

PHOENIX UNIT TRUST MANAGERS

MANAGER'S INTERIM REPORT

For the half year: 1 October 2022 to 31 March 2023 (unaudited)

PUTM BOTHWELL EURO SOVEREIGN FUND



Contents

Investment review	2-4
Portfolio of investments	5-7
Top ten purchases and sales	8
Statistical information	9-11
Statements of total return & change in unitholders' funds	12
Balance sheet	13
Distribution table	14
Appendix	15-16
Corporate information	17-18

Investment review

Dear Investor

Welcome to the PUTM Bothwell European Sovereign Fund interim report for the six months to 31 March 2023.

Performance Review

Over the review period, the PUTM Bothwell European Sovereign Fund returned -0.6%. (Source: FactSet, Gross of AMC, GBP, based on the movement in the Cancellation Price for six months to 31/03/2023). This was compared with a return of -0.9% by its benchmark index. (Source: Datastream, JP Morgan EMU AAA All Maturities Index, Total Return, GBP for six months to 31/03/2023).

In the table below you can see how the Fund performed against its benchmark index.

Standardised Past Performance

	Mar 22-23 % growth	Mar 21-22 % growth	Mar 20-21 % growth	Mar 19-20 % growth	Mar 18-19 % growth
PUTM Bothwell European Sovereign Fund	-7.5	-6.5	-5.3	6.2	2.7
Benchmark Index	-8.2	-6.2	-5.0	5.8	2.5

Source: Fund performance is Aberdeen Standard Investments, Gross of AMC, GBP, based upon the movement in the Cancellation Price to 31 March for each year. Benchmark Index performance is Datastream, JP Morgan EMU AAA All Maturities Index, Total Return, GBP to 31 March for each year.

Past Performance is not a guide to future performance

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

The value of units and the income from them can go down as well as up and is not guaranteed. You may not get back the full amount invested.

Investment review

Portfolio and Market Review

Over the past six months, the Fund delivered a slightly stronger performance than its benchmark. Yet there were significant short-term swings while investor sentiment was determined by inflation, central bank policy expectations and more recently worries over the health of the global banking system.

During the fourth quarter of 2022, the Fund delivered a strong performance relative to its benchmark. In October 2022, in reaction to September's Gilt market turmoil, the Bank of England (BoE) widened the scope of daily Gilt-buying operations to include inflation-linked government bonds. Gilts recovered some lost ground in October and November, outperforming other core government bond market peers, before weakening again in December in tandem with other global fixed income markets. Amid the political chaos, the BoE lifted rates by 75 basis points (bps) in November and a further 50bps in December, taking the cash rate to 3.5%.

Many of the portfolio's structural positions for higher yields performed well over the fourth quarter, while tactical trading also produced positive returns. Curve positioning was the largest positive contributor to performance. UK curve positioning for higher longer-dated yields versus medium-dated yields had a strong quarter. This was because the longer end rebounded higher after the emergency intervention by the BoE in response to the liability-driven investment crisis in September. European curve exposure was also a strong positive. Our received medium-term European government bonds versus 30-year German yields, added during the quarter, performed very well. Duration strategies boosted performance. Our short German bund trade was the top performer here. Australian duration trading was modestly negative, but this was more than offset by underweight exposure in US and UK duration. Relative value strategies added modestly. Our recently added NextGenerationEU (NGEU) versus Germany trade was a top performer. Meanwhile, our underweight France versus Germany 10-year futures position also boosted returns. This was because heavy supply expectations and reduced European Central Bank (ECB) support weighed on sentiment for semi-core and peripheral yields in Europe after December's ECB press conference. On the other side of the ledger, our UK front-end long versus short 10-year government bond trade underperformed as 10-year rates were unable to keep up with the rise in front-rated yields. Nevertheless, this remains one of our most favoured trades and we continue to hold the position into 2023.

