

# PHOENIX UNIT TRUST MANAGERS

## MANAGER'S ANNUAL REPORT

For the year: 1 October 2021 to 30 September 2022

### PUTM FAR EASTERN UNIT TRUST





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

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# Investment review

## Dear Investor

Welcome to the PUTM Far East Unit Trust annual report for the 12 months to 30 September 2022.

## Performance Review

Over the review period, the PUTM Far East Unit Trust returned -12.8 compared to a return of -11.5% for the MSCI AC Asia Pacific (ex-Japan) Index.

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

## Standardised Past Performance

	Sept 21-22 % growth	Sept 20-21 % growth	Sept 19-18 % growth	Sept 18-19 % growth	Sept 17-18 % growth
PUTM Far East Unit Trust	-12.8	13.3	7.5	8.6	6.4
Benchmark Index	-11.5	12.1	8.6	4.2	5.2

Source: Fund performance is: Factset to 30 September for each year. Benchmark index performance is: Factset, MSCI Asia Pacific (ex-Japan) 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.**

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# Investment review

## Portfolio and market review

Equity markets in the Asia Pacific (excluding Japan) region fell sharply over the 12-month period in local-currency terms but by less in sterling terms due to a weaker pound. Asian stocks initially gained ground, with markets supported by loose monetary policy by Asian central banks, improving economic data and vaccine rollouts. Several Asian markets reached record highs as a result. However, regional stock markets corrected thereafter, as a jump in bond yields dented investor confidence, while fresh waves of Covid-19 infections prompted renewed restrictions across several countries.

Asian stock markets sold off heavily in the second half of the period, amid ongoing post-pandemic supply-chain issues and the growing global problem of inflation, with fears that the world economy may be tipped into a recession by interest rate hikes. Higher commodity prices and uncertainty caused by Russia's invasion of Ukraine added to investor fears. Meanwhile, the emergence of the new Omicron variant created further headwinds.

Looking at individual markets, Chinese equities suffered major losses. Chinese stocks were hurt by a regulatory crackdown on certain sectors and a slowing economy, caused in part by the government's strict and disruptive 'zero-Covid' policy. Ongoing virus flare-ups continue to affect Chinese stock market sentiment. Investors also fretted over pressures in the country's important, but highly indebted, property sector. The export-sensitive Taiwanese and South Korean stock markets have also fallen sharply this year.

## Outlook

The recent volatility in stock markets in Asia and elsewhere is unlikely to change any time soon. Markets continue to face a daunting set of challenges: rising interest rates to stem inflation, geopolitical risks, energy and food crises, and an increasingly fragile world economy. Asia will not be immune to global developments.

The good news is that the region is in a better position than developed economies in the West. More manageable price pressures have allowed central banks to normalise policy more gradually. Many economies, particularly those in South-East Asia, are still bouncing back following their post-Covid-19 reopening, which should support earnings growth. Meanwhile, valuations remain attractive with the MSCI AC Asia Pacific ex Japan Index still trading at levels more than one standard deviation below its five-year average.

