

PHOENIX UNIT TRUST MANAGERS

## MANAGER'S ANNUAL REPORT

For the year: 2 May 2024 to 1 May 2025

PUTM UK STOCK MARKET FUND





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

# Investment review

## Dear Investor

Welcome to the PUTM UK Stock Market Fund annual report for the 12 months to 01 May 2025.

## Performance Review

Over the review period, the accumulation units in the PUTM UK Stock Market Fund returned 8.08% (Source: State Street Global Advisors (SSGA) for 12 months to 01/05/25). Over the same period, the FTSE 100 Index returned 8.21%. (Source: SSGA. Total return, 12 months to 01/05/25).

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

## Standardised Past Performance

	May 24 - 25 % growth	May 23 - 24 % growth	May 22 - 23 % growth	May 21 - 22 % growth	May 20 - 21 % growth
PUTM UK Stock Market Fund	8.08	7.56	8.46	12.60	22.21
FTSE 100 Index	8.21	7.66	8.17	12.35	22.15

Source: Fund performance is SSGA to 01 May for each year. Prior to 2023, source is FactSet.  
Benchmark index performance is SSGA; FTSE 100 Index to 01 May for each year. Prior to 2023, source is FactSet

## Past performance is not a guide to future performance.

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

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

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# Investment review

## Market Review

The FTSE 100 Index, home to multinational companies, rose over the period and outperformed the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy.

The performance of the FTSE 100 Index lagged that of global equities overall, given its large number of defensive shares. However, it also contains several energy and mining companies, which supported the index's return as commodity prices ended the period well above where they were after the outbreak of the war in Eastern Europe in early 2022. In late May, Prime Minister Rishi Sunak announced a snap UK general election for 4 July, as he looked to capitalise on an improving economic environment. However, the Labour Party subsequently secured a substantial majority, as anticipated. In October, the new government's first Budget featured approximately £40 billion in tax increases aimed at strengthening fiscal stability, along with a commitment to increased borrowing intended to stimulate growth. Chancellor Rachel Reeves then announced £14 billion of fiscal tightening measures in March's Spring Statement to help improve the UK's public finances.

The Bank of England (BoE) kept its Bank Rate unchanged for most of the period before cutting it by 25 basis points in August, November and February, bringing it to 4.50%. The headline rate of UK annual consumer inflation fell from 2.8% in February to 2.6% in March, which was below expectations but still above the BoE's 2% target.

## Market Outlook

Following a turbulent period for global markets since the start of 2025, uncertainty continues to dominate, with key questions remaining about the extent of US tariffs, the health of the US economy, and US–China trade relations – all of which have significant implications for global growth and inflation. The UK, however, is relatively well positioned amid potential trade disruptions, thanks to its services-oriented economy and the trade agreement reached with the US in early May. Meanwhile, the Bank of England is expected to continue cutting interest rates in response to slowing growth and easing inflation. Despite weaker UK business and consumer confidence, pockets of optimism are emerging, particularly in housebuilding and segments of retail. Unemployment remains low, consumers are benefiting from real wage growth, and balance sheets are healthy, creating conditions for greater spending in the future.

