,678	0.30
€3,295,000	Standard Chartered 1.2% VRN 23/09/2031	2,457	0.28
€3,243,000	Stellantis 0.75% 18/01/2029	2,285	0.26
€1,490,000	Stellantis 3.75% 29/03/2024	1,307	0.15
\$2,715,000	Suzano Austria 3.75% 15/01/2031	1,973	0.22
€1,646,000	Swedbank 3.625% VRN 23/08/2032	1,373	0.16
€5,954,000	Symrise 1.375% 01/07/2027	4,731	0.54
€500,000	Takeda Pharmaceutical 1% 09/07/2029	373	0.04
€4,836,000	Takeda Pharmaceutical 2% 09/07/2040	3,206	0.36
€500,000	Takeda Pharmaceutical 2.25% 21/11/2026	423	0.05
€300,000	Takeda Pharmaceutical 3% 21/11/2030	251	0.03
€1,847,000	TenneT Holding 1.625% 17/11/2026	1,539	0.18
€2,355,000	TenneT Holding 2.125% 17/11/2029	1,932	0.22
€700,000	Terega 0.625% 27/02/2028	482	0.05
€2,395,000	Thames Water Utilities Finance 0.875% 31/01/2028	1,803	0.21
€3,008,000	Thermo Fisher Scientific 0.5% 01/03/2028	2,302	0.26
€1,960,000	Thermo Fisher Scientific 1.4% 23/01/2026	1,628	0.19
€4,700,000	Thermo Fisher Scientific 1.5% 01/10/2039	2,979	0.34
€3,759,000	Thermo Fisher Scientific Finance 0.8% 18/10/2030	2,747	0.31
€100,000	Thermo Fisher Scientific Finance 1.625% 18/10/2041	63	0.01

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
Corporate Bonds (continued)			
€6,276,000	Total 1.625% VRN Perpetual	4,466	0.51
€7,148,000	Total 1.75% VRN Perpetual	5,819	0.66
€760,000	TotalEnergies 2.625% VRN 29/12/2049	618	0.07
€1,907,000	Toyota Finance Australia 0.44% 13/01/2028	1,437	0.16
€125,000	Toyota Motor Credit 0.125% 05/11/2027	93	0.01
€1,200,000	Transport & Infrastructures 2.2% 05/08/2025	1,013	0.12
€2,414,000	Tritax EuroBox 0.95% 02/06/2026	1,826	0.21
€2,525,000	UBS Group 1% VRN 21/03/2025	2,122	0.24
€600,000	UBS Group 1.25% VRN 17/04/2025	504	0.06
€4,720,000	UBS Group 1.5% 30/11/2024	4,026	0.46
€4,938,000	UBS Group 2.75% VRN 15/06/2027	4,147	0.47
\$3,958,000	UBS Group 7% VRN Perpetual	3,323	0.38
€2,404,000	UniCredit 0.8% VRN 05/07/2029	1,679	0.19
€3,227,000	UniCredit 0.925% VRN 18/01/2028	2,401	0.27
€1,989,000	UniCredit 2.2% VRN 22/07/2027	1,548	0.18
€5,271,000	Upjohn Finance 1.908% 23/06/2032	3,378	0.38
€237,000	Utah Acquisition Sub 2.25% 22/11/2024	199	0.02
€3,960,000	Verizon Communications 0.375% 22/03/2029	2,899	0.33
€3,581,000	Verizon Communications 0.875% 08/04/2027	2,832	0.32
€2,382,000	Verizon Communications 0.875% 19/03/2032	1,651	0.19
€2,055,000	Verizon Communications 1.125% 19/09/2035	1,337	0.15
€2,000,000	Verizon Communications 1.25% 08/04/2030	1,509	0.17
€2,500,000	Verizon Communications 1.85% 18/05/2040	1,646	0.19
€1,055,000	Verizon Communications 2.875% 15/01/2038	821	0.09
€2,204,000	Vesteda Finance 0.75% 18/10/2031	1,498	0.17
€5,537,000	Vesteda Finance 2% 10/07/2026	4,576	0.52
€2,300,000	Viatis 3.125% 22/11/2028	1,788	0.20
€3,240,000	Virgin Money 0.375% VRN 27/05/2024	2,749	0.31
€1,300,000	Vodafone Group 2.875% 20/11/2037	1,013	0.12
€3,244,000	Volkswagen Bank 0.75% 15/06/2023	2,781	0.32
€200,000	Volkswagen Bank 1.25% 10/06/2024	169	0.02
€84,000	Volkswagen Financial Services 1.5% 01/10/2024	71	0.01
€1,800,000	Volkswagen International Finance 3.125% 28/03/2025	1,556	0.18
€1,000,000	Volkswagen International Finance 3.375% VRN Perpetual	825	0.09
€2,400,000	Volkswagen International Finance 3.5% VRN Perpetual	1,952	0.22
€1,200,000	Volkswagen International Finance 3.75% 28/09/2027	1,042	0.12
€1,700,000	Volkswagen International Finance 3.875% VRN Perpetual	1,311	0.15
€2,736,000	Volkswagen Leasing 0.375% 20/07/2026	2,103	0.24
€2,459,000	Volkswagen Leasing 1.375% 20/01/2025	2,048	0.23
€2,300,000	Volkswagen Leasing 2.375% 06/09/2022	1,988	0.23
€100,000	Vonovia 0% 01/12/2025	78	0.01
€1,700,000	Vonovia 1.375% 28/01/2026	1,375	0.16
€3,600,000	Vonovia Finance 0.625% 09/07/2026	2,776	0.32
€2,000,000	Vonovia Finance 1.625% 07/04/2024	1,703	0.19
€7,517,000	Wells Fargo 1.338% VRN 04/05/2025	6,308	0.72
€2,600,000	Wells Fargo 1.741% VRN 04/05/2030	1,977	0.23
€1,740,000	Westpac Securities 0.427% 14/12/2026	1,349	0.15
€2,460,000	WPC Eurobond 0.95% 01/06/2030	1,630	0.19
€2,950,000	WPC Eurobond 1.35% 15/04/2028	2,193	0.25

