

PHOENIX UNIT TRUST MANAGERS

MANAGER'S INTERIM REPORT

For the half year: 16 April 2021 to 15 October 2021 (unaudited)

PUTM BOTHWELL EUROPE FUND (CLOSED)



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Investment review

Dear Investor

Welcome to the PUTM Bothwell Europe Fund interim report for the six months to 15 October 2021.

Performance Review

Over the review period, the PUTM Bothwell Europe Fund increased by 4.4% (Source: Factset, for the period from 16/04/21 to 15/10/21). This compares with an increase of 4.1% for its benchmark index (Source: Factset, MSCI Europe ex UK, gross returns, in sterling for the period from 16/04/21 to 15/10/21).

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

Standardised Past Performance

	Oct 20-21* % growth	Oct 19-20 % growth	Oct 18-19 % growth	Oct 17-18 % growth	Oct 16-17 % growth
PUTM Bothwell Europe Fund	20.6	3.0	10.0	-8.4	11.7
Benchmark Index	20.4	3.1	12.6	-6.7	11.8

Past Performance is not a guide to future performance

Source: Fund performance is Factset. Benchmark Index performance is Factset, in sterling to 15 October for each year.

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.

*For the period 16 October to 7 October 2021 (the date when all the assets were transferred out of the Fund).

Investment review

Portfolio and Market Review

European equities performed strongly over the period, despite rising Covid-19 Delta infections. Shares were boosted by positive corporate results, dovish comments from the European Central Bank (ECB) and strong economic growth. However, sentiment fell in September when a combination of peaking growth, rising inflation and contagion concerns stemming from the Chinese property market drove markets lower for most of the month. Meanwhile, the ECB maintained its zero-rate policy at the September meeting. President Christine Lagarde also said the central bank is not tapering bond market support, although it will reduce the pace of its pandemic emergency purchase programme from the current €80 billion per month level.

The Fund outperformed its benchmark over the six months.

At a stock level, an overweight position in Switzerland-based hearing-care solutions firm Sonova contributed to returns. Its share price rose after the company reported better-than-expected second-half results, in part, due to strong sales growth in the Asia Pacific region. Our overweight holding in Ahold Delhaize, the Dutch grocery retailer, also added to performance, as it benefited from the reopening trade over the past six months. Elsewhere, private equity firm Partners Group continued to perform well, as the low interest rate environment and regulatory reform have helped flows into its markets, while an underweight position in utility company Enel helped relative returns. Its share price fell in the second half of the period as fears over foreign-exchange declines in Latin America and regulatory intervention in Spain led to cuts in earnings forecasts.

Conversely, an overweight position in Swiss computer peripherals manufacturer Logitech detracted from performance. The shares fell after the company disappointed with its latest results. A lack of exposure to Lonza and UniCredit weighed on relative returns.

Looking at factors, sentiment outperformed, but value and financial strength lagged.

Market Outlook and Fund Strategy

In general, the European and global recovery continues, despite periodic surges in Covid-19 cases. However, while individual recovery opportunities exist, there are now distinct pressures on cyclical recovery plays. Rising commodity prices and supply-chain pressures are putting pressure on earnings in large areas of the industrial sphere that lack pricing power.

The investment process underlying the Fund targets exposure to a broad range of factors – value, quality, momentum and smaller size – that academic and empirical research has shown to deliver superior returns over the long term.

Combining these factors allows the Fund to reap the benefits of diversification with the aim of outperforming throughout the market cycle.