## Portfolio of investments (unaudited)

### Investments held at 1 May 2025

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>United Kingdom (01/05/24 – 98.07%)</b>		<b>98.26</b>
	<b>Aerospace &amp; Defence (01/05/24 – 3.65%)</b>		<b>5.51</b>
7,041,441	BAE Systems	121,641	2.46
19,729,294	Rolls-Royce	150,850	3.05
	<b>Banks (01/05/24 – 11.13%)</b>		<b>13.76</b>
33,600,601	Barclays	99,676	2.02
41,420,871	HSBC Holdings	346,568	7.01
141,903,723	Lloyds Banking Group	101,121	2.04
17,197,119	NatWest Group	82,013	1.66
4,609,166	Standard Chartered	50,747	1.03
	<b>Beverages (01/05/24 – 3.20%)</b>		<b>3.22</b>
474,377	Coca Cola	18,444	0.37
477,752	Coca-Cola Europacific Partners	32,344	0.66
5,155,475	Diageo	108,162	2.19
	<b>Chemicals (01/05/24 – 0.31%)</b>		<b>0.19</b>
321,500	Croda International	9,442	0.19
	<b>Electricity (01/05/24 – 0.89%)</b>		<b>0.87</b>
2,534,362	SSE	43,148	0.87
	<b>Electronic &amp; Electrical Equipment (01/05/24 – 0.40%)</b>		<b>0.49</b>
873,345	Halma	24,192	0.49
	<b>Equity Investment Instruments (01/05/24 – 0.81%)</b>		<b>0.99</b>
938,313	Alliance Witan	10,903	0.22
1,124,454	Foreign & Colonial Investment Trust	11,784	0.24
2,847,907	Scottish Mortgage Investment Trust	26,292	0.53
	<b>Financial Services (01/05/24 – 3.95%)</b>		<b>5.14</b>
2,153,052	3i Group	91,311	1.85
612,683	Intermediate Capital Group	11,696	0.24
1,152,508	London Stock Exchange	134,152	2.71
5,017,711	M&G Prudential	10,412	0.21
1,942,358	Schroders	6,538	0.13
	<b>Fixed Line Telecommunications (01/05/24 – 0.38%)</b>		<b>0.59</b>
2,359,246	Airtel Africa	4,027	0.08
14,686,019	BT Group	25,311	0.51
	<b>Food &amp; Drug Retailers (01/05/24 – 1.32%)</b>		<b>1.42</b>
4,430,758	Sainsbury (J)	11,901	0.24
15,631,097	Tesco	58,163	1.18
	<b>Food Producers (01/05/24 – 0.43%)</b>		<b>0.30</b>
718,639	Associated British Foods	14,833	0.30
	<b>Forestry &amp; Paper (01/05/24 – 0.33%)</b>		<b>0.23</b>
1,015,532	Mondi	11,491	0.23

## Portfolio of investments (unaudited)

### Investments held at 1 May 2025

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Gas, Water &amp; Multiutilities (01/05/24 – 2.88%)</b>		<b>3.55</b>
11,749,091	Centrica	18,540	0.38
11,331,047	National Grid	122,262	2.47
608,506	Severn Trent	16,898	0.34
1,572,988	United Utilities Group	17,861	0.36
	<b>General Industrials (01/05/24 – 0.92%)</b>		<b>0.30</b>
794,924	Smiths Group	14,921	0.30
	<b>General Retailers (01/05/24 – 2.77%)</b>		<b>2.99</b>
20,552,873	Haleon	79,745	1.61
5,805,093	JD Sports Fashion	4,600	0.09
4,152,414	Kingfisher	12,030	0.25
4,727,880	Marks & Spencer	18,183	0.37
268,617	Next Group	33,107	0.67
2,928	RELX (EUR)	119	0.00
	<b>Healthcare Equipment &amp; Services (01/05/24 – 0.62%)</b>		<b>0.63</b>
3,763,666	Convatec Group	9,710	0.20
1,971	NMC Health*	–	0.00
2,013,038	Smith & Nephew	21,539	0.43
	<b>Household Goods (01/05/24 – 2.43%)</b>		<b>2.48</b>
3,361,335	Barratt Developments	15,798	0.32
232,094	Beakerly Group Holdings	9,739	0.20
738,275	Persimmon	9,657	0.19
1,601,141	Reckitt Benckiser	77,607	1.57
8,227,852	Taylor Wimpey	9,799	0.20
	<b>Industrial Engineering (01/05/24 – 0.80%)</b>		<b>0.69</b>
591,544	IMI	10,500	0.21
169,526	Spirax Sarco Engineering	9,926	0.20
597,057	Weir Group	13,517	0.28
	<b>Industrial Metals (01/05/24 – 0.00%)</b>		<b>0.00</b>
8,238	Evrax*	–	0.00
	<b>Leisure Goods (01/05/24 – 0.00%)</b>		<b>0.24</b>
76,669	Games Workshop	11,677	0.24
	<b>Life Insurance (01/05/24 – 2.38%)</b>		<b>2.62</b>
6,295,588	Aviva	35,394	0.72
13,666,688	Legal & General	32,212	0.65
6,133,625	Prudential	49,682	1.00
1,278,491	St James's Place	12,414	0.25
	<b>Media (01/05/24 – 4.17%)</b>		<b>4.99</b>
3,100,592	Informa	23,335	0.47
1,554,817	Pearson	18,518	0.38
4,332,586	RELX	176,683	3.58
1,817,809	Rightmove	13,459	0.27
2,487,241	WPP	14,431	0.29