Portfolio of investments (unaudited)

Investments held at 31 August 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Money Markets (31/08/21 – 2.89%)		1.97
€20,398	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Class Z-3+	17,338	1.97
£10	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Class Z-1+	10	0.00
	Forward Foreign Exchange Contracts (31/08/21 – 0.00%)		(0.06)
EUR 2,413,029	EUR Forward Currency Contract 19/09/2022	2,087	0.24
(GBP 2,043,640)	GBP Forward Currency Contract 19/09/2022	(2,044)	(0.23)
EUR 27,035,429	EUR Forward Currency Contract 19/09/2022	23,385	2.66
(USD 27,887,477)	USD Forward Currency Contract 19/09/2022	(23,958)	(2.73)
USD 374,000	USD Forward Currency Contract 19/09/2022	322	0.04
(EUR 367,394)	EUR Forward Currency Contract 19/09/2022	(318)	(0.04)
	Futures (31/08/21 – (0.11%))		(0.06)
(82)	CBT US 10 Year Note Future December 2022	31	0.00
(371)	EUX Euro Bobl Future September 2022	618	0.07
522	EUX Euro Bund Future September 2022	(1,364)	(0.16)
(51)	EUX Euro Buxl 30 Year Bund Future September 2022	51	0.01
(301)	EUX Euro Bund Future September 2022	185	0.02
(253)	EUX Short Euro Btp Future September 2022	3	0.00
(7)	ICF Long Gilt Future December 2022	7	0.00
	Portfolio of investments ^	875,395	99.64
	Net other assets	3,166	0.36
	Net assets	878,561	100.00

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

The counterparty for the Futures is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are Merrill Lynch and Royal Bank of Canada.

^ Includes investment liabilities.

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

Credit Ratings	£000	%
Investment grade	810,287	92.21
Non-Investment grade	25,259	2.89
Unrated	23,496	2.69
Total Investment in bonds	859,042	97.79