## Portfolio of investments (unaudited)

### Investments held at 30 September 2022

Holding	Investment	Market value £	Percentage of total net assets %
	<b>Australia (30/09/21-13.65%)</b>		<b>18.22</b>
	<b>Basic Materials</b>		
5,051	BHP Billiton	113,654	0.59
29,076	BHP Group	662,060	3.44
29,488	OZ Minerals	438,093	2.28
	<b>Consumer Services</b>		
12,036	Aristocrat Leisure	231,192	1.20
	<b>Financials</b>		
5,530	Commonwealth Bank of Australia	293,049	1.52
19,909	Goodman	183,524	0.96
1,991	Macquarie Group	177,827	0.93
17,500	National Australia Bank	294,793	1.53
	<b>Healthcare</b>		
2,309	Cochlear	262,345	1.36
3,397	CSL	562,699	2.92
	<b>Oil &amp; Gas</b>		
110,000	Beach Energy	94,258	0.49
5,111	Woodside Energy AUD	94,557	0.49
5,254	Woodside Energy	96,989	0.51
	<b>Cayman Islands (30/09/21-20.50%)</b>		<b>18.85</b>
	<b>Consumer Goods</b>		
131,100	Budweiser Brewing	310,167	1.61
19,700	Shenzhou International	139,143	0.72
52,000	Zongsheng Group	187,682	0.98
	<b>Consumer Services</b>		
63,200	Sands China	143,339	0.74
	<b>Financials</b>		
54,476	China Resources Land	193,483	1.01
	<b>Healthcare</b>		
41,500	Wuxi Biologics	226,469	1.18
	<b>Support Services</b>		
69,500	China Conch Environment Protection Holdings	32,006	0.17
	<b>Industrials</b>		
12,000	Silergy	143,369	0.74
	<b>Technology</b>		
47,144	Alibaba Group	422,810	2.20
59,480	GDS Holdings A	117,646	0.61
16,377	JD.com	374,263	1.95
10,900	Meituan Dianping	207,811	1.08

## Portfolio of investments (unaudited)

### Investments held at 30 September 2022

Holding	Investment	Market value £	Percentage of total net assets %
	<b>Technology (continued)</b>		
8,650	NetEase	118,009	0.61
25,731	Tencent Holdings	789,174	4.10
125,200	Tongcheng Travel	221,976	1.15
	<b>China (30/09/21-5.75%)</b>		<b>6.36</b>
	<b>Consumer Services</b>		
14,400	China Tourism Group Duty Free	327,093	1.70
20,900	Hangzhou Tigermed Consulting	153,033	0.80
	<b>Financials</b>		
87,114	China Merchants Bank	365,567	1.90
111,000	China Vanke	182,743	0.95
	<b>Oil &amp; Gas</b>		
186,000	Xinjiang Goldwind Science & Technology	195,080	1.01
	<b>Hong Kong (30/09/21-8.19%)</b>		<b>7.61</b>
	<b>Consumer Goods</b>		
33,000	Li-Ning	228,334	1.19
13,500	Techtronic Industries	117,811	0.61
	<b>Financials</b>		
100,706	AlA Group	758,834	3.94
6,938	Hong Kong Exchanges and Clearing	215,186	1.12
	<b>Utilities</b>		
50,000	China Resources Gas Group	143,622	0.75
	<b>India (30/09/21-12.25%)</b>		<b>15.22</b>
	<b>Consumer Goods</b>		
12,050	Hindustan Unilever	360,544	1.87
2,712	Maruti Suzuki	265,667	1.38
	<b>Financials</b>		
24,050	Housing Development Finance Corporation	610,524	3.17
11,533	Kotak Mahindra Bank	232,810	1.21
25,811	SBI Life Insurance Company	358,138	1.86
	<b>Industrials</b>		
12,369	Larsen & Toubro	253,597	1.32
2,341	UltraTech Cement	162,485	0.84
	<b>Technology</b>		
13,833	Infosys	216,958	1.13
7,330	Tata Consultancy Services	244,378	1.27
	<b>Utilities</b>		
95,221	Power Grid Corporation of India	224,211	1.17