## Portfolio of investments (unaudited)

### Investments held at 1 May 2025

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Mining (01/05/24 – 7.56%)</b>		<b>5.43</b>
2,884,604	Anglo American	60,562	1.23
797,954	Antofagasta	13,318	0.27
463,502	Endeavour Mining	9,752	0.20
419,866	Fresnillo	4,199	0.09
28,263,480	Glencore	69,359	1.40
2,479,283	Rio Tinto	110,936	2.24
	<b>Mobile Telecommunications (01/05/24 – 0.71%)</b>		<b>0.71</b>
47,570,695	Vodafone Group	35,155	0.71
	<b>Non-Life Insurance (01/05/24 – 0.64%)</b>		<b>0.88</b>
674,820	Admiral Group	22,080	0.45
1,504,243	Beazley	13,403	0.27
746,134	Hiscox	8,185	0.16
	<b>Oil &amp; Gas Producers (01/05/24 – 13.01%)</b>		<b>9.38</b>
37,382,836	BP	126,877	2.57
14,112,004	Shell	336,783	6.81
	<b>Personal Goods (01/05/24 – 5.15%)</b>		<b>5.45</b>
5,654,387	Unilever	269,598	5.45
	<b>Pharmaceuticals &amp; Biotechnology (01/05/24 – 12.12%)</b>		<b>10.31</b>
3,474,980	AstraZeneca	366,610	7.42
9,274,689	GSK	135,735	2.74
371,198	Hikma Pharmaceuticals	7,424	0.15
	<b>Real Estate Investment Services (01/05/24 – 0.41%)</b>		<b>0.54</b>
1,731,624	Land Securities	10,338	0.21
2,727,349	Polar Capital Technology Trust	8,182	0.17
936,533	Unite Group	8,157	0.16
	<b>Real Estate Investment Trusts (01/05/24 – 0.83%)</b>		<b>0.87</b>
4,579,139	Londonmetric Property	8,851	0.18
342,377	Pershing Square Holdings	12,497	0.25
3,141,575	Segro Real Estate Investment Trust	21,501	0.44
	<b>Software &amp; Computer Services (01/05/24 – 0.87%)</b>		<b>0.94</b>
2,067,228	Auto Trader Group	17,509	0.35
2,324,895	Sage Group	28,980	0.59
	<b>Support Services (01/05/24 – 5.26%)</b>		<b>4.69</b>
1,011,841	Ashtead Group	40,636	0.82
1,172,101	Babcock International	9,418	0.19
765,606	Bunzl	17,839	0.36
227,856	DCC (London listed)	11,156	0.23
310,571	Diploma	12,280	0.25
2,132,788	Experian Group	80,235	1.62
1,272,408	Howden Joinery Group	9,976	0.20
371,953	Intertek Group	17,043	0.35

## Portfolio of investments (unaudited)

### Investments held at 1 May 2025

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Support Services (continued)</b>		
2,974,946	Melrose Industries	12,882	0.26
5,864,356	Rentokil Initial	20,244	0.41
	<b>Tobacco (01/05/24 – 3.03%)</b>		<b>4.22</b>
4,586,370	British American Tobacco	149,103	3.02
1,932,908	Imperial Brands	59,630	1.20
	<b>Travel &amp; Leisure (01/05/24 – 4.71%)</b>		<b>3.64</b>
3,959,368	Compass Group	99,578	2.01
1,480,580	EasyJet	7,474	0.15
1,418,832	Entain	9,387	0.19
368,165	InterContinental Hotels	29,932	0.61
8,355,247	International Consolidated Airlines	22,317	0.45
417,895	Whitbread	11,174	0.23
	<b>Money Markets (01/05/24 – 0.00%)</b>		<b>1.04</b>
51,320	abrdn Liquidity Fund (Lux) – Seabury Sterling Class Z-1 ~	51,327	1.04
	<b>Futures (01/05/24 – 0.00%)</b>		<b>0.01</b>
973	ICF FTSE 100 Index Future June 2025	197	0.01
	<b>Portfolio of investments</b>	<b>4,908,844</b>	<b>99.31</b>
	<b>Net other assets</b>	<b>34,263</b>	<b>0.69</b>
	<b>Net assets</b>	<b>4,943,107</b>	<b>100.00</b>

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.

\*These shares are currently suspended.

The counterparty for the Futures is Merrill Lynch.

~SICAV (open ended investment schemes registered outside the UK).

