

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 16 May 2022 to 15 May 2023

PUTM BOTHWELL UK LISTED EQUITY INCOME FUND



Contents

Investment review*	2-3
Portfolio of investments*	4-6
Top ten purchases and sales	7
Statistical information*	8-10
Statements of total return & change in net assets attributable to unitholders	11
Balance sheet	12
Notes to the financial statements	13-21
Distribution tables	22
Responsibilities of the manager and the trustee	23
Trustee's report and directors' statement	24
Independent auditor's report	25-27
Appendix	28
Corporate information*	29-31

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

Investment review

Dear Investor

Welcome to the PUTM Bothwell UK Listed Equity Income Fund annual report for the twelve months to 15 May 2023.

Performance Review

(16 May 2022 to 15 May 2023)

The Fund returned 5.8% over the review period, underperforming its benchmark which returned 7.3% over the same period (Source: Franklin Templeton Investments).

The table shows how the Fund performed against its benchmark index over the last discrete one-year periods.

Standardised Past Performance

	May 22-23 % growth	May 21-22 % growth	31/10/20- 15/05/21 % growth	15/05/20 - 30/09/20 % growth	May 19-20 % growth	May 18-19 % growth
PUTM Bothwell UK Listed Equity Income Fund	6.5	9.8	32.5	-2.5	-19.5	-9.0
Benchmark Index	7.8	6.6	30.5	-3.3	-17.9	-2.3

*Benchmark: FTSE All Shares ex Investment Trusts Index

** 31.10.2020 is the Franklin Templeton Performance Inception Date. The Fund changed its Investment Adviser as at COB 30 September 2020. New Investment Adviser appointed from 1 October 2020. There was a performance holiday from 1 October 2020 to 30 October 2020.

Source: Fund performance is Franklin Templeton Investments; and benchmark index performance is FactSet.

Performance data is shown rounded to one decimal place. Gross of fee returns do not include management fees, which would be incurred by a separate account client, and would reduce returns.

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

The humanitarian tragedies witnessed in Ukraine remained at the forefront of investor minds throughout 2022 and into 2023 as supply chain difficulties contributed to already spiralling inflationary pressures across the global economy. Hawkish rhetoric from central banks continued as policymakers grappled with a fine balancing act over tightening too far and the risk of condemning economies to a longer, and deeper, recession. Fiscal policy plans in the UK exacerbated issues culminating in wild swings in the bond market. Consumer focused sectors in the UK bore the brunt of investor worries as earnings projections began to reflect a weaker position for UK household budgets, triggering a crippling cost-of-living crisis.

The fund advanced by 6.45% over the review period, underperforming its benchmark, the FTSE All-Share ex Investment Trusts Index, which returned 7.91% over the same period.

At the sector level, stock selection in and an underweight to banks and stock selection in investment banking and brokerage services detracted from relative performance, as did stock selection in non-life insurance.

Conversely, stock selection in and an overweight to personal goods and electronic and electrical equipment contributed to relative returns, as did stock selection in and an underweight to tobacco.

At the stock level, homebuilder Persimmon was the largest detractor from relative results with the shares declining 30.9%. We continue to believe that value remains in the UK housebuilders as they remain relatively cheap and continue to deliver strong trading updates as fears of a significant housing correction abate.

In contrast, Burberry was one of the top contributors to the fund with the shares advancing 64.2% during the review period. The luxury retailer has benefited from the reopening of China where a significant proportion of revenue is generated.

Outlook and Strategy

The collapse of several regional lenders in the US has yet to show signs of any contagion into European and UK based counterparts. Corporate updates from UK domestic banks outlined this point with limited evidence of deposit flight and further detail on the relative strength and diversification of their deposit bases.

However, the tightening of credit conditions from the banking crisis in the US will likely hamper further efforts for the Federal Reserve to raise rates much further. In contrast, inflation in the UK remains high with further hikes predicted. This more pronounced divergence in monetary policy will have implications for the relative value of the pound which has already been a strong performer year to date. To highlight the severity of the problem for the Bank of England, March inflation figures showed a 5% increase in the United States, a 6.9% increase in the Eurozone and a 10.1% increase in the UK with food prices rising the most in 45 years for example.

The Investment Adviser has some sympathy with the comments from the Bank of England's chief economist Huw Pill implying that to break the cycle of inflation either corporates need to absorb more of their costs and/or workers cannot seek higher pay settlements. Although the impact of energy price increases on inflation have not been as bad as expected, other elements have remained stubbornly high and will likely weigh on sentiment until evidence of real wage growth emerges.