Portfolio of investments

Investments held at 15 October 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Europe (15/04/21 – 99.64%)		
	Alternative Energy (15/04/21 – 0.30%)		0.00
	Oil & Gas Producers (15/04/21 – 2.26%)		0.00
	Chemicals (15/04/21 – 4.14%)		0.00
	Aerospace & Defence (15/04/21 – 0.73%)		0.00
	Industrial Metals (15/04/21 – 0.51%)		0.00
	Construction & Materials (15/04/21 – 5.49%)		0.00
	General Industrials (15/04/21 – 2.16%)		0.00
	Electronic & Electrical Equipment (15/04/21 – 2.24%)		0.00
	Industrial Transport (15/04/21 – 2.86%)		0.00
	Support Services (15/04/21 – 0.50%)		0.00
	Automobiles & Parts (15/04/21 – 4.73%)		0.00
	Beverages (15/04/21 – 1.47%)		0.00
	Food Producers (15/04/21 – 4.35%)		0.00
	Household Goods (15/04/21 – 0.48%)		0.00
	Personal Goods (15/04/21 – 7.48%)		0.00
	Mining (15/04/21 – 0.85%)		0.00
	Tobacco (15/04/21 – 0.12%)		0.00
	Industrial Engineering (15/04/21 – 3.78%)		0.00
	Healthcare Equipment & Services (15/04/21 – 4.16%)		0.00
	Pharmaceuticals & Biotechnology (15/04/21 – 9.33%)		0.00
	Food & Drug Retailers (15/04/21 – 1.97%)		0.00
	General Retailers (15/04/21 – 1.94%)		0.00
	Media (15/04/21 – 1.72%)		0.00
	Travel & Leisure (15/04/21 – 0.11%)		0.00
	Fixed Line Telecom (15/04/21 – 1.12%)		0.00
	Mobile Telecom (15/04/21 – 0.40%)		0.00
	Electricity (15/04/21 – 2.90%)		0.00
	Gas, Water & Multiutilities (15/04/21 – 1.81%)		0.00
	Banks (15/04/21 – 6.20%)		0.00
	Life Insurance (15/04/21 – 1.78%)		0.00
	Non-Equity Invest Instruments (15/04/21 – 0.29%)		0.00
	Non-Life Insurance (15/04/21 – 3.20%)		0.00
	Financial Services (15/04/21 – 4.58%)		0.00
	Technology Hardware & Equipment (15/04/21 – 6.12%)		0.00
	Internet & Software Services (15/04/21 – 3.79%)		0.00
	Real Estate & Investment Services (15/04/21 – 1.53%)		0.00

Portfolio of investments

Investments held at 15 October 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Real Estate Investment Trusts (15/04/21 – 0.35%)		0.00
	Money Markets (15/04/21 – 1.78%)		0.00
	Futures (15/04/21 – 0.10%)		0.00
	Forward Foreign Exchange Contracts (15/04/21 – 0.01%)		0.00
	Portfolio of investments	<hr/> –	<hr/> 0.00
	Net other assets	–	0.00
	Net assets	<hr/> –	<hr/> 0.00

Top ten purchases and sales

For the period ended 15 October 2021

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	138,480	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	164,534
Bayer	10,672	ASML Holding	66,787
DSV	10,095	Nestle ‘R’	60,274
Engie	9,390	Roche Holding	52,445
Koninklijke Philips	8,952	LVMH	48,953
Infineon Technologies	8,284	SAP	32,273
BASF	7,633	Novartis ‘R’	32,119
adidas	7,016	Novo Nordisk ‘B’	29,141
Banco Bilbao Vizcaya Argentaria	6,983	Siemens	28,461
Covestro	6,914	Allianz	27,527
Subtotal	214,419	Subtotal	542,514
Other purchases	201,616	Other sales	1,371,112
Total purchases for the period	<u>416,035</u>	Total sales for the period	<u>1,913,626</u>

Statistical information

Comparative tables

	15/10/21** pence	Class 'A' Accumulation		15/04/19 pence
		15/04/21 pence	15/04/20 pence	
Change in net assets per unit				
Opening net asset value per unit	234.00	169.72	194.87	194.51
Return before operating charges*	9.36	67.44	(22.07)	3.35
Operating charges	(1.79)	(3.16)	(3.08)	(2.99)
Return after operating charges*	7.57	64.28	(25.15)	0.36
Distributions on accumulation units	–	(0.67)	(2.12)	(2.88)
Retained distributions on accumulation units	–	0.67	2.12	2.88
Cancellation price	(241.57)	–	–	–
Closing net asset value per unit	0.00	234.00	169.72	194.87
*after direct transaction costs of: ^	0.04	0.11	0.12	0.22