In terms of activity over the fourth quarter, while the Fund traded duration from both short and long, it was primarily positioned for higher yields via shorts in 10-year bunds and

curve steeper positions across the UK, Europe and the US. We added a long-dated steepening strategy in UK government bonds, selling 30-year yields versus 10-year yields following the shock flattening into the end of the quarter as the BoE intervened to avert a meltdown in the UK pension fund industry. This caused significant inversion across the curve which looked out of line with the medium-term reality of higher bond issuance and greater term premium. Medium-term rates in the Eurozone looked extremely elevated versus 30-year German yields, so we added a relative value strategy, receiving 5y5y European rates versus selling 30-year German bunds. Tactical trading involved buying and selling liquid 10-year futures contracts in bunds, gilts and US Treasuries. This aimed to oppose the extreme price action experienced throughout the quarter while keeping headline Fund duration broadly flat compared to the benchmark. Two additional strategies were added. A long 30-year NGEU versus Germany position was added. NGEU paper had underperformed significantly in the year to date, and we felt that relative valuations of 90bps over German yields offered attractive risk reward into 2023 and beyond. Additional steepening risk in the US was also added, buying two-year and five-year bonds and selling 10-year bonds. This is in line with our longer term view that there will be a re-steepening of curves from extreme levels of inversion in 2023. A short France versus Germany 10-year strategy was added in the middle of the quarter to position the Fund for increased Eurozone risk premium and wider semi-core spreads, as monetary tightening by the ECB and quantitative tightening would cause France to underperform versus Germany. Relative value strategy additions included a Netherlands butterfly trade (long belly versus wings). This was achieved by buying 20-year bonds while selling 10-year and 30-year bonds. Heading into the end of the review period, the Fund reduced exposure to Australia by selling 10-year futures.

2023 initially started on a positive note and bond markets were robust in January, supported by lower energy prices. Investors began to believe inflation could fall gradually, and cash inflows drove government bond yields lower. However, falling unemployment and stickier inflation dominated February data, creating an ugly environment for bonds, and hawkish central bank rhetoric pushed the yield curve higher and flatter. This changed again in March as fears mounted about the banking system. Silicon Valley Bank (SVB) was shuttered by US regulators due to solvency concerns. In Europe, Credit Suisse became the next victim, culminating in a purchase by UBS that included Swiss government guarantees. In March, central banks hiked rates in Europe, the UK and the US. Government bond yields subsequently fell sharply as investors began to call the end of the rate-hiking cycle. Overall, yields ended the quarter lower.

Investment review

As a result, the first quarter of 2023 saw bond volatility pick up significantly as shorts were squeezed. Worries of the health of the financial system violently whipsawed markets and resulted in additional portfolio activity and the Fund modestly underperformed the benchmark during the quarter.

Our longer-term strategies performed relatively well. However, the Fund made some duration trades that suffered under extreme market reversals. Our longer-term forward steepening strategy performed strongly. After the extraordinary flattening inversion that occurred in 2022, pressure eased on the curve, and forward yields started to re-normalise between 10-year and 30-year rates. We aim to maintain the strategy over a multi-year horizon. Tactical trading was negative, and awkward reversals in key markets caught the Fund offside. In many cases, our stop-loss management worked against us as the market proceeded to move in our direction after the decision to stop out of strategy. We still believe that rigorous stop loss management is key to long-term performance; however, during this period, it has proven particularly painful for the Fund. Our position in UK duration suffered, particularly in February. We had looked to tactically hedge what we saw as expensive valuations of the position. However, when the BoE's Monetary Policy Committee member Huw Pill endorsed an easier policy stance, we stepped out of the duration hedge. But almost immediately following this move, yields began to move higher, prompting Mr Pill to come out with a complete change of tone, fuelling the upward movement in yields. US curve trading also proved difficult. Violent moves in the curve damaged confidence in the Fund's key position in five-year/30-year steepeners. There were multiple false dawns for the multi-year steepening we expect and, once more, our stop-loss management caused some awkward cuts to positions. Relative value strategies in Europe made losses. Our NGEU versus Germany position suffered after being the top performer in the previous quarter. We continue to favour the position. Our underweight France versus Germany 10-year futures position generated small losses, and we removed the position in February.