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	UK Equities (15/05/22 – 92.25%)		96.95
	Aerospace & Defence (15/05/22 – 2.05%)		2.47
275,000	BAE Systems	2,697	2.47
	Banks (15/05/22 – 0.00%)		1.57
650,000	NatWest Group	1,721	1.57
	Beverages (15/05/22 – 4.04%)		3.83
195,000	Britvic	1,811	1.66
67,000	Diageo	2,370	2.17
	Chemicals (15/05/22 – 0.00%)		1.35
97,000	Victrex	1,476	1.35
	Electricity (15/05/22 – 2.50%)		2.44
141,000	SSE	2,671	2.44
	Electronic & Electrical Equipment (15/05/22 – 1.63%)		1.68
48,000	Spectris	1,832	1.68
	Financial Services (15/05/22 – 7.55%)		8.44
627,000	Ashmore Group	1,468	1.34
165,000	Close Brothers	1,501	1.37
206,000	IG Group Holdings	1,455	1.33
142,000	Intermediate Capital Group	1,829	1.67
75,000	Rathbone Brothers	1,441	1.32
329,411	Schroders	1,543	1.41
	Food & Drug Retailers (15/05/22 – 1.79%)		
	Food Producers (15/05/22 – 3.21%)		5.84
113,500	Associated British Foods	2,162	1.98
61,000	Cranswick	1,930	1.76
840,000	Tesco	2,295	2.10
	Gas, Water & Multiutilities (15/05/22 – 3.06%)		2.82
266,000	National Grid	3,087	2.82
	General Industrials (15/05/22 – 3.23%)		3.72
685,000	Smith (DS)	2,146	1.96
116,000	Smiths Group	1,921	1.76
	General Retailers (15/05/22 – 1.99%)		1.62
26,000	Next Group	1,772	1.62
	Healthcare Equipment & Services (15/05/22 – 1.58%)		1.68
55,676	NMC Health#	–	0.00
143,000	Smith & Nephew	1,836	1.68
	Household Goods (15/05/22 – 5.74%)		5.48
75,000	Bellway	1,845	1.69
42,000	Reckitt Benckiser	2,733	2.50
1,125,000	Taylor Wimpey	1,413	1.29

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrial Engineering (15/05/22 – 3.15%)		3.63
270,000	Bodycote	1,856	1.70
130,000	IMI	2,113	1.93
	Life Insurance (15/05/22 – 5.90%)		7.46
610,000	Aviva	2,518	2.30
1,100,000	Legal & General	2,560	2.34
730,000	M&G Prudential	1,461	1.34
143,000	St.James's Place	1,619	1.48
	Media (15/05/22 – 3.80%)		4.25
282,000	Informa	1,976	1.81
108,000	RELX	2,672	2.44
	Mining (15/05/22 – 2.95%)		4.96
84,000	Anglo American	1,999	1.83
69,000	Rio Tinto	3,424	3.13
	Mobile Telecommunications (15/05/22 – 1.50%)	1.19	
1,445,000	Vodafone Group	1,301	1.19
	Non-Life Insurance (15/05/22 – 1.53%)		0.02
21,652	Saga	25	0.02
	Oil & Gas Producers (15/05/22 – 9.74%)		10.80
1,201,000	BP	5,785	5.29
250,000	Shell	6,030	5.51
	Personal Goods 15/05/22 – 6.23%)		7.41
88,300	Burberry Group	2,230	2.04
135,500	Unilever	5,871	5.37
	Pharmaceuticals & Biotechnology 15/05/22 – 8.48%)		7.83
45,000	AstraZeneca	5,399	4.94
215,000	GSK	3,159	2.89
	Real Estate Investment Services (15/05/22 – 1.50%)		
	Real Estate Investment Trusts (15/05/22 – 0.00%)		3.09
870,000	LondonMetric Property	1,651	1.51
278,000	Land Securities	1,724	1.58
	Support Services (15/05/22 – 2.91%)		3.37
56,000	Bunzl	1,779	1.63
13,000	Intertek Group	537	0.49
310,000	PageGroup	1,366	1.25
	Tobacco (15/05/22 – 6.15%)		
	Travel & Leisure (15/05/22 – 0.04%)		
	Australia (15/05/22 – 2.22%)		
	Mining (15/05/22 – 2.22%)		
	Channel Islands (15/05/22 – 3.19%)		1.95
	Media (15/05/22 – 1.90%)		1.95
238,500	WPP	2,130	1.95

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Support Services (15/05/22 – 1.29%)		
	Ireland (15/05/22 – 2.21%)		1.75
	Support Services (15/05/22 – 2.21%)		
41,000	DCC (London listed)	1,908	1.75
	Portfolio of investments	110,048	100.65
	Net other liabilities	(715)	(0.65)
	Net assets	<u>109,333</u>	<u>100.00</u>

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.