# Top ten purchases and sales

For the year ended 1 May 2025

Purchases	Cost £000	Sales	Proceeds £000
AstraZeneca	481,261	Shell	52,131
Shell	413,864	HSBC Holdings	47,014
HSBC Holdings	314,029	AstraZeneca	37,296
Unilever	307,019	Unilever	27,672
BP	175,066	BP	21,231
GSK	165,609	DS Smith	20,077
RELX	163,241	RELX	14,804
British American Tobacco	146,394	British American Tobacco	13,906
Diageo	135,360	GSK	12,377
London Stock Exchange	126,095	London Stock Exchange	11,638
<b>Subtotal</b>	2,427,938	<b>Subtotal</b>	258,146
<b>Other purchases</b>	2,826,543	<b>Other sales</b>	320,134
<b>Total purchases for the year</b>	5,254,481	<b>Total sales for the year</b>	578,280

# Statistical information

## Comparative tables

	Class 'A' Accumulation		
	01/05/25 pence	01/05/24 pence	01/05/23 pence
<b>Change in net assets per unit</b>			
Opening net asset value per unit	480.27	443.53	412.36
Return before operating charges*	39.85	37.04	31.45
Operating charges	(0.14)	(0.30)	(0.28)
Return after operating charges*	39.71	36.74	31.17
Distributions on accumulation units	(18.23)	(16.19)	(14.47)
Retained distributions on accumulation units	18.23	16.19	14.47
Closing net asset value per unit	519.98	480.27	443.53
*after direct transaction costs of: ^	0.06	0.15	0.12

## Performance

Return after charges	8.27%	8.28%	7.56%
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## Other information

Closing net asset value (£000)	31,783	33,224	34,419
Closing number of units	6,112,409	6,917,815	7,760,292
Operating charges	0.03%	0.07%**	0.07%
Direct transaction costs	0.01%	0.03%	0.03%

## Prices+

Highest unit price (pence)	537.90	483.60	450.10
Lowest unit price (pence)	471.80	415.50	382.50

^ 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.

\*\*From May 2024, the operating charges % excludes a synthetic OCF for underlying closed ended investments held.

# Statistical information

## Comparative tables

	Class 'B' Accumulation** 01/05/25 pence
<b>Change in net assets per unit</b>	
Opening net asset value per unit	100.00
Return before operating charges*	5.06
Operating charges	(0.01)
Return after operating charges*	5.05
Distributions on accumulation units	(2.13)
Retained distributions on accumulation units	2.13
Closing net asset value per unit	105.05
*after direct transaction costs of: ^	0.01

## Performance

Return after charges	5.05%
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## Other information

Closing net asset value (£000)	4,911,324
Closing number of units	4,675,325,055
Operating charges	0.01%
Direct transaction costs	0.01%

## Prices+

Highest unit price (pence)	108.70
Lowest unit price (pence)	95.30

^ 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.

\*\*Class 'B' Accumulation launched on 5 September 2024, hence there are no comparatives.

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# Statistical information

## Investment objective

The PUTM UK Stock Market Fund (the 'Fund') aims to provide a total return (a combination of capital growth and income) by delivering an overall return in line with the FTSE 100 Index (the "Index") before fees.

## Investment policy

The Fund will seek to physically replicate the Index, which consists of a diversified portfolio of UK equities. This process will involve investing in components of the Index, though not necessarily in the same proportions of the Index at all times. Consequently, the Fund may not track the Index exactly but will contain a meaningful exposure to the market. Stock index futures contracts may also be used to manage the cash portion of the Fund. It is intended that the Fund will normally be close to fully invested as outlined above. The Scheme may also invest in deposits and money market instruments and use derivative contracts.

## Investment strategy

It is anticipated that for the Fund that in normal market conditions the tracking error of the Fund will be a maximum of 0.5%.

The tracking error measures the standard deviation of the relative returns. It is the annualised standard deviation of the returns of a fund minus those of its benchmark (relative returns) and not the standard deviation of each fund's unique returns. The lower the tracking error of a fund, the more the fund resembles its benchmark or the market regarding risk and return characteristics. Small differences in returns between the index tracking fund and the index (and tracking error) are due to levels of cash, expenses and portfolio turnover.

## Revenue distribution and pricing

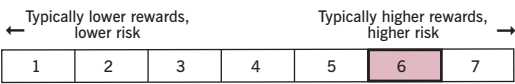
Units of the Fund are available as either Class 'A' or 'B' Accumulation units (where revenue is reinvested to enhance the unit price). There will be two potential distributions in each accounting year: an interim distribution as at 1 November and a final distribution as at 1 May.

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 (01/05/24: 6) because funds of this type have experienced high rises and falls in value in the past. Although this is a high risk ranking it is not the highest. The above figure applies to the following unit classes:

- \* 'A' Accumulation
- \* '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:

- The small differences in the returns between the index tracking Fund and the Index (and tracking error) are due to levels of cash, expenses and portfolio turnover.
- Counterparty Risk: the insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- Derivatives may be used for efficient portfolio management and hedging only.