In terms of activity in the first quarter, the Fund was primarily positioned for higher yields via shorts in 10-year German bunds and curve steepener positions across the UK, Europe and the US. We increased the size of our European forward curve steepener in January. We believe this offers one of the best risk/rewards from a low volatility strategy in 2023. Having entered the year long of duration, the Fund sold duration in January across EU and US government bonds. This took the Fund short duration into the middle of January. As yields continued to lurch lower, the Fund covered these shorts heading into and coming out of the January central bank meetings. A relatively dovish statement from US Federal Reserve Chair Jerome Powell caused a significant move lower in US yields, and this dragged all markets along. As

yields continued to push lower, the Fund stepped out of key short duration positions that had been added as hedges to longer-term trades. The Fund added a flattening strategy in Australian futures, short three-year versus long 10-year. The curve had steepened aggressively following the mini-banking crisis, which caused significant outperformance of front-dated bonds. The flattening strategy generated a positive return for the Fund and was unwound later in the quarter. The Fund later added a received swaps position versus a short 10-year Germany position. We expect that, during 2023, we will see significant pressure on cash bonds versus swaps as heavy supply weighs on markets. At the same time, we expect to see central banks rowing back on hawkish rhetoric as inflation rolls over. We view this as a longer-term strategy for the Fund, which we expect to hold over a multi-month horizon. The Fund ended the review period long of duration, primarily through Australian government bonds. We remained short of European duration via bunds, with long exposure in UK short-dated government bonds.

Market Outlook and Fund Strategy

The failures of SVB and Credit Suisse will have a big impact on investor psychology. While inflation remains a problem, there is now a concern that central banks may have moved too far too fast on policy normalisation. We will probably see further episodes of market stress arise as we uncover the next victim of the abrupt shift in global central bank policy away from easy money. This leaves policymakers in a difficult position, as inflation remains uncomfortably high. Over the medium term, we believe that economic fragility will short-circuit the rate hiking cycle and force a pause. We reduced overall risk exposure as yields lurched lower, but retain a core overweight in the 0-5-year part of the curve. Once the central bank pivot comes, markets will begin to focus on significant rate cuts. We prefer long exposure in UK gilts and US Treasuries and, to a lesser degree, in Australia and Canada, which have already signalled a pause. Europe remains the most vulnerable to higher yields. The safe-haven nature of government bonds was evident through the latest mini-banking crisis, and yields are appealing from a historical perspective.

Portfolio of investments

Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Government Bonds (30/09/22 – 98.20%)		97.12
	Germany (30/09/22 – 77.62%)		76.52
€412,000	Bundesobligation 0% 13/10/2023	357	1.04
€515,600	Bundesobligation 0% 18/10/2024	435	1.27
€420,600	Bundesobligation 0% 11/04/2025	350	1.02
€682,600	Bundesobligation 0% 10/10/2025	563	1.64
€606,500	Bundesobligation 0% 10/04/2026	495	1.44
€516,100	Bundesobligation 0% 09/10/2026	417	1.21
€562,800	Bundesobligation 0% 16/04/2027	450	1.31
€533,300	Bundesobligation 1.3% 15/10/2027	448	1.30
€129,800	Bundesobligation 2.2% 13/04/2028	113	0.33
€716,000	Bundesrepublik Deutschland 0% 15/08/2026	580	1.69
€562,800	Bundesrepublik Deutschland 0% 15/11/2027	444	1.29
€701,400	Bundesrepublik Deutschland 0% 15/11/2028	543	1.58
€649,600	Bundesrepublik Deutschland 0% 15/08/2029	494	1.44
€727,800	Bundesrepublik Deutschland 0% 15/02/2030	548	1.60
€870,200	Bundesrepublik Deutschland 0% 15/08/2030	649	1.89
€250,600	Bundesrepublik Deutschland 0% 15/08/2030	187	0.54
€727,500	Bundesrepublik Deutschland 0% 15/02/2031	537	1.56
€755,500	Bundesrepublik Deutschland 0% 15/08/2031	551	1.60
€209,123	Bundesrepublik Deutschland 0% 15/08/2031	153	0.45
€556,800	Bundesrepublik Deutschland 0% 15/02/2032	401	1.17
€584,700	Bundesrepublik Deutschland 0% 15/05/2035	386	1.12
€649,600	Bundesrepublik Deutschland 0% 15/05/2036	418	1.22
€864,200	Bundesrepublik Deutschland 0% 15/08/2050	410	1.19
€665,100	Bundesrepublik Deutschland 0.25% 15/02/2027	539	1.57
€623,500	Bundesrepublik Deutschland 0.25% 15/08/2028	492	1.43
€649,500	Bundesrepublik Deutschland 0.25% 15/02/2029	507	1.48
€664,957	Bundesrepublik Deutschland 0.5% 15/02/2025	561	1.63
€741,800	Bundesrepublik Deutschland 0.5% 15/02/2026	616	1.79
€716,200	Bundesrepublik Deutschland 0.5% 15/08/2027	582	1.69
€614,100	Bundesrepublik Deutschland 0.5% 15/02/2028	495	1.44
€464,000	Bundesrepublik Deutschland 1% 15/08/2024	398	1.16
€680,000	Bundesrepublik Deutschland 1% 15/08/2025	575	1.67
€337,303	Bundesrepublik Deutschland 1% 15/05/2038	243	0.71
€463,500	Bundesrepublik Deutschland 1.5% 15/05/2024	402	1.17
€202,700	Bundesrepublik Deutschland 1.7% 15/08/2032	170	0.50
€463,400	Bundesrepublik Deutschland 1.75% 15/02/2024	403	1.17
€91,600	Bundesrepublik Deutschland 1.8% 15/08/2053	71	0.21
€103,100	Bundesrepublik Deutschland 2.1% 15/11/2029	89	0.26
€44,400	Bundesrepublik Deutschland 2.3% 15/02/2033	39	0.11
€791,350	Bundesrepublik Deutschland 2.5% 04/07/2044	708	2.06
€818,500	Bundesrepublik Deutschland 2.5% 15/08/2046	738	2.15
€1,564,000	Bundesrepublik Deutschland 3.25% 04/07/2042	1,544	4.49
€597,950	Bundesrepublik Deutschland 4% 04/01/2037	622	1.81
€363,850	Bundesrepublik Deutschland 4.25% 04/07/2039	397	1.16