## Portfolio of investments (unaudited)

### Investments held at 30 September 2022

Holding	Investment	Market value £	Percentage of total net assets %
	<b>Indonesia (30/09/21-2.77%)</b>		<b>4.42</b>
	<b>Financials</b>		
1,121,100	Bank Central Asia	568,893	2.96
1,054,018	Bank Rakyat Indonesia	280,876	1.46
	<b>New Zealand (30/09/21-1.73%)</b>		
	<b>Philippines (30/09/21-0.82%)</b>		<b>0.87</b>
	<b>Industrials</b>		
17,200	Ayala	162,939	0.85
	<b>Oil &amp; Gas</b>		
51,600	AC Energy	4,444	0.02
	<b>Singapore (30/09/21-2.97%)</b>		<b>5.32</b>
	<b>Financials</b>		
29,719	DBS Group	623,260	3.24
53,902	Overseas-Chinese Banking	401,128	2.08
	<b>South Korea (30/09/21-14.02%)</b>		<b>8.93</b>
	<b>Basic Materials</b>		
668	LG Chem	225,282	1.17
	<b>Healthcare</b>		
485	Samsung Biologics	245,959	1.28
	<b>Industrials</b>		
5,128	Samsung Electronics	171,005	0.89
25,240	Samsung Electronics Preference	744,813	3.87
607	Samsung SDI	208,147	1.08
	<b>Technology</b>		
3,450	Daum Kakao	123,948	0.64
	<b>Taiwan (30/09/21-14.14%)</b>		<b>11.62</b>
	<b>Industrials</b>		
32,000	Delta Electronics	229,300	1.19
123,000	Hon Hai Precision Industry	354,295	1.84
	<b>Technology</b>		
27,000	Accton Technology	208,797	1.09
12,000	Globalwafers	124,640	0.65
110,040	Taiwan Semiconductor Manufacturing	1,317,822	6.85
	<b>Thailand (30/09/21-0.68%)</b>		<b>1.21</b>
	<b>Financials</b>		
68,200	Kasikornbank	232,511	1.21



## Portfolio of investments (unaudited)

### Investments held at 30 September 2022

Holding	Investment	Market value £	Percentage of total net assets %
	<b>United Kingdom (30/09/21-2.53%)</b>		<b>0.85</b>
	<b>Basic Materials</b>		
3,325	Rio Tinto	163,174	0.85
	<b>Money Markets (30/09/21 – 0.00%)</b>		<b>0.66</b>
£127	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1 +	127,187	0.66
	<b>Portfolio of investments</b>	19,267,422	100.14
	<b>Net other liabilities</b>	(26,195)	(0.14)
	<b>Net assets</b>	19,241,227	100.00

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

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

# Top ten purchases and sales

For the year ended 30 September 2022

Purchases	Cost £	Sales	Proceeds £
Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	4,891,707	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	4,764,287
OZ Minerals	379,281	National Australia Bank	597,237
JD.com	329,370	Taiwan Semiconductor Manufacturing	573,054
Zongsheng Group	257,896	Samsung Electronics	463,010
Maruti Suzuki	249,868	SK Hynix	357,192
China Tourism Group Duty Free	245,056	AIA Group	314,630
Infosys	241,613	Tencent Holdings	286,120
BHP Group	237,880	Tata Consultancy Services	197,220
Kasikornbank	236,147	Bank Central Asia	190,831
Power Grid Corporation of India	235,698	Hon Hai Precision Industry	190,473
<b>Subtotal</b>	7,304,516	<b>Subtotal</b>	7,934,054
<b>Other purchases</b>	2,405,106	<b>Other sales</b>	4,031,320
<b>Total purchases for the year</b>	<u>9,709,622</u>	<b>Total sales for the year</b>	<u>11,965,374</u>

# Statistical information

## Comparative tables

	30/09/22 pence	Accumulation 30/09/21 pence	30/09/20 pence
<b>Change in net assets per unit</b>			
Opening net asset value per unit	1,053.44	946.91	893.33
Return before operating charges*	(128.68)	119.03	64.01
Operating charges	(11.73)	(12.50)	(10.43)
Return after operating charges*	(140.41)	106.53	53.58
Distributions on accumulation units	(8.57)	(5.75)	(8.78)
Retained distributions on accumulation units	8.57	5.75	8.78
Closing net asset value per unit	913.03	1,053.44	946.91
*after direct transaction costs of:	0.82	0.84	0.54

## Performance

Return after charges	(13.33%)	11.25%	6.00%
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## Other information

Closing net asset value (£000)	19,241	24,829	24,834
Closing number of units	2,107,407	2,356,942	2,622,601
Operating charges	1.18%	1.15%	1.17%
Direct transaction costs	0.08%	0.08%	0.06%

## Prices<sup>+</sup>

Highest unit price (pence)	1,155.83	1,256.60	1,025.86
Lowest unit price (pence)	893.87	948.10	740.15

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

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# Statistical information

## Investment objective

The Fund aims to provide capital growth by outperforming the MSCI AC Asia Pacific ex Japan Index ("the Index") before fees by 0.5% to 1.5% over any given 3 year period.