#Unlisted

Top ten purchases and sales

For the year ended 15 May 2023

Purchases	Cost £000	Sales	Proceeds £000
Anglo American	2,482	British American Tobacco	3,880
NatWest Group	1,839	Imperial Brands	3,538
Victrex	1,688	BHP Group	2,367
LondonMetric Property	1,543	Ferguson Newco	1,733
Taylor Wimpey	1,429	Persimmon	1,425
Ashmore Group	969	Direct Line Insurance Group	1,247
BP	903	Shell	1,063
Rathbone Brothers	688	Unilever	995
Aviva	621	BP	912
Shell	575	AstraZeneca	808
Subtotal	12,737	Subtotal	17,968
Other purchases	6,944	Other sales	7,980
Total purchases for the year	19,681	Total sales for the year	25,948

Statistical information

Comparative table

	15/05/23	Class 'B' Income 15/05/22	15/05/21
	pence	pence	pence
Change in net assets per unit			
Opening net asset value per unit	108.14	102.57	83.14
Return before operating charges*	6.20	10.25	23.19
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges*	6.17	10.22	23.16
Distributions on income units	(4.91)	(4.65)	(3.73)
Closing net asset value per unit	109.40	108.14	102.57
* after direct transaction costs of:	0.11	0.26	0.30

Performance

Return after charges	5.71%	9.96%	27.86%
----------------------	-------	-------	--------

Other information

Closing net asset value (£000)	109,333	115,488	90,850
Closing number of units	99,942,185	106,793,758	88,573,946
Operating charges	0.03%	0.02%	0.03%
Direct transaction costs	0.10%	0.25%	0.33%

Prices*

Highest unit price (pence)	114.53	112.26	106.20
Lowest unit price (pence)	96.90	100.07	80.16

*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 achieve a gross income yield higher than the yield on the FTSE All Share ex IT Index (the "Index") and outperform the benchmark (before fees) by 0.5% to 1% per annum over any given 3 year period. The benchmark is the FTSE All Share ex IT Index (the "Index").

Investment policy

The Fund aims to achieve its objective by investing at least 85% of the portfolio in shares of UK companies. The Fund will focus on companies which have the prospect of producing a dividend yield in excess of the yield on the Index. The Fund can also invest up to 15% in UK bonds and/or in overseas investments.

The Fund's holdings will typically consist of equities or "equity related securities" which will include convertible stocks, stock exchange listed warrants, depository receipts, and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the Investment Adviser, influenced significantly by the stock market performance of the company's ordinary shares. The Fund may also invest in other transferable securities, which are non-approved securities (essentially unlisted securities), money-market instruments, deposits, cash and near cash and other collective investment schemes. Derivatives may be used for efficient portfolio management and hedging only.

Investment strategy

Although at least 85% of the Fund is invested in components of the Index, the Fund is actively managed. The Investment Adviser uses research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions. The Investment Adviser references the Index, which means that while the Fund is not required to match the weightings of the Index and does not concentrate on any particular sector, the Fund is managed within constraints, so that divergence from the Index is controlled. The Fund's portfolio may, therefore, be similar to the components of the Index.

Revenue distribution and pricing

Units of the Fund are available as Class 'B' Income (where revenue is distributed to unitholders). There will be two potential distributions in each accounting year: an interim distribution as at 15 November and a final distribution as at 15 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 (15/05/22: 6) because funds of this type have experienced high rises and falls in value in the past. Although this is a high risk ranking it is not the highest. The above figure applies to the following unit class:

- Class 'B' Income

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 level of income is not guaranteed.
- The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective.