Portfolio of investments

Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany (continued)		
€296,600	Bundesrepublik Deutschland 4.75% 04/07/2028	291	0.85
€519,800	Bundesrepublik Deutschland 4.75% 04/07/2034	564	1.64
€415,650	Bundesrepublik Deutschland 4.75% 04/07/2040	483	1.41
€442,000	Bundesrepublik Deutschland 5.5% 04/01/2031	476	1.39
€379,800	Bundesrepublik Deutschland 5.625% 04/01/2028	382	1.11
€263,931	Bundesrepublik Deutschland 6.25% 04/01/2024	238	0.69
€246,600	Bundesrepublik Deutschland 6.25% 04/01/2030	270	0.79
€294,500	Bundesrepublik Deutschland 6.5% 04/07/2027	301	0.88
€411,800	Bundesschatzanweisungen 0% 15/09/2023	357	1.04
€463,500	Bundesschatzanweisungen 0% 15/12/2023	399	1.16
€501,800	Bundesschatzanweisungen 0% 15/03/2024	429	1.25
€437,700	Bundesschatzanweisungen 0.2% 14/06/2024	373	1.09
€437,600	Bundesschatzanweisungen 0.4% 13/09/2024	372	1.08
€283,400	Bundesschatzanweisungen 2.2% 12/12/2024	247	0.72
€1,204,000	KFW 0.375% 09/03/2026	983	2.86
	Netherlands (30/09/22 – 20.58%)		20.60
€398,900	Netherlands (Government of) 0% 15/01/2024	343	1.00
€319,700	Netherlands (Government of) 0% 15/01/2026	261	0.76
€403,300	Netherlands (Government of) 0% 15/01/2027	322	0.94
€321,900	Netherlands (Government of) 0% 15/01/2029	244	0.71
€359,200	Netherlands (Government of) 0% 15/07/2030	262	0.76
€385,100	Netherlands (Government of) 0% 15/07/2031	274	0.80
€204,500	Netherlands (Government of) 0% 15/01/2038	120	0.35
€353,100	Netherlands (Government of) 0% 15/01/2052	152	0.44
€512,900	Netherlands (Government of) 0.25% 15/07/2025	427	1.24
€312,500	Netherlands (Government of) 0.25% 15/07/2029	238	0.69
€484,400	Netherlands (Government of) 0.5% 15/07/2026	398	1.16
€348,600	Netherlands (Government of) 0.5% 15/07/2032	254	0.74
€405,400	Netherlands (Government of) 0.5% 15/01/2040	250	0.73
€393,400	Netherlands (Government of) 0.75% 15/07/2027	321	0.93
€438,000	Netherlands (Government of) 0.75% 15/07/2028	351	1.02
€180,200	Netherlands (Government of) 2% 15/01/2054	139	0.40
€445,500	Netherlands (Government of) 2% 15/07/2024	388	1.13
€396,700	Netherlands (Government of) 2.5% 15/01/2033	345	1.00
€153,400	Netherlands (Government of) 2.5% 15/07/2033	133	0.39
€1,063,000	Netherlands (Government of) 3.75% 15/01/2042	1,070	3.11
€459,900	Netherlands (Government of) 4% 15/01/2037	462	1.34
€333,300	Netherlands (Government of) 5.5% 15/01/2028	331	0.96
	Money Market Funds (30/09/22 – 1.12%)		0.66
€133	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Class Z-3+	115	0.33
€112	Aberdeen Standard Liquidity Fund (Lux) - Seabury Sterling Class Z-1+	112	0.33
	Supranational Bonds (30/09/22 – 0.00%)		0.87
€637,922	European Union 0.7% 06/07/2051	300	0.87