## Investment policy

The Fund aims to achieve its objective by investing at least 70% of the portfolio in equities or equity related securities in far eastern markets excluding Japan that are constituents of the Index. The Fund may invest up to 30% in developed Asian companies listed outside of the Index.

The Fund may also invest in convertible stocks, stock exchange listed warrants, depositary receipts, and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the Investment Manager, influenced significantly by the stock market performance of the company's ordinary shares. Not more than 10% in value of the property of any of the Schemes may consist of transferable securities, which are non-approved securities and/or unlisted securities. The Fund may invest in collective investment schemes, money-market instruments, deposits, cash and near cash.

Derivatives will be used for efficient portfolio management only.

## Investment strategy

Although at least 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.

## Revenue distribution and pricing

Units of the Fund are available as Class A Accumulation units (where revenue is reinvested to enhance the unit price).

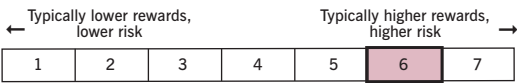
There will be two potential distributions in each accounting year: an interim distribution as at 31st March and a final distribution as at 30th September.

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.

# Statistical information

## Risk and reward profile

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



This Fund is ranked at 6 (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 class:

- Accumulation

Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. Please note the Fund's risk category may change in the future. The indicator does not take into account the following risk(s) 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.
- 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](http://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	
		£	£	£	£
Income					
Net capital (losses)/gains	4	(3,302,879)		2,840,443	
Revenue	5	479,152		501,727	
Expenses	6	(256,203)		(309,197)	
Interest payable and similar charges		(249)		(59)	
Net revenue before taxation		222,700		192,471	
Taxation	7	(35)		(191,928)	
Net revenue after taxation		222,665		543	
Total (deficit)/return before distributions		(3,080,214)		2,840,986	
Distributions	8	(181,729)		(139,644)	
Change in unitholders' funds from investment activities		(3,261,943)		2,701,342	

## Statement of change in unitholders' funds

	30/09/22		30/09/21	
	£	£	£	£
Opening net assets		24,829,041		24,833,555
Amounts receivable on issue of units		16,982		136,590
Amounts payable on cancellation of units		(2,523,359)		(2,977,874)
		(2,506,377)		(2,841,284)
Change in unitholders' funds from investment activities		(3,261,943)		2,701,342
Retained distributions on accumulation units		180,506		135,428
Closing net assets		19,241,227		24,829,041

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# Annual financial statements

As at 30 September 2022

## Balance sheet

Notes	30/09/22		30/09/21	
	£	£	£	£
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investments		19,267,422		24,828,366
<b>Current assets:</b>				
Debtors	9	19,882		248,256
Cash and bank balances	10	212,836		179,862
Total current assets		<u>232,717</u>		<u>428,118</u>
Total assets		<u>19,500,139</u>		<u>25,256,484</u>
<b>Liabilities:</b>				
<b>Creditors:</b>				
Deferred tax liability	7	(41,767)		(110,370)
Other creditors	11	<u>(217,145)</u>		<u>(317,073)</u>
Total liabilities		(258,912)		(427,443)
Net assets		<u>19,241,227</u>		<u>24,829,041</u>
Unitholders' funds		<u>19,241,227</u>		<u>24,829,041</u>

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# 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 12 noon on 30 September 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

### **(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 12 noon on 30 September 2022, the last valuation point in the accounting year.