Top ten purchases and sales

For the year ended 31 August 2022

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Class Z-3	204,539	Aberdeen Standard Liquidity Fund (Lux) – Euro Fund Class Z-3	187,553
Bundesrepublik Deutschland 0% 15/08/2031	21,657	Bundesrepublik Deutschland 0% 15/08/2031	21,567
Bundesrepublik Deutschland 0% 15/02/2031	16,214	Bundesrepublik Deutschland 0% 15/02/2031	15,250
European Union 0% 04/07/2031	13,732	Deutsche Annington Finance 4% VRN Perpetual	13,061
Deutsche Annington Finance 4% VRN Perpetual	12,824	Zuercher Kantonal Bank 2.625% VRN 15/06/2027	9,036
CK Hutchison Finance 1.25% 06/04/2023	12,372	Bundesrepublik Deutschland 0% 15/02/2030	8,234
Morgan Stanley 0.406% VRN 29/10/2027	9,658	Bundesrepublik Deutschland 0% 15/11/2027	8,014
Infra Park 1.625% 19/04/2028	9,339	Bundesrepublik Deutschland 0% 15/08/2030	7,108
European Union 0.75% 04/04/2031	8,978	Bundesrepublik 0.25% 15/02/2029	5,997
Zuercher Kantonal Bank 2.625% VRN 15/06/2027	8,430	Bundesrepublik Deutschland 0.25% 15/08/2028	5,741
Subtotal	317,743	Subtotal	281,561
Other purchases	1,175,866	Other sales	262,497
Total purchases for the year	1,493,609	Total sales for the year	544,058

Statistical information

Comparative tables

	31/08/22 pence	Class 'B' Accumulation 31/08/21 pence	31/08/20 pence
Change in net assets per unit			
Opening net asset value per unit	153.12	153.95	156.48
Return before operating charges*	(18.78)	(0.72)	(2.42)
Operating charges	(0.03)	(0.11)	(0.11)
Return after operating charges*	(18.81)	(0.83)	(2.53)
Distributions on accumulation units	(1.66)	(1.98)	(2.15)
Retained distributions on accumulation units	1.66	1.98	2.15
Closing net asset value per unit	134.31	153.12	153.95
*after direct transaction costs of: ^	0.00	0.01	0.01

Performance

Return after charges	(12.28%)	(0.54%)	(1.62%)
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Other information

Closing net asset value (£000)	23,603	32,569	29,690
Closing number of units	17,574,008	21,270,324	19,285,946
Operating charges	0.03%	0.07%	0.08%
Direct transaction costs	0.00%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	154.07	163.91	157.83
Lowest unit price (pence)	131.27	150.05	138.92

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

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

Statistical information

Comparative tables

	Class 'C' Accumulation 31/08/22** pence
Change in net assets per unit	
Opening net asset value per unit	84.53
Return before operating charges*	(8.17)
Operating charges	(0.01)
Return after operating charges*	(8.18)
Distributions on accumulation units	(0.80)
Retained distributions on accumulation units	0.80
Closing net asset value per unit	76.35
*after direct transaction costs of: ^	0.00

Performance

Return after charges	(9.68%)
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Other information

Closing net asset value (£000)	854,958
Closing number of units	1,119,854,676
Operating charges	0.02%
Direct transaction costs	0.00%

Prices⁺

Highest unit price (pence)	86.13
Lowest unit price (pence)	74.88

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

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

**Class C Accumulation launched on 29 October 2021, hence there are no comparatives.

Statistical information

Investment objective

The Fund aims to provide a total return (the combination of capital growth and income) by outperforming the benchmark by 0.25% to 0.75% per annum over any given 3 year period.

The benchmark is the Markit Iboxx Euro Corporates GBP Unhedged Total Return Index (the "Index").

Investment policy

The Fund aims to achieve its objective, by investing over 80% in investment grade fixed and floating rate corporate bonds, denominated in Euros. To further aid diversification, the Fund may also invest up to 20% in fixed and floating rate corporate bonds issued in other currencies. It may also invest up to 20% in sovereign, sovereign guaranteed and supranational bonds.

The Fund may also invest in units in collective investment schemes, money market instruments, deposits, cash and near cash.

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

Investment strategy

Although at least 80% of the Fund is invested in components of the Index, the Fund is actively managed. The Investment Adviser uses a stock selection model to select individual holdings, where they believe there is misalignment in the assessment of growth prospects and creditworthiness of the holdings and that of the market, while giving consideration to future economic and business conditions. 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. The Fund's holdings will typically consist of individual bonds but derivatives (including currency forwards and interest rate and credit default swaps) may be used to gain or reduce (hedge) exposure. Non-Euro denominated assets will typically be hedged back to Euro to minimise exposure to currency rate movements.