Portfolio of investments

Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (30/09/22 – 0.03%)			
Futures (30/09/22 – 0.10%)			
28	CBT US 5 year Note Future June 2023	(11)	(0.02)
(2)	CBT US Ultra Bond Future June 2023	1	-
(8)	Eurex Euro Bund Future June 2023	4	0.01
8	ICF Long Gilt Future June 2023	(4)	(0.01)
(64)	SFE Aus 3 year Bond Future June 2023	-	-
4	SFE Aus 10 year Bond Future June 2023	2	0.01
Interest Rate Swaps – Capital Protection (30/09/22- (1.68%))			
(EUR 540,000)	Morgan Stanley 1.606% 02/08/2057	(140)	(0.41)
EUR 540,000	Morgan Stanley EURIB 02/08/2057	197	0.58
(EUR 210,000)	Morgan Stanley 1.843% 17/01/2058	(62)	(0.18)
EUR 210,000	Morgan Stanley EURIB 17/01/2058	75	0.22
EUR 1,370,000	Morgan Stanley 2.236% 02/08/2037	205	0.60
(EUR 1,370,000)	Morgan Stanley EURIB 02/08/2037	(269)	(0.78)
EUR 510,000	Morgan Stanley 2.638% 17/01/2038	89	0.26
(EUR 510,000)	Morgan Stanley EURIB 17/01/2038	(99)	(0.29)
(GBP 2,300,000)	Morgan Stanley 2.725% 29/11/2032	(241)	(0.70)
GBP 2,300,000	Morgan Stanley SONIA 29/11/2032	271	0.79
EUR 2,600,000	Morgan Stanley 2.876% 29/03/2033	264	0.77
(EUR 2,600,000)	Morgan Stanley EURIB 29/03/2033	(263)	(0.77)
(GBP 740,000)	Morgan Stanley 3.276% 29/11/2032	(93)	(0.27)
GBP 740,000	Morgan Stanley SONIA 29/11/2032	87	0.25
AUD 1,890,000	Morgan Stanley 4.143% 15/07/2032	167	0.49
(AUD 1,890,000)	Morgan Stanley BBSW 15/07/2032	(167)	(0.49)
AUD 1,890,000	Morgan Stanley 4.298% 05/07/2032	174	0.51
(AUD 1,890,000)	Morgan Stanley BBSW 05/07/2032	(168)	(0.49)
GBP 12,890,000	Morgan Stanley 4.413% 24/04/2024	544	1.58
(GBP 12,890,000)	Morgan Stanley SONIA 24/04/2024	(562)	(1.64)
Portfolio of investments ^		33,898	98.66
Net other assets		461	1.34
Net assets		34,359	100.00

Unless otherwise stated, all investments with the exception of Forwards and Interest Rate Swaps 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 counterparty for the Interest Rate Swaps is Morgan Stanley.