Performance

Return after charges	3.24%	37.87%	(12.91)%	0.19%
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Other information

Closing net asset value (£000)	–	86,197	67,706	83,438
Closing number of units	–	36,836,553	39,893,194	42,818,173
Operating charges	n/a	1.52%	1.54%	1.55%
Direct transaction costs	0.02%	0.05%	0.06%	0.12%

Prices⁺

Highest unit price (pence)	274.18	251.96	230.75	229.61
Lowest unit price (pence)	230.91	170.36	153.33	171.55

^ The direct transaction costs includes commission on futures.

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

** The Fund cancelled all of its units by in specie transfer on 7 October 2021 so the information above relates to when the Fund was active.

Statistical information

Comparative tables

	15/10/21** pence	Class 'B' Accumulation		15/04/19 pence
		15/04/21 pence	15/04/20 pence	
Change in net assets per unit				
Opening net asset value per unit	274.12	195.87	221.63	218.00
Return before operating charges*	10.93	78.32	(25.68)	3.72
Operating charges	(0.03)	(0.07)	(0.08)	(0.09)
Return after operating charges*	10.90	78.25	(25.76)	3.63
Distributions on accumulation units	–	(4.38)	(5.79)	(6.46)
Retained distributions on accumulation units	–	4.38	5.79	6.46
Cancellation price	(285.02)	–	–	–
Closing net asset value per unit	0.00	274.12	195.87	221.63
*after direct transaction costs of: ^	0.04	0.13	0.13	0.25

Performance

Return after charges	3.98%	39.95%	(11.62)%	1.67%
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Other information

Closing net asset value (£000)	–	1,378,217	1,150,173	992,252
Closing number of units	–	502,786,504	587,219,393	447,704,401
Operating charges	n/a	0.02%	0.04%	0.05%
Direct transaction costs	0.02%	0.05%	0.06%	0.12%

Prices⁺

Highest unit price (pence)	300.51	274.53	247.06	239.98
Lowest unit price (pence)	270.59	196.64	177.29	194.26

^ The direct transaction costs includes commission on futures.

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

** The Fund cancelled all of its units by in specie transfer on 7 October 2021 so the information above relates to when the Fund was active.

Statistical information

Investment objective

The Fund aimed to provide capital growth by outperforming the benchmark (before fees) by 0.5% and 1% over any given 3 year period.

The benchmark is MSCI Europe ex UK Index (the "Index").

Investment policy

The Fund aimed to achieve its objective by investing at least 70% of the portfolio in equities or equity related securities of European companies excluding United Kingdom that are constituents of the Index. The Fund may also have invested up to 20% in European (excluding United Kingdom) companies listed outside of the Index.

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

Derivatives may have been used for efficient portfolio management only.

Investment strategy

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

Revenue distribution and pricing

Units of the Fund were available as either Class 'A' or 'B' Accumulation units (where revenue is reinvested to enhance the unit price). There were two potential distributions in each accounting year: an interim distribution as at 15 October and a final distribution as at 15 April.

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

Statistical information

Risk and reward profile

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

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

This Fund was ranked at 6 for the period when it was open (15/04/21: 6) because funds of this type have experienced high rises and falls in value in the past. The Fund is now closed. The above figure applies to the following unit classes:

- Class 'A' Accumulation
- Class 'B' Accumulation

Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. Please note the Fund's risk category may change in the future. The indicator does not take into account the following risks of investing in this Fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means that your money is at greater risk.
- The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective.