Revenue distribution and pricing

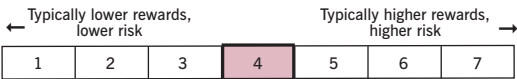
Units of the Fund are available as Class 'B' Accumulation units and Class 'C' Accumulation units (where revenue is reinvested to enhance the unit price). There will be two potential distributions in each accounting year: an interim distribution as at the last day of February and a final distribution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

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

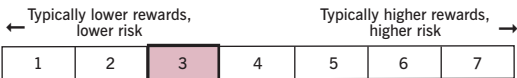
Statistical information

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.



Class 'B' Accumulation is ranked at 4 (31/08/21: 4) because classes of this type have experienced average rises and falls in value in the past.



Class 'C' Accumulation is ranked at 3 (31/08/21: n/a) because classes of this type have experienced low to medium rises and falls in value in the past.

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:

- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts.
- Although the Investment Manager will use currency trades to reduce exchange rate risk on investments not priced in Euros, this may not completely eliminate the Fund's exchange rate risk.
- 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.
- 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 31 August 2022

Statement of total return

	Notes	31/08/22 £000	31/08/21 £000
Income			
Net capital losses	4	(105,717)	(320)
Revenue	5	9,411	369
Expenses	6	(135)	(17)
Interest payable and similar charges		(10)	(1)
Net revenue before taxation		9,266	351
Taxation	7	—	—
Net revenue after taxation		9,266	351
Total (deficit)/return before distributions		(96,451)	31
Distributions	8	(9,313)	(353)
Change in unitholders' funds from investment activities		(105,764)	(322)

Statement of change in net assets attributable to unitholders

	31/08/22 £000	31/08/21 £000
Opening net assets attributable to unitholders	32,569	29,690
Amounts receivable on issue of units	16,720	9,102
Amounts payable on in-specie transfer*	948,302	—
Amounts payable on cancellation of units	(22,556)	(6,264)
	942,466	2,838
Change in net assets attributable	(105,764)	(322)
Retained distributions on accumulation units	9,290	363
Closing net assets attributable to unitholders	878,561	32,569

*Represents the value of units created by in-specie transfer of assets during the year.

Annual financial statements

As at 31 August 2022

Balance sheet

Notes	31/08/22		31/08/21	
	£000	£000	£000	£000
Assets:				
Fixed assets:				
Investments		877,332		32,532
Current assets:				
Debtors 9	10,641		256	
Cash and bank balances 10	1,825		106	
Total current assets		12,466		362
Total assets		889,798		32,894
Liabilities:				
Investment liabilities		(1,937)		(37)
Creditors:				
Bank overdraft 11	(6)		–	
Other creditors 12	(9,294)		(288)	
Total creditors		(9,300)		(288)
Total liabilities		(11,237)		(325)
Net assets		878,561		32,569

Notes to the financial statements

Note 1 Accounting policies

(a) Basis of preparation

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

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

(b) Valuation of investments

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

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

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

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

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

(c) Foreign exchange

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

(d) Revenue

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

(e) Expenses

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

(f) Taxation

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

Notes to the financial statements

Note 1 Accounting policies (continued)

(g) Deferred taxation

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

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

Note 2 Distribution policies

(a) Basis of distribution

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

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

(b) Unclaimed distributions

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

(c) Interest from debt securities

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

(d) Expenses

In determining the net revenue available for distribution, charges in relation to the safe custody 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, 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.

Notes to the financial statements

Note 3 Risk management policies (continued)

(b) Interest rate risk

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

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

Any transactions in fixed interest securities must be used in accordance with the investment objective of the Fund and must be deemed by the Investment Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including interest rate risk, for this Fund. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

(c) Foreign currency risk

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) Credit risk

At the Balance sheet date some 93.24% (31/08/21: 95.62%) of the Fund's assets were held in corporate bonds, 3.20%(31/08/21: 0.00%) in supranational bonds and 0.90% (31/08/21: 0.55%) in government bonds, 0.45% (31/08/21: 0.82%) in public authorities and 1.97% (31/08/21:2.89%) in money markets.

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

(f) Counterparty risk

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

Notes to the financial statements

Note 3 Risk management policies (continued)

(g) Derivatives

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

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

The derivative counterparty is shown at the bottom of the Portfolio of investments on page 12.