^ includes investment liabilities.

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

Credit Ratings	£000	%
Investment grade	33,670	97.99
Unrated	—	—
Total investment in bonds	33,670	97.99

Top ten purchases and sales

For the half year ended 31 March 2023

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Class Z-3	2,386	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Class Z-3	2,518
Aberdeen Standard Liquidity Fund (Lux) - Seabury Sterling Class Z-1	1,543	Aberdeen Standard Liquidity Fund (Lux) - Seabury Sterling Class Z-1	1,600
Bundesrepublik Deutschland 3.25% 04/07/2042	1,280	Bundesrepublik Deutschland 0.5% 15/02/2025	1,185
Netherlands (Government of) 3.75% 15/01/2042	616	Bundesschatzanweisungen 0% 15/09/2023	905
Bundesobligation 0% 10/10/2025	560	Bundesrepublik Deutschland 1.25% 15/08/2048	710
Bundesobligation 1.3% 15/10/2027	516	Bundesrepublik Deutschland 1.5% 15/02/2023	621
Netherlands (Government of) 0.5% 15/01/2040	511	Netherlands (Government of) 0.5% 15/01/2040	575
Bundesobligation 0% 18/10/2024	437	Bundesschatzanweisungen 0.4% 13/09/2024	570
Bundesrepublik Deutschland 1.7% 15/08/2032	434	Netherlands (Government of) 2.75% 15/01/2047	560
Bundesschatzanweisungen 0% 15/03/2024	426	Netherlands (Government of) 1.75% 15/07/2023	488
Subtotal	8,709	Subtotal	9,732
Other purchases	7,599	Other sales	10,138
Total purchases for the half year	16,308	Total sales for the half year	19,870

Statistical information

Comparative table

	31/03/23 pence	Class 'B' Accumulation		30/09/20 pence
		30/09/22 pence	30/09/21 pence	
Change in net assets per unit				
Opening net asset value per unit	108.73	125.51	136.56	133.19
Return before operating charges*	(0.70)	(16.71)	(10.99)	3.45
Operating charges	(0.05)	(0.07)	(0.06)	(0.08)
Return after operating charges*	(0.75)	(16.78)	(11.05)	3.37
Distributions on accumulation units	(0.54)	(0.19)	(0.05)	(0.25)
Retained distributions on accumulation units	0.54	0.19	0.05	0.25
Closing net asset value per unit	107.98	108.73	125.51	136.56
* after direct transaction costs of: ^	0.08	0.03	–	–

Performance

Return after charges	(0.69%)	(13.37%)	(8.09%)	2.53%
----------------------	---------	----------	---------	-------

Other information

Closing net asset value (£000)	34,359	38,314	42,101	56,656
Closing number of units	31,818,299	35,237,020	33,542,859	41,488,749
Operating charges	0.08%	0.06%	0.05%	0.06%
Direct transaction costs	0.07%	0.03%	0.00%	0.00%

Prices⁺

Highest unit price (pence)	111.66	126.96	139.37	139.87
Lowest unit price (pence)	105.10	107.87	124.14	122.59

^ 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

Investment objective

The Fund aims to provide a total return (a combination of capital growth and income) by outperforming the benchmark (before fees) by 0.3% to 0.8% per annum over any given 3 year period.

The benchmark is the JPM Euro Gov Bond AAA All Mats Index (the "Index").

Investment policy

The Fund aims to achieve its objective by investing over 70% in fixed, floating rate index linked securities issued by supranational bodies and government bodies across all maturities that are denominated in Euros. The Fund will invest in a broad range interest bearing securities selected from issues denominated in Euros and with the ability to have some exposure to other currencies.

The Fund may also invest in other transferable securities, units in collective investment schemes and may hold up to 20% of its assets in money market instruments, deposits, cash and near cash. The Fund may, at the Investment Adviser's discretion, hold in excess of 20% of its assets in money market instruments, deposits, cash near cash on a temporary basis in exceptional market circumstances, if deemed to be in the best interests of Unitholders.