For more information on the Risk and Reward profiles of our funds, the KIIDs are available free of charge and upon request by contacting Client Services on 0345 584 2803.

# Annual financial statements

For the year ended 1 May 2025

## Statement of total return

	Notes	£000	01/05/25 £000	£000	01/05/24 £000
Income					
Net capital gains	4		150,075		1,345
Revenue	5	104,661		1,203	
Expenses	6	(302)		(20)	
Interest payable and similar charges		(5)		–	
Net revenue before taxation		104,354		1,183	
Taxation	7	(631)		8	
Net revenue after taxation			103,723		1,191
Total return before distribution			253,798		2,536
Distributions	8		(103,722)		(1,191)
Change in net assets attributable to unitholders from investment activities			150,076		1,345

## Statement of change in net assets attributable to unitholders

	£000	01/05/25 £000	£000	01/05/24 £000
Opening net assets attributable to unitholders		33,224		34,419
Amounts receivable on issue of units	108,296		49	
Amounts receivable on in-specie transfer**	5,129,745		–	
Amounts payable on cancellation of units	(579,698)		(3,741)	
		4,658,343		(3,692)
Change in net assets attributable to unitholders from investment activities		150,076		1,345
Retained distributions on accumulation units		101,464		1,152
Closing net assets attributable to unitholders		4,943,107		33,224

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

# Annual financial statements

As at 1 May 2025

## Balance sheet

	Notes	01/05/25 £000	01/05/24 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		4,908,844	32,584
<b>Current assets:</b>			
Debtors	9	26,331	159
Cash and bank balances	10	8,538	617
Total assets		<u>4,943,713</u>	<u>33,360</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Other creditors	11	<u>(606)</u>	<u>(136)</u>
Total liabilities		<u>(606)</u>	<u>(136)</u>
Net assets attributable to unitholders		<u>4,943,107</u>	<u>33,224</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, fluctuations 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 1 May 2025, the last valuation point in the accounting year, in accordance with the Trust Deed.

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

Derivatives are valued as at 12 noon on 1 May 2025, the last valuation point of the accounting year.

### **(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 1 May 2025, the last valuation point in the accounting year.

### **(d) Revenue**

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

### **(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) Stock dividends**

The ordinary element of stocks received in lieu of cash is recognised as revenue. Any excess in value of shares received over the amount of cash forgone would be treated as capital.

### **(g) Derivatives**

Where derivative contracts are used to protect or enhance revenue, the returns derived there from are included in "Revenue" or "Interest payable and similar charges" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the returns derived there from are included in "Net capital gains/(losses) on investments" in the Statement of Total Return. Where positions generate total returns, such returns are apportioned between capital and revenue to properly reflect the nature of the transaction.

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# Notes to the financial statements

## Note 1 Accounting policies (continued)

### (h) Expenses

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

### (i) 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.

### (j) Deferred taxation

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

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

## Note 2 Distribution policies

### (a) Basis of distribution

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

The Fund is not more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg 20) and will pay a dividend distribution.

### (b) Unclaimed distributions

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

### (c) Stock dividends

It is the policy of the Fund, where applicable, to distribute the revenue element of stock dividends.

### (d) Special dividends

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distribution.

## Note 3 Risk management policies

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

### (a) Market price risk

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

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# Notes to the financial statements

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

### **(b) Interest rate risk**

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

### **(c) Foreign currency risk**

A proportion of the Fund's investment portfolio is invested in overseas securities and the Balance sheet can be 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.

Currency risk is the risk that the revenue and net asset value of the Fund may be adversely affected by movements in foreign exchange rates.

### **(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**

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

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

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

# Notes to the financial statements

## Note 4 Net capital gains

The net capital gains during the year comprise:

	01/05/25 £000	01/05/24 £000
Gains on non-derivate securities	148,520	1,339
Gains/(losses) on derivate contracts	1,512	(3)
Currency losses	(6)	–
Handling charges	(2)	(2)
Capital special dividends	51	11
Net capital gains	<u>150,075</u>	<u>1,345</u>

## Note 5 Revenue

	01/05/25 £000	01/05/24 £000
UK dividends	99,919	1,156
UK REIT property income distributions	1,877	13
Overseas dividends	1,240	25
Bank interest	54	9
Liquidity fund interest	1,571	–
Total revenue	<u>104,661</u>	<u>1,203</u>

## Note 6 Expenses

	01/05/25 £000	01/05/24 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them: Manager's periodic charge	<u>167</u>	<u>5</u>
	167	5
(b) Payable to the Trustee or associates of the Trustee and agents of either of them: Trustee's fees	<u>60</u>	<u>1</u>
	60	1
(c) Other expenses: Audit fee	13	9
Safe custody charges	59	1
Printing & stationery	–	1
Professional fees	<u>3</u>	<u>3</u>
	75	14
Total expenses	<u>302</u>	<u>20</u>

Audit fees including VAT for the year were £12,300 (01/05/24: £8,671).