Note 4 Net capital losses

The net capital losses during the year comprise:

	31/08/22 £000	31/08/21 £000
Losses on non-derivative securities	(102,722)	(374)
(Losses)/gains on derivative contracts	(3,124)	5
Currency gains	133	51
Handling charges	(4)	(2)
Net capital losses	<u>(105,717)</u>	<u>(320)</u>

Note 5 Revenue

	31/08/22 £000	31/08/21 £000
Interest on debt securities	9,387	369
Stocklending commission	24	–
Total revenue	<u>9,411</u>	<u>369</u>

Note 6 Expenses

	31/08/22 £000	31/08/21 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	42	3
Registration fees	8	–
	<u>50</u>	<u>3</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	26	2
(c) Other expenses:		
Audit fee	9	9
Safe custody charges	47	2
Printing & stationery	1	–
Professional fees	2	1
	<u>59</u>	<u>12</u>
Total expenses	<u>135</u>	<u>17</u>

Notes to the financial statements

Note 7 Taxation

	31/08/22 £000	31/08/21 £000
(a) Analysis of tax charge for the year		
Total taxation (Note 7(b))	<u>–</u>	<u>–</u>
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than that calculated when the standard rate of corporation tax for Authorised Unit Trusts is applied to total revenue return. The differences are explained below:		
Net revenue before taxation	9,266	351
Corporation tax at 20% (31/08/21: 20%)	1,853	70
Effects of:		
Deductible interest distributions	(1,853)	(70)
Total tax charge for the year (Note 7(a))	<u>–</u>	<u>–</u>
Authorised Unit Trusts are exempt from tax on capital gains in the UK.		
(c) Provision for deferred taxation		
No deferred tax asset has been recognised in the year or the prior year.		

Note 8 Distributions

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

	31/08/22 £000	31/08/21 £000
Interim	3,411	175
Final	<u>5,879</u>	<u>188</u>
	9,290	363
Amounts deducted on cancellation of units	55	18
Amounts added on issue of units	<u>(32)</u>	<u>(28)</u>
Net distribution for the year	<u>9,313</u>	<u>353</u>
Net revenue after taxation	9,266	351
Expenses taken to capital	<u>47</u>	<u>2</u>
Net distribution for the year	<u>9,313</u>	<u>353</u>

Details of the distribution per unit are set out in the tables on page 31.

Note 9 Debtors

	31/08/22 £000	31/08/21 £000
Creations awaiting settlement	400	–
Sales awaiting settlement	3,469	40
Accrued income	<u>6,772</u>	<u>216</u>
Total debtors	<u>10,641</u>	<u>256</u>

Note 10 Cash and bank balances

	31/08/22 £000	31/08/21 £000
Cash and bank balances	56	43
Amounts held at futures clearing houses	<u>1,769</u>	<u>63</u>
Total cash and bank balances	<u>1,825</u>	<u>106</u>

Notes to the financial statements

Note 11 Bank overdraft

	31/08/22	31/08/21
	£000	£000
Bank overdraft	5	–
Amounts due to futures clearing houses	1	–
Total bank overdraft	<u>6</u>	<u>–</u>

Note 12 Other creditors

	31/08/22	31/08/21
	£000	£000
Purchases awaiting settlement	9,252	277
Manager's periodic charge payable	8	1
Trustee's fees payable	10	1
Safe custody charges payable	14	–
Audit fee payable	9	9
Handling charges payable	1	–
Total other creditors	<u>9,294</u>	<u>288</u>

Note 13 Reconciliation of units

	Class 'B' Accumulation	Class 'C' Accumulation
Opening units issued at 01/09/21	21,270,324	–
Unit movements in year:		
Units issued	501,342	19,172,541
Units cancelled	(4,197,658)	(21,118,706)
In-specie transactions	–	1,121,800,841
Closing units at 31/08/22	<u>17,574,008</u>	<u>1,119,854,676</u>

Note 14 Contingencies and commitments

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

Note 15 Stocklending

	31/08/22	31/08/21
	£000	£000
Government bonds	3,254	–
Equities	1,606	–
	<u>4,860</u>	<u>–</u>

The gross earnings and fees paid for the year were £24,375 (31/08/21: £nil) and £5,351 (31/08/21: £nil) respectively.

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

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

The counterparties for the securities on loan are shown in the appendix on page 37.