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

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

14 December 2021

Craig Baker, Director
Andrew Moss, Director

Interim financial statements

For the period ended 15 October 2021

Statement of total return

	15/10/21		15/10/20	
	£000	£000	£000	£000
Income				
Net capital gains		41,427		241,946
Revenue	24,252		20,208	
Expenses	(780)		(785)	
Interest payable and similar charges	(19)		(47)	
Net revenue before taxation	23,453		19,376	
Taxation	(6,154)		(4,634)	
Net revenue after taxation		17,299		14,742
Total return before distributions		58,726		256,688
Distributions		(17,393)		(14,813)
Change in net assets attributable to unitholders from investment activities		41,333		241,875

Statement of change in net assets attributable to unitholders

	15/10/21***		15/10/20*	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		1,464,414		1,217,879
Amounts receivable on issue of units	903		19,722	
Amounts payable on in-specie transfer**	(1,337,326)		–	
Amounts payable on cancellation of units	(169,324)		(130,137)	
		(1,505,747)		(110,415)
Change in net assets attributable to unitholders from investment activities		41,333		241,875
Retained distributions on accumulation units		–		13,652
Closing net assets attributable to unitholders		–		1,362,991

*Please note that the comparative figures are for the comparative interim period. The brought forward net assets for the current period do not, therefore equal the carried forward figure in the comparative.

**Represents the value of units cancelled by in-specie transfer of assets during the period.

*** All of the units were cancelled by in specie transfer on 7 October 2021 therefore no NAV remained at the end of the period.

Interim financial statements

As at 15 October 2021

Balance sheet

	15/10/21		15/04/21	
	£000	£000	£000	£000
Assets:				
Fixed assets:				
Investments		–		1,459,115
Current assets:				
Debtors	212		4,050	
Cash and bank balances	1,042		2,584	
Total current assets		1,254		6,634
Total assets		1,254		1,465,749
Liabilities:				
Investment liabilities		–		(33)
Creditors:				
Other creditors	(1,254)		(1,302)	
Total creditors		(1,254)		(1,302)
Total liabilities		(1,254)		(1,335)
Net assets attributable to unitholders		–		1,464,414

Notes to the interim financial statements

Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the valuation of investments and in compliance with FRS 102 and in accordance with the Statement of Recommended Practice (2014 SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017). Unless otherwise stated all accounting policies applied are consistent with those of the Annual Report for the year ended 15 April 2021 and are described in those financial statements. All of the units in the fund were cancelled by in specie transfer on 7 October 2021.

Distribution table

For the period ended 15 October 2021

Dividend distribution

Interim distribution in pence per unit

Group 1: units purchased prior to 16 April 2021

Group 2: units purchased 16 April 2021 to 15 October 2021

	Net income	Equalisation	2021* pence per unit payable 15 Dec	2020 pence per unit paid 15 Dec
Class 'A' Accumulation				
Group 1	n/a	n/a	n/a	0.6584
Group 2	n/a	n/a	n/a	0.6584

Class 'B' Accumulation

Group 1	n/a	n/a	n/a	2.4747
Group 2	n/a	n/a	n/a	2.4747

*The Fund cancelled all of its units by in specie transfer on 7 October 2021.

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.

Corporate information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Phoenix Unit Trust Managers Limited is part of the Phoenix Group.

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. These details describe how remuneration and benefits are calculated and identify the committee which oversees and controls the policy. A paper copy of these details can be requested free of charge from the Manager. Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive, the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year, split into fixed and variable remuneration.

Risks

The price of units and the revenue from them can go down as well as up and investors may not get back the amount they invested, particularly in the case of early withdrawal. Tax levels and reliefs are those currently applicable and may change. The value of any tax relief depends on personal circumstances.

Management charges on some funds are charged to capital and therefore a reduction in capital may occur.

Depending on the fund, the value of your investment may change with currency movements.

Corporate information

Manager

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

Directors

Andrew Moss PUTM Director, Chief Executive
Phoenix Life;

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

Mike Urmston Non Executive Director of PUTM;

Nick Poyntz-Wright Non Executive Director of PUTM.

Registrar and correspondence address

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and regulated by the Financial Conduct Authority and the
Prudential Regulation Authority.

Independent Auditor

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Atria One
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Authorised status

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

Notes

Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **phoenixunittrust.co.uk**

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

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

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