### **(d) Revenue**

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

### **(e) Special dividends**

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

### **(f) 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.

### **(g) 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.



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# Notes to the financial statements

## **Note 1 Accounting policies (continued)**

### **(h) Deferred taxation**

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.

## **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) Special dividends**

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

## **Note 3 Risk management policies**

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

### **(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.

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# Notes to the financial statements

## **Note 3 Risk management policies (continued)**

### **(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.

### **(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.

There were no derivatives held at the year end.

# Notes to the financial statements

## Note 4 Net capital gains

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

	30/09/22	30/09/21
	£	£
(Losses)/gains on non-derivative securities	(3,305,191)	2,850,638
Gains on derivative contracts	136	1,716
Currency gains/(losses)	5,415	(11,243)
Handling charges	(3,239)	(4,790)
Capital special dividends	–	4,122
Net capital (losses)/gains	<u>(3,302,879)</u>	<u>2,840,443</u>

## Note 5 Revenue

	30/09/22	30/09/21
	£	£
UK dividends	19,084	83,862
Overseas dividends	459,002	417,584
Bank interest	13	–
Liquidity interest	1,053	281
Total revenue	<u>479,152</u>	<u>501,727</u>

## Note 6 Expenses

	30/09/22	30/09/21
	£	£
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>221,039</u>	<u>274,473</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	<u>782</u>	<u>1,647</u>
(c) Other expenses:		
Audit fee	7,417	7,420
Safe custody charges	5,542	7,074
Printing & stationery	890	1,335
FCA fee	(157)	105
Revenue collection expenses	5	14
Professional fees	20,685	17,129
	<u>34,382</u>	<u>33,077</u>
Total expenses	<u>256,203</u>	<u>309,197</u>

## Notes to the financial statements

### Note 7 Taxation

	30/09/22 £	30/09/21 £
(a) Analysis of tax charge for the year		
Overseas withholding tax	40,970	53,678
Overseas capital gains tax	27,668	27,880
Total taxation (Note 7(b))	68,638	81,558
Deferred tax (Note 7(c))	(68,603)	110,370
Total taxation	35	191,928
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is 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:		
Net revenue before taxation	222,700	192,471
Corporation tax at 20% (30/09/21: 20%)	44,540	38,494
Effects of:		
Revenue not subject to taxation	(94,947)	(99,230)
Overseas withholding tax	40,970	52,828
Irrecoverable overseas tax on capital special dividends	–	850
Excess management expenses unutilised	50,479	60,760
Tax relief on overseas tax suffered	(72)	(24)
Overseas capital gains tax	(40,935)	138,250
Total tax charge for the year (Note 7(a))	35	191,928
Authorised Unit Trusts are exempt from tax on capital gains in the UK.		
(c) Provision for deferred taxation		
	30/09/22 £	30/09/21 £
Provision at start of the year	110,370	–
Deferred tax charge in year (Note 7 (a))	(68,603)	110,370
Provision at end of the year	41,767	110,370

Whilst Authorised Unit Trusts are exempt from tax on capital gains in the UK, this is not the case for certain overseas domiciles. However, the Manager has determined there no potential liability for capital gains tax on Indian securities and provision of £41,767 (30/09/21: £110,370) has been made.

At 30 September 2022 the Fund had a potential deferred tax asset of £733,091 (30/09/21: £682,612) in relation to surplus management expenses of £3,665,456 (30/09/21: £3,413,060). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised in the year or the prior year.

# Notes to the financial statements

## 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	30/09/21
	£	£
Final	<u>180,506</u>	<u>135,428</u>
	180,506	135,428
Amounts deducted on cancellation of units	1,241	4,826
Amounts added on issue of units	(18)	(610)
Net distribution for the year	<u>181,729</u>	<u>139,644</u>
Net revenue after taxation	222,665	543
Capital tax balances	(40,935)	139,100
Movement of undistributed revenue	(1)	1
Net distribution for the year	<u>181,729</u>	<u>139,644</u>

Details of the distribution per unit are set out in the tables on page 23.