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

Annual financial statements

For the year ended 15 May 2023

Statement of total return

	Notes	15/05/23		15/05/22	
		£000	£000	£000	£000
Income					
Net capital gains	4		981		5,985
Revenue	5	5,135		5,078	
Expenses	6	<u>(30)</u>		<u>(25)</u>	
Net revenue before taxation		5,105		5,053	
Taxation	7	<u>(22)</u>		<u>(34)</u>	
Net revenue after taxation			<u>5,083</u>		<u>5,019</u>
Total return before distributions			6,064		11,004
Distributions	8		(5,091)		(5,027)
Change in net assets attributable to unitholders from investment activities			<u>973</u>		<u>5,977</u>

Statement of change in net assets attributable to unitholders

	15/05/23		15/05/22	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		115,488		90,850
Amounts receivable on issue of units	3,732		31,078	
Amounts payable on cancellation of units	<u>(10,860)</u>		<u>(12,417)</u>	
		(7,128)		18,661
Change in net assets attributable to unitholders from investment activities		973		5,977
Closing net assets attributable to unitholders		<u>109,333</u>		<u>115,488</u>

Annual financial statements

As at 15 May 2023

Balance sheet

	Notes	15/05/23		15/05/22	
		£000	£000	£000	£000
Assets:					
Fixed assets:					
Investments			110,048		115,333
Current assets:					
Debtors	9	682		1,982	
Cash and bank balances	10	1,096		994	
Total current assets			<u>1,778</u>		<u>2,976</u>
Total assets			<u>111,826</u>		<u>118,309</u>
Liabilities:					
Creditors:					
Other creditors	11	(189)		(330)	
Distribution payable		<u>(2,304)</u>		<u>(2,491)</u>	
Total liabilities			<u>(2,493)</u>		<u>(2,821)</u>
Net assets attributable to unitholders			<u>109,333</u>		<u>115,488</u>

Notes to the financial statements

Note 1 Accounting policies

(a) Basis of preparation

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

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

(b) Valuation of investments

The quoted investments of the Fund have been valued at bid dealing prices as at close of business on 15 May 2023, 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.

(c) Foreign exchange

Transactions in foreign currencies during the year are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business 15 May 2023, 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.

Any commission arising from stocklending is recognised on an accruals basis and is disclosed net of fees.

(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.

Notes to the financial statements

Note 1 Accounting policies (continued)

(f) Expenses

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

(g) Taxation

The charge for taxation is based on taxable income for the year less allowable expenses. UK dividends and franked distributions from UK collective investment schemes are disclosed net of any related tax credit.

Overseas dividends, unfranked distributions from UK collective investment schemes, and distributions from overseas collective investment schemes are disclosed gross of any tax suffered, the tax element being separately disclosed in the taxation note.

(h) 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 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) Special dividends

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

(d) Distributions from collective investment schemes

It is the policy of the Fund to distribute revenue from both income and accumulation distributions.

(e) Expenses

In determining the net revenue available for distribution, charges in relation to the safe custody and management of investments are ultimately borne by capital.

Notes to the financial statements

Note 3 Risk management policies

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

(a) Market price risk

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

(b) Interest rate risk

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

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

(c) Foreign currency risk

The Fund has no significant exposure to foreign currency risk.

(d) Liquidity risk

The Fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. To manage these risks the Manager performs market research in order to achieve the best price for any transactions entered into on behalf of the Fund. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

(e) Counterparty risk

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

(f) Derivatives

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

There were no derivatives held during the year or at the year end.

Notes to the financial statements

Note 4 Net capital gains	15/05/23 £000	15/05/22 £000
The net capital gains during the year comprise:		
Gains on non-derivative securities	982	5,971
Handling charges	(1)	(2)
Capital special dividends	–	16
Net capital gains	<u>981</u>	<u>5,985</u>

Note 5 Revenue	15/05/23 £000	15/05/22 £000
UK dividends	4,716	4,762
UK REIT property income distributions	134	112
Overseas dividends	255	200
Stocklending commission	1	2
Underwriting commission	-	1
Bank interest	29	1
Total revenue	<u>5,135</u>	<u>5,078</u>

Note 6 Expenses	15/05/23 £000	15/05/22 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them: Manager's periodic charge	<u>6</u>	<u>7</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them: Trustee's fees	<u>5</u>	<u>5</u>
(c) Other expenses: Audit fee	8	7
Safe custody charges	4	3
Printing & stationery	1	1
FTSE licence fees	1	-
Professional fees	5	2
	<u>19</u>	<u>13</u>
Total expenses	<u>30</u>	<u>25</u>