# Notes to the financial statements

## Note 7 Taxation

	01/05/25 £000	01/05/24 £000
(a) Analysis of tax charge for the year		
Corporation tax	613	–
Overseas withholding tax	18	1
Reclaimable tax written off	–	(9)
Total taxation (Note 7(b))	<u>631</u>	<u>(8)</u>
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than that calculated when the standard rate of corporation tax for Authorised Unit Trusts is applied to total revenue return. The differences are explained below:		
Net revenue before taxation	104,354	1,183
Corporation tax at 20% (01/05/24: 20%)	<u>20,871</u>	<u>237</u>
Effects of:		
Revenue not subject to taxation	(20,232)	(237)
Overseas withholding tax	18	1
Reclaimable tax written off	–	(9)
Excess management expenses utilised	<u>(26)</u>	<u>–</u>
Total tax charge for the year (Note 7(a))	<u>631</u>	<u>(8)</u>

Authorised Unit Trusts are exempt from tax on capital gains in the UK.

- (c) Provision for deferred taxation  
At 1 May 2025 the Fund had no potential deferred tax asset (01/05/24: £26,324) in relation to surplus management expenses (01/05/24: £131,143) and no non trading deficits (01/05/24: £477).

## 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:

	01/05/25 £000	01/05/24 £000
Interim	9,697	550
Final	<u>91,767</u>	<u>603</u>
	101,464	1,153
Amounts deducted on cancellation of units	2,738	39
Amounts added on issue of units	<u>(480)</u>	<u>(1)</u>
Net distribution for the year	<u>103,722</u>	<u>1,191</u>
Net revenue after taxation	103,723	1,191
Movement of undistributed revenue	<u>(1)</u>	<u>–</u>
Net distribution for the year	<u>103,722</u>	<u>1,191</u>

Details of the distribution per unit are set out in the tables on pages 24 and 25.

## Note 9 Debtors

	01/05/25 £000	01/05/24 £000
Sales awaiting settlement	1,130	–
Accrued income	<u>25,201</u>	<u>159</u>
Total debtors	<u>26,331</u>	<u>159</u>

# Notes to the financial statements

## Note 10 Cash and bank balances

	01/05/25	01/05/24
	£000	£000
Cash and bank balances	2,576	617
Amounts held at futures clearing houses	5,962	–
Total cash and bank balances	8,538	617

## Note 11 Other creditors

	01/05/25	01/05/24
	£000	£000
Cancellations awaiting settlement	420	124
Manager's periodic charge payable	84	1
Trustee's fees payable	27	–
Safe custody charges payable	43	1
Audit fee payable	12	8
Handling charges payable	2	2
Corporation tax payable	18	–
Total other creditors	606	136

## Note 12 Reconciliation of units

	Class 'A' Accumulation	Class 'B' Accumulation*
Opening units issued at 02/05/24	6,917,815	–
Unit movements in year:		
Units issued	72,123	107,370,972
Units cancelled	(877,529)	(561,790,559)
In-specie transactions	–	5,129,744,642
Closing units at 01/05/25	6,112,409	4,675,325,055

\*Class 'B' Accumulation launched on 5 September 2024.

## Note 13 Contingencies and commitments

At 1 May 2025 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (01/05/24: £nil).

## Note 14 Unitholders' funds

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

The Manager's periodic charge in respect of Class 'A' and Class 'B' units is expressed as an annual percentage of the value of the property of the Fund attributable to each unit class and is currently 0.0150% in respect of Class 'A' units and 0.0050% in respect of Class 'B' units.

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

## Note 15 Related party transactions

The Manager, Phoenix Unit Trust Managers Limited (PUTM) is a related party due to PUTM acting as key management personnel to the Fund and is regarded as a controlling party by virtue of having the ability to act in respect of operation of the Fund.

The Manager is part of the Phoenix Group. Phoenix Life Limited and ReAssure Limited which are also part of the Phoenix Group, is a material unitholder in the Fund and therefore a related party, holding the following percentage of the units at the year end:

	Class 'A'	Class 'B' *
	%	%
As at 01 May 2025:	100.00	100.00
As at 01 May 2024:	100.00	n/a

\* Class 'B' Accumulation launched on 5 September 2024, hence there are no comparatives.