## Note 9 Debtors

	30/09/22	30/09/21
	£	£
Sales awaiting settlement	–	229,385
Accrued income	<u>19,882</u>	<u>18,871</u>
Total debtors	<u>19,882</u>	<u>248,256</u>

## Note 10 Cash and bank balances

	30/09/22	30/09/21
	£	£
Cash and bank balances	<u>212,836</u>	<u>179,862</u>
Total cash and bank balances	<u>212,836</u>	<u>179,862</u>

## Note 11 Other creditors

	30/09/22	30/09/21
	£	£
Cancellations awaiting settlement	97,300	147,000
Purchases awaiting settlement	60,498	–
Manager's periodic charge payable	51,647	160,283
Trustee's fees payable	330	740
Safe custody charges payable	61	873
Audit fee payable	7,309	7,300
FCA fee payable	–	157
Handling charges payable	–	720
Total other creditors	<u>217,145</u>	<u>317,073</u>

## Note 12 Reconciliation of units

	Accumulation
Opening units issued at 01/10/21	2,356,942
Unit movements in year:	
Units issued	1,765
Units cancelled	(251,300)
Closing units at 30/09/22	<u>2,107,407</u>

# Notes to the financial statements

## Note 13 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 14 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 99.60% of the units in Class 'A' Accumulation at the year end (30/09/21: 99.64%).

Manager's periodic charge paid to the Manager, Phoenix Unit Trust Managers Limited, (and registration fees paid to Standard Life Investments (Mutual Funds) Limited) or its associates are 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 11.

## Note 15 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.

### 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
	£	£	£	£	£	£
Sterling	(59,224)	1,049,410	990,186	(300,059)	627,241	327,182
Australian Dollar	(56,836)	2,745,991	2,689,155	3,374	3,819,347	3,822,721
Hong Kong Dollar	21,474	6,171,280	6,192,754	350,655	8,006,110	8,356,765
Indian Rupee	(41,767)	2,929,313	2,887,546	(110,371)	3,040,645	2,930,274
Korean Won	1	1,719,155	1,719,156	1	3,479,963	3,479,964
Singapore Dollar	23,696	1,024,388	1,048,084	20,577	737,824	758,401
Taiwan Dollar	9,237	2,378,223	2,387,460	10,798	3,511,819	3,522,617
Indonesian Rupiah	–	849,769	849,769	–	688,626	688,626
US Dollar	77,224	–	77,224	23,499	544,685	568,184
Other foreign currencies*	–	399,893	399,893	2,201	372,106	374,307
	(26,195)	19,267,422	19,241,227	675	24,828,366	24,829,041

\* foreign currencies included within 'other foreign currencies' above amounts to less than 10% (30/09/21: less than 5%) 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.

# Notes to the financial statements

## Note 15 Financial instruments (continued)

### Interest profile

At the year end date, 1.76% (30/09/21: 0.72%) 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 £912,552 (30/09/21: £1,225,093). 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 £963,371 (30/09/21: £1,241,418). A five percent decrease would have an equal and opposite effect.

## Note 16 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
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	19,140,235	–	–	19,140,235
Money markets	127,187	–	–	127,187
	19,267,422	–	–	24,828,366

### For the year ended 30/09/21

Level	1	2	3	Total
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	24,828,357	–	–	24,828,357
Money markets	9	–	–	9
	24,828,366	–	–	24,828,366

# Notes to the financial statements

## Note 17 Portfolio transaction costs

For the year ended 30/09/22

	Value £	Commission £	%	Taxes £	%	Other expenses £	%	Total costs £
<b>Analysis of total purchases costs</b>								
Equity transactions	4,792,762	3,502	0.07	3,093	0.06	256	0.01	4,799,613
Money markets	4,891,000	–	–	–	–	–	–	4,891,000
Corporate actions	19,009	–	–	–	–	–	–	19,009
<b>Total</b>	<b>9,702,771</b>	<b>3,502</b>		<b>3,093</b>		<b>256</b>		<b>9,709,622</b>