Notes to the financial statements

Note 7 Taxation

	15/05/23 £000	15/05/22 £000
(a) Analysis of tax charge for the year		
Corporation tax	27	18
Overseas withholding tax	(6)	6
Reclaimable tax written off	1	10
Total taxation (Note 7(b))	<u>22</u>	<u>34</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	5,105	5,053
Corporation tax at 20% (15/05/22: 20%)	1,021	1,011
Effects of:		
Revenue not subject to taxation	(994)	(993)
Overseas withholding tax	(6)	6
Reclaimable tax written off	1	10
Total tax charge for the year (Note 7(a))	<u>22</u>	<u>34</u>

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

(c) Provision for deferred taxation

At 15 May 2023, there is no potential deferred tax asset (15/05/22: £nil) in relation to surplus management expenses.

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:

	15/05/23 £000	15/05/22 £000
Interim	2,681	2,556
Final	2,304	2,491
	<u>4,985</u>	<u>5,047</u>
Amounts deducted on cancellation of units	136	157
Amounts added on issue of units	(30)	(177)
Net distribution for the year	<u>5,091</u>	<u>5,027</u>
Net revenue after taxation	5,083	5,019
Expenses taken to capital	10	10
Capital tax balances	(2)	(2)
Net distribution for the year	<u>5,091</u>	<u>5,027</u>

Details of the distribution per unit are set out in the tables on page 22.

Notes to the financial statements

Note 9 Debtors	15/05/23	15/05/22
	£000	£000
Sales awaiting settlement	–	1,357
Accrued income	672	620
Overseas tax recoverable	10	5
Total debtors	<u>682</u>	<u>1,982</u>

Note 10 Cash and bank balances	15/05/23	15/05/22
	£000	£000
Cash and bank balances	<u>1,096</u>	<u>994</u>

Note 11 Other creditors	15/05/23	15/05/22
	£000	£000
Cancellations awaiting settlement	163	186
Purchases awaiting settlement	–	116
Manager's periodic charge payable	1	1
Trustee's fees payable	1	1
Safe custody charges payable	2	–
Audit fee payable	7	8
Handling charges payable	1	–
Corporation tax payable	14	18
Total other creditors	<u>189</u>	<u>330</u>

Note 12 Reconciliation of units	Class 'B' Income
Opening units issued at 15/05/22	106,793,758
Unit movements in year:	
Units issued	3,454,337
Units cancelled	(10,305,910)
Closing units at 15/05/23	<u>99,942,185</u>

Note 13 Contingencies and commitments

At 15 May 2023 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (15/05/22: £nil).

Note 14 Stocklending

The gross earnings and fees paid for the year were £1,559 (15/05/22: £2,544) and £281 (15/05/22: £458) respectively.

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

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

Notes to the financial statements

Note 15 Related party transactions

The Manager is a related party to the Fund by virtue of its controlling influence.

The Manager is part of the Phoenix Group. Phoenix Life Limited which is also part of the Phoenix Group, is a material unitholder in the Fund and therefore a related party, holding 100% of the units in Class 'B' Income at the year end (15/05/22: 100%).

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 unitholders and Note 8.

Any balances due to/from the Manager or its associates at 15 May 2023 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

There was no counterparty exposure held at the year end.

Currency exposure

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

Currency	Net currency assets			Net currency assets		
	15/05/23			15/05/22		
	Monetary exposure	Non-monetary exposure	Total exposure	Monetary exposure	Non-monetary exposure	Total exposure
	£000	£000	£000	£000	£000	£000
Sterling	(809)	110,048	109,239	94	115,333	115,427
Euro	1	-	1	2	-	2
US Dollar	93	-	93	59	-	59
	(715)	110,048	109,333	155	115,333	115,488

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

Interest profile

At the year end date, 1.00% (15/05/22: 0.86%) 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 Aberdeen Standard Liquidity Fund.

Notes to the financial statements

Note 16 Financial instruments (continued)

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

As the majority of the Fund's financial assets are in the base currency of the Fund (Sterling), the Fund is only subject to limited exposure to fluctuations in foreign currency and therefore, no sensitivity analysis has been provided.

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 £5,502,392 (15/05/22: £5,766,643). 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 March 2016.