Notes to the financial statements

Note 16 Unitholders' funds

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

The Manager's periodic charge in respect of 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 0.0050% in respect of Class 'B' units and 0.0050% 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.

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 83.80% of the units in Class 'B' Accumulation at the year end (31/08/21: 87.07%) and nil% of the units in Class 'C' Accumulation at the year end (31/08/21: nil%).

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

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

Note 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 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

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

Merrill Lynch	£3,514
Royal Bank of Canada	£43,554

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

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 assets/(liabilities) 31/08/22			Net currency assets assets/(liabilities) 31/08/21		
	Monetary exposure £000	Non- monetary exposure £000	Total exposure £000	Monetary exposure £000	Non- monetary exposure £000	Total exposure £000
Sterling	401	(47)	354	(11)	–	(11)
Euro	2,096	876,441	878,537	85	32,495	32,580
US Dollar	669	(999)	(330)	–	–	–
	3,166	875,395	878,561	74	32,495	32,569

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

Interest profile

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

Currency	Fixed rate financial assets £000	Floating rate financial assets £000	Financial assets not carrying interest £000	Total £000
Sterling	877	1,113	456	2,446
Euro	540,317	313,108	36,046	889,471
US Dollar	4,083	18,718	827	23,628
	545,277	332,939	37,329	915,545

Currency	Floating rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Sterling	(6)	(2,086)	(2,092)
Euro	–	(10,934)	(10,934)
US Dollar	–	(23,958)	(23,958)
	(6)	(36,978)	(36,984)

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

Currency	Fixed rate financial assets £000	Floating rate financial assets £000	Financial assets not carrying interest £000	Total £000
Euro	20,029	12,605	260	32,894
	20,029	12,605	260	32,894

Notes to the financial statements

Note 18 Financial instruments (continued)

Interest profile (continued)

Currency	Floating rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Sterling	–	(11)	(11)
Euro	–	(314)	(314)
	–	(325)	(325)

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

Changes in interest rates or changes in expectation of future interest rates may result in an increase or decrease in the the market value of the investments held. A one percent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of increasing the return and net assets by £40,501,662 (31/08/21: £1,722,900). A one percent decrease would have an equal and opposite effect.

Foreign currency risk sensitivity

A five percent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £43,910,363 (31/08/21: £1,629,000). 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 £43,769,742 (31/08/21: £1,628,450). A five percent decrease would have an equal and opposite effect.

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.

Notes to the financial statements

Note 19 Fair value of investments (continued)

For the year ended 31/08/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Bonds	36,079	822,963	–	859,042
Derivatives	895	47	–	942
Money markets	17,348	–	–	17,348
	54,322	823,010	–	877,332
Investment liabilities	£000	£000	£000	£000
Derivatives	(1,364)	(573)	–	(1,937)
	(1,364)	(573)	–	(1,937)

For the year ended 31/08/21

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Bonds	179	31,408	–	31,587
Derivatives	3	–	–	3
Money markets	942	–	–	942
	1,124	31,408	–	32,532
Investment liabilities	£000	£000	£000	£000
Derivatives	(37)	–	–	(37)
	(37)	–	–	(37)

Note 20 Portfolio transaction costs

For the year ended 31/08/22

Analysis of total purchases costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%
Bond transactions	376,555	–	–	–	–	–	–
Money markets	205,569	–	–	–	–	–	–
Corporate actions	911,485	–	–	–	–	–	–
Total	1,493,609	–	–	–	–	–	–
Analysis of total sales costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%
Bond transactions	302,360	–	–	–	–	–	–
Money markets	188,578	–	–	–	–	–	–
Corporate actions	53,120	–	–	–	–	–	–
Total	544,058	–	–	–	–	–	–

The Fund has paid £8,870 as commission on purchases and sales of derivatives transactions for the year ended 31/08/22.

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

Commission	0.00%
Taxes	0.00%
Other expenses	0.00%

Notes to the financial statements

Note 20 Portfolio transaction costs (continued)

For the year ended 31/08/21

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%
Analysis of total purchases costs							
Bond transactions	19,511	–	–	–	–	–	–
Money markets	11,844	–	–	–	–	–	–
Corporate actions	112	–	–	–	–	–	–
Total	31,467	–	–	–	–	–	–
	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%
Analysis of total sales costs							
Bond transactions	15,605	–	–	–	–	–	–
Money markets	11,344	–	–	–	–	–	–
Corporate actions	1,136	–	–	–	–	–	–
Total	28,085	–	–	–	–	–	–

The Fund has paid £1,177 as commission on purchases and sales of derivatives transactions for the year ended 31/08/21.