	Value £	Commission £	%	Taxes £	%	Other expenses £	%	Total costs £
<b>Analysis of total sales costs</b>								
Equity transactions	7,199,658	(2,153)	(0.03)	(8,791)	(0.12)	(253)	–	7,188,461
Money markets	4,764,287	–	–	–	–	–	–	4,764,287
Corporate actions	12,626	–	–	–	–	–	–	12,626
<b>Total</b>	<b>11,976,571</b>	<b>(2,153)</b>		<b>(8,791)</b>		<b>(253)</b>		<b>11,965,374</b>

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

Commission 0.03%

Taxes 0.05%

Other expenses 0.00%

For the year ended 30/09/21

	Value £	Commission £	%	Taxes £	%	Other expenses £	%	Total costs £
<b>Analysis of total purchases costs</b>								
Equity transactions	6,911,701	3,306	0.05	3,892	0.06	307	0.00	6,919,206
Money markets	5,958,000	–	–	–	–	–	–	5,958,000
Corporate actions	48,212	–	–	–	–	–	–	48,212
<b>Total</b>	<b>12,917,913</b>	<b>3,306</b>		<b>3,892</b>		<b>307</b>		<b>12,925,418</b>

	Value £	Commission £	%	Taxes £	%	Other expenses £	%	Total costs £
<b>Analysis of total sales costs</b>								
Equity transactions	9,179,751	(3,039)	(0.03)	(10,007)	(0.11)	(597)	(0.01)	9,166,108
Money markets	6,446,667	–	–	–	–	–	–	6,446,667
<b>Total</b>	<b>15,626,418</b>	<b>(3,039)</b>		<b>(10,007)</b>		<b>(597)</b>		<b>15,612,775</b>

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

Commission 0.03%

Taxes 0.05%

Other expenses 0.00%

Portfolio transaction costs are incurred by the Fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.30% (30/09/21: 0.27%) being the difference between the respective bid and offer prices for the Fund's investments.

## Note 18 Post Balance sheet events

As indicated in the accounting policies in Note 1(b), the investments have been valued at 12 noon 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	913.03	1,012.27	10.87



# 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
<b>Accumulation</b>				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

## 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
<b>Accumulation</b>				
Group 1	8.5653	—	8.5653	5.7459
Group 2	7.0773	1.4880	8.5653	5.7459

## Equalisation

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

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## 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 PUTM Far Eastern Unit Trust 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.

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## 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 Far Eastern Unit Trust ("the Trust") for the period ended 30 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

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# Independent auditor's report to the unitholders of the PUTM Far Eastern Unit Trust

## Opinion

We have audited the financial statements of the PUTM Far Eastern Unit Trust ("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.

## 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.

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# Independent auditor's report to the unitholders of the PUTM Far Eastern Unit Trust

## **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 24, 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.

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# Independent auditor's report to the unitholders of the PUTM Far Eastern Unit Trust

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

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## 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](http://www.phoenixunittrust.co.uk).

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

### Remuneration

The Manager has adopted a remuneration policy, up-to-date details of which can be found on [www.phoenixunittrust.co.uk](http://www.phoenixunittrust.co.uk). 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](http://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
<b>Phoenix Unit Trust Managers</b>	2	90,655.88
of which		
Fixed Remuneration	2	59,744.92
Variable Remuneration	1	30,910.96
Carried Interest	n/a	
<b>Highest paid Director's Remuneration</b>		<b>40,843.47</b>

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.

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## 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 Far Eastern Unit Trust. 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 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.



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## 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

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

### Investment Manager

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

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# Notes



Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **[phoenixunittrust.co.uk](http://phoenixunittrust.co.uk)**

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

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

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

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

\*Authorised and regulated by the Financial Conduct Authority.