# Notes to the financial statements

## Note 15 Related party transactions (continued)

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

Any balances due to/from the Manager or its associates at the current and prior year end in respect of these transactions are shown in Notes 9 and 11.

## Note 16 Financial instruments

In accordance with the investment objective, the Fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- derivative transactions which the Fund may also enter into, the purpose of which is to manage the currency and market risks arising from the Fund's investment activities; and
- cash and short term debtors and creditors arising directly from operations.

### Counterparty exposure

The economic exposure of future derivative contracts is equal to the market value.

### Currency exposure

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

Currency	Net currency assets			Net currency assets		
	01/05/25		Total exposure	01/05/24		Total exposure
	Monetary exposure	Non-monetary exposure		Monetary exposure	Non-monetary exposure	
	£000	£000	£000	£000	£000	£000
Sterling	30,482	4,907,896	4,938,378	443	31,765	32,208
Euro	403	948	1,351	12	819	831
US Dollar	3,378	-	3,378	185	-	185
	34,263	4,908,844	4,943,107	640	32,584	33,224

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, currency exposure risk on accrued income.

### Interest profile

At the year end date, 1.21% (01/05/24: 1.86%) 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 abrdn 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 £236,465 (01/05/24: £nil). A five percent decrease would have an equal and opposite effect.

# Notes to the financial statements

## Note 16 Financial instruments (continued)

### 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 £245,442,202 (01/05/24: £1,629,207). A five percent decrease would have an equal and opposite effect.

## Note 17 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 September 2024.

- 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 01/05/25

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	4,857,320	–	–	4,857,320
Derivatives	197	–	–	197
Money market funds	51,327	–	–	51,327
	4,908,844	–	–	4,908,844

### For the year ended 01/05/24

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	32,584	–	–	32,584
	32,584	–	–	32,584

## Note 18 Portfolio transaction costs

### For the year ended 01/05/25

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total purchases costs</b>								
Equity transactions	150,905	7	–	545	0.36	–	–	151,457
Corporate actions	140	–	–	–	–	–	–	140
In-specie transactions	5,102,884	–	–	–	–	–	–	5,102,884
Total	5,253,929	7		545		–		5,254,481

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total sales costs</b>								
Equity transactions	562,274	(12)	–	–	–	(1)	–	562,261
Corporate actions	16,019	–	–	–	–	–	–	16,019
Total	578,293	(12)		–		(1)		578,280

The Fund has paid £18,707 as commission on purchases and sales of derivatives transactions for the year ended 01/05/25.

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

Commission	0.00%
Taxes	0.01%
Other expenses	0.00%

# Notes to the financial statements

## Note 18 Portfolio transaction costs (continued)

For the year ended 01/05/24

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total purchases costs</b>								
Equity transactions	2,011	–	–	9	0.44	1	0.05	2,021
Corporate actions	17	–	–	–	–	–	–	17
Total	2,028	–		9		1		2,038
	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total sales costs</b>								
Equity transactions	4,417	(1)	(0.02)	–	–	–	–	4,416
Corporate actions	161	–	–	–	–	–	–	161
Total	4,578	(1)		–		–		4,577

The Fund has paid £10 as commission on purchases and sales of derivatives transactions for the year ended 01/05/24.

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

Commission 0.00%

Taxes 0.03%

Other expenses 0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

At the Balance sheet date the portfolio dealing spread was 0.06% (01/05/24: 0.05%) being the difference between the respective bid and offer prices for the Fund's investments.

# Distribution tables

For the year ended 1 May 2025

## Interim distribution in pence per unit

Group 1: units purchased prior to 2 May 2024  
Group 2: units purchased 2 May 2024 to 1 November 2024

	Net income	Equalisation	2025 pence per unit paid 1 Jan	2024 pence per unit paid 1 Jan
<b>Class 'A' Accumulation</b>				
Group 1	8.5942	—	8.5942	7.4745
Group 2	4.8092	3.7850	8.5942	7.4745
<b>Class 'B' Accumulation*</b>				
Group 1	0.1807	—	0.1807	n/a
Group 2	0.0370	0.1437	0.1807	n/a

\* Class 'B' Accumulation launched on 5 September 2024, hence there are no comparatives.