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

Revenue distribution and pricing

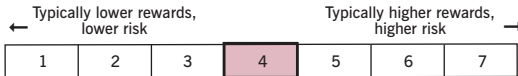
Units of the Fund are available as Class 'B' accumulation units (where revenue is reinvested to enhance the unit price). There will be two potential distributions in each accounting year: an interim distribution as at 31 March and a final distribution as at 30 September.

At each distribution the net revenue after deduction of expenses, arising in the preceding six months 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 4 (30/09/22: 4) because funds of this type have experienced average rises and falls in value in the past. The above figure applies to the following unit class:

- 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:

- 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.
- 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.

30 May 2023

Craig Baker, Director
Andrew Moss, Director

Interim financial statements

For the half year ended 31 March 2023

Statement of total return

	31/03/23		31/03/22	
	£000	£000	£000	£000
Income				
Net capital losses		(466)		(3,007)
Revenue	187		8	
Expenses	(11)		(10)	
Interest payable and similar charges	(7)		(2)	
Net revenue/(expense) before taxation	169		(4)	
Taxation	–		–	
Net revenue/(expense) after taxation		169		(4)
Total deficit before distributions		(297)		(3,011)
Distributions		(170)		–
Change in unitholders' funds from investment activities		(467)		(3,011)

Statement of change in unitholders' funds

	31/03/23		31/03/22	
	£000	£000	£000	£000
Opening net assets		38,314		42,101
Amounts receivable on issue of units	1,110		3,191	
Amounts payable on cancellation of units	(4,768)		(1,761)	
		3,658		1,430
Change in unitholders' funds from investment activities		(467)		(3,011)
Retained distributions on accumulation units		170		–
Closing net assets		34,359		40,520

*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.

Interim financial statements

As at 31 March 2023

Balance sheet

	31/03/23		30/09/22	
	£000	£000	£000	£000
Assets:				
Fixed assets:				
Investments		34,011		38,281
Current assets:				
Debtors	206		1,765	
Cash and bank balances	286		1,148	
Total current assets		492		2,913
Total assets		34,503		41,194
Liabilities:				
Investment liabilities		(113)		(821)
Creditors:				
Bank overdraft	(24)		(345)	
Other creditors	(7)		(1,714)	
Total creditors		(31)		(2,059)
Total liabilities		(144)		(2,880)
Net assets		34,359		38,314
Unitholders' funds		34,359		38,314

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 30 September 2022 are described in those financial statements.

Distribution table

For the half year ended 31 March 2023

Interest distributions

Interim distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased 1 October 2022 to 31 March 2023

	Gross income	Equalisation	2023 pence per unit payable 31 May	2022 pence per unit paid 31 May
Class 'B' Accumulation				
Group 1	0.5354	—	0.5354	—
Group 2	0.5319	0.0035	0.5354	—

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.

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	1.41

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£474,162	1.38

* 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

Issuer	Collateral	
	Holding	Fair value £000
Government of Japan 0.9% 20/06/2042	82,000,000	497
Government of Japan 0.4% 20/06/2040	250,000	1

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £000
Citigroup Global Markets	474

Aggregate Data

Type and quality of collateral

Type	Quality*	Fair value £000
Bonds	Investment grade	498
		498

* 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.

Appendix

Maturity tenor of collateral

Maturity	Fair value £000
Rolling Maturity	498
	498

Currency of collateral

Currency	Fair value £000
Sterling	498
	498

Maturity tenor of SFTs

Maturity	Fair value £000
Rolling Maturity	474
	474

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	1	–	82.00	1
	1	–		1

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

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

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.

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 UK 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
Birmingham B47 6WG
Tel: 0345 584 2803
Registered in England – No.03588031
Authorised and regulated by the Financial Conduct Authority.

Directors

Brid Meaney PUTM Director, Chief Executive
Phoenix Life;

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

Timothy Harris Non Executive Director of PUTM;

Nick Poyntz-Wright Non Executive Director of PUTM.

Registrar and correspondence address

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

Investment Adviser

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

Trustee

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

Independent Auditor

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

Authorised status

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

Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **phoenixunittrust.co.uk**

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

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

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

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

*Authorised and regulated by the Financial Conduct Authority.