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

Commission	0.00%
Taxes	0.00%
Other expenses	0.00%

The purchases and sales of securities incurred no direct transaction costs during the year or prior year.

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 0.52% (31/08/21: 0.34%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 31 August 2022

Interest distributions

Interim distribution in pence per unit

Group 1: units purchased prior to 1 September 2021

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

	Gross income	Equalisation	2022 pence per unit paid 30 Apr	2021 pence per unit paid 30 Apr
Class 'B' Accumulation				
Group 1	0.8611	—	0.8611	1.0984
Group 2	0.2119	0.6492	0.8611	1.0984

Class 'C' Accumulation*

Group 1	0.2852	—	0.2852	n/a
Group 2	0.2113	0.0739	0.2852	n/a

Final distribution in pence per unit

Group 1: units purchased prior to 1 March 2022

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

	Gross income	Equalisation	2022 pence per unit payable 31 Oct	2021 pence per unit paid 31 Oct
Class 'B' Accumulation				
Group 1	0.7955	—	0.7955	0.8838
Group 2	0.0000	0.7955	0.7955	0.8838

Class 'C' Accumulation*

Group 1	0.5125	—	0.5125	n/a
Group 2	0.5125	0.0000	0.5125	n/a

*Class 'C' accumulation launched on 29 October 2021, hence there are no comparatives.

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 European Credit 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 Regulation"), 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 PUTM Bothwell European Credit Fund ("the Trust") for the period ended 31 August 2022.

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

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

London
15 December 2022

HSBC Bank plc

Directors' statement

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

Birmingham
15 December 2022

Craig Baker, Director
Brid Meaney, Director

Independent auditor's report to the unitholders of the PUTM Bothwell European Credit Fund

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 August 2022 and of the net revenue and the net capital 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.

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 European Credit 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 32, 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 European Credit Fund

Our approach was as follows:

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

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

Use of our report

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

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

15 December 2022

Appendix

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.

Global Data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.53

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£4,512,043	0.51

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

Top Ten collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £000
US Treasury 0.125% IL 15/04/2027	2,363,700	2,085
Government of France 1.75% 25/05/2066	1,758,842	1,155
Equity Residential	2,761	175
Healthpeak Properties	7,742	175
Simon Property Group	1,961	175
Welltower	2,674	175
Public Storage	612	175
American Tower	803	175
Equinix	310	175
Accenture	695	175

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £000
Credit Suisse International	3,468
Goldman Sachs International	1,044

Appendix

Aggregate Data

Type and quality of collateral

Type	Quality*	Fair value £000
Bonds	Investment grade	3,254
Equity	N/A	1,606
		4,860

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £000
Rolling Maturity	4,860
	4,860

Currency of collateral

Currency	Fair value £000
Sterling	4,860
	4,860

Maturity tenor of SFTs

Maturity	Fair value £000
Rolling Maturity	4,512
	4,512

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	Gross return £000	Cost £000	% of overall returns	Net return £000
Fund	29	(5)	82.00	24
		29	(5)	24

The gross earnings were split by the lending agent as follows:
- 82% to the Lender (PUTM Bothwell European Credit 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 year.

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

Corporate information (unaudited)

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

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

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

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

Total remuneration can include any of the following;

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

Senior Management includes – PUTM Board and PUTM Executive Committees.

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

Assessment of Value

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

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

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

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

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

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

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

Risks

The price of units and the revenue from them can go down as well as up and investors may not get back the amount they invested, particularly in the case of early withdrawal. Tax levels and reliefs are those currently applicable and may change. The value of any tax relief depends on personal circumstances. Management charges on some funds are charged to capital and therefore a reduction in capital may occur. Depending on the fund, the value of your investment may change with currency movements.

Corporate information (unaudited)

Manager

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

Directors

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

Registrar and correspondence address

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

Investment Adviser

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.

Notes

Notes

Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **phoenixunittrust.co.uk**

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

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

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

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.