# Distribution tables

For the year ended 1 May 2025

## Final distribution in pence per unit

Group 1: units purchased prior to 2 November 2024  
Group 2: units purchased 2 November 2024 to 1 May 2025

	Net income	Equalisation	2025 pence per unit payable 1 Jul	2024 pence per unit paid 1 Jul
<b>Class 'A' Accumulation</b>				
Group 1	9.6331	—	9.6331	8.7159
Group 2	4.4452	5.1879	9.6331	8.7159
			2025 pence per unit payable 1 Jul	2024 pence per unit paid 1 Jul
<b>Class 'B' Accumulation*</b>				
Group 1	1.9502	—	1.9502	n/a
Group 2	1.2408	0.7094	1.9502	n/a

\* Class 'B' Accumulation launched on 5 September 2024, hence there are no comparatives.

## Equalisation

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

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## Responsibilities of the manager and the trustee

- a) The Collective Investment Schemes sourcebook published by the FCA, (“the COLL Rules”) require the Manager to prepare financial statements for each annual and interim accounting period which give a true and fair view of the financial position of the Fund and of the net revenue and the net capital gains on the property of the Fund for the year.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules. The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

- b) The Depositary in its capacity as Trustee of PUTM UK Stock Market Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together “the Regulations”), the Trust Deed and Prospectus (together “the Scheme documents”) as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (“the AFM”), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

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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 UK Stock Market Fund of the PUTM UK Stock Market Funds ("the Trust") for the Period Ended 01 May 2025**

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

HSBC Bank plc

14 August 2025

### **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

Michael Eakins, Director

14 August 2025

William Swift, Director

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# Independent auditor's report to the unitholders of the PUTM UK Stock Market Fund

## Opinion

We have audited the financial statements of PUTM UK Stock Market Fund ("the Fund") for the year ended 1 May 2025 which comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Balance sheet, the Related notes and Distribution tables for the Fund and the accounting policies set out on pages 15 and 16.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 1 May 2025 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going Concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Fund will continue in operation.

## Fraud and breaches of laws and regulations - ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser; and
- Reading board minutes.

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# Independent auditor's report to the unitholders of the PUTM UK Stock Market Fund

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

## **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Other information**

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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# Independent auditor's report to the unitholders of the PUTM UK Stock Market Fund

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year 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 matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

## **Manager's responsibilities**

As explained more fully in its statement set out on page 26, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders 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 Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Grant Archer**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
319 St Vincent Street  
Glasgow  
14 August 2025

# 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.

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 2024

	Headcount	Total remuneration
<b>Phoenix Unit Trust Managers</b>	2	85,616.40
of which		
Fixed Remuneration	2	56,532.92
Variable Remuneration	1	29,083.47
Carried Interest	n/a	
<b>Highest paid Director's Remuneration</b>		<b>19,581.99</b>

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## Corporate information (unaudited)

The Directors are employed by fellow entities of the Group. The total compensation paid to the Directors of the Manager is in respect of services to the Manager, irrespective of which entity within the Phoenix Group has paid the compensation. Please note that due to the employment structure and resourcing practices of the Group, the staff indicated in this table may also provide services to other companies in the Group.

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

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

Total remuneration can include any of the following;

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

Senior Management includes – PUTM Board and PUTM Executive Committees.

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

### Assessment of Value

We are required to perform an annual Assessment of Value for each unit class of the PUTM UK Stock Market Fund. A consolidated report has been published on the PUTM website which can be found in the 'Accounts and report' section. This is published within 4 months of the annual 'reference date' of 31 December 2024.

The Assessment of Value consolidated report can be accessed using the following link:

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

### Fund Climate Report

We're working towards a more sustainable way of investing. For the latest information about what we're doing and our fund climate report, go to <https://www.thephoenixgroup.com/phoenix-unit-trust-managers/>.

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

## Directors

<b>Michael Eakins</b>	PUTM Director, Phoenix Group Chief Investment Officer;
<b>William Swift</b> (appointed 31 March 2025)	PUTM Director, Phoenix Group Financial Controller;
<b>Frances Clare MacLachlan</b> (resigned 30 March 2025)	PUTM Director, Chief Finance Officer SLF UK, Sun Life of Canada;
<b>Martin John Muir</b> (appointed 20 March 2025)	Non Executive Director of PUTM;
<b>Timothy Harris</b>	Non Executive Director of PUTM;
<b>Ian Craston</b>	Non Executive Director of PUTM;
<b>Nick Poyntz-Wright</b> (resigned 28 February 2025)	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.SC123321  
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

KPMG LLP  
319 St. Vincent Street  
Glasgow  
G2 5AS

## 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](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.