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 15/05/23

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	110,048	–	–	110,048
	110,048	–	–	110,048

For the year ended 15/05/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	115,333	–	–	115,333
	115,333	–	–	115,333

Notes to the financial statements

Note 18 Portfolio transaction costs

For the year ended 15/05/23

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Equity transactions	19,576	9	0.05	82	0.42	14	0.07	19,681
Total	<u>19,576</u>	<u>9</u>		<u>82</u>		<u>14</u>		<u>19,681</u>
Analysis of total sales costs								
Equity transactions	25,958	(10)	(0.04)	–	–	–	–	25,948
Total	<u>25,958</u>	<u>(10)</u>		<u>–</u>		<u>–</u>		<u>25,948</u>

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

Commission	0.02%
Taxes	0.07%
Other expenses	0.01%

For the year ended 15/05/22

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Equity transactions	48,903	18	0.04	247	0.51	4	0.01	49,172
Total	<u>48,903</u>	<u>18</u>		<u>247</u>		<u>4</u>		<u>49,172</u>
Analysis of total sales costs								
Equity transactions	29,606	(12)	(0.04)	–	–	–	–	29,594
Corporate actions	625	–	–	–	–	–	–	625
Total	<u>30,231</u>	<u>(12)</u>		<u>–</u>		<u>–</u>		<u>30,219</u>

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

Commission	0.03%
Taxes	0.22%
Other expenses	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

At the Balance sheet date the portfolio dealing spread was 0.05% (15/05/22: 0.05%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 15 May 2023

Dividend distributions

Interim distribution in pence per unit

Group 1: units purchased prior to 16 May 2022

Group 2: units purchased 16 May 2022 to 15 November 2022

	Net income	Equalisation	2023 pence per unit paid 15 Jan	2022 pence per unit paid 15 Jan
Class 'B' Income				
Group 1	2.6023	—	2.6023	2.3133
Group 2	1.5599	1.0424	2.6023	2.3133

Final distribution in pence per unit

Group 1: units purchased prior to 16 November 2022

Group 2: units purchased 16 November 2022 to 15 May 2023

	Net income	Equalisation	2023 pence per unit payable 15 Jul	2022 pence per unit paid 15 Jul
Class 'B' Income				
Group 1	2.3057	—	2.3057	2.3330
Group 2	1.5982	0.7075	2.3057	2.3330

Equalisation

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

Responsibilities of the manager and the trustee

- a) The Manager of the Fund is required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the Sourcebook') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and the net revenue or expense and the net gains or losses on the property of the Fund for the period then ended.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed, the Prospectus and the Sourcebook, maintain proper financial records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for Authorised Funds as issued by the IA in May 2014 (amended June 2017) and the Sourcebook and take reasonable steps for the prevention and detection of fraud and other irregularities.

- b) The Depositary in its capacity as Trustee of the PUTM Bothwell UK Listed Equity Income 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.

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 Bothwell UK Listed Equity Income Fund of the PUTM Bothwell Unit Trusts ("the Trust") for the Period Ended 15 May 2023.

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
13 September 2023

HSBC Bank plc

Directors' statement

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

Birmingham
13 September 2023

Craig Baker, Director
Brid Meaney, Director

Independent auditor's report to the unitholders of the PUTM Bothwell UK Listed Equity Income Fund

Opinion

We have audited the financial statements of the PUTM Bothwell UK Listed Equity Income Fund ("the Fund") for the year ended 15 May 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets attributable to Unitholders, the Balance Sheet, the Distribution Tables and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 15 May 2023 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Fund Manager's ("the Manager") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such

Independent auditor's report to the unitholders of the PUTM Bothwell UK Listed Equity Income Fund

material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority ('the FCA')

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 23, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not

Independent auditor's report to the unitholders of the PUTM Bothwell UK Listed Equity Income Fund

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

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

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

Use of our report

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

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

Ernst & Young LLP
Statutory Auditor
Edinburgh
13 September 2023

Appendix (unaudited)

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.

As at 15 May 2023 there were no Securities on loan or collateral held. Thus none of the disclosure is given.

Return and cost

	Gross return £000	Cost £000	% of overall returns	Net return £000
Fund	2	(1)	82.00	1
	2	(1)		1

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

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

Corporate information (unaudited)

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the 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. This statement describes how remuneration and benefits are calculated and identifies the committee which oversees and controls this policy. A paper copy of these details can be requested free of charge from the Manager.

This statement fulfils Phoenix Unit Trust Managers Limited's ('the Manager') obligations as an authorised UK UCITS Manager in respect of compliance with the UCITS V Remuneration Code and contains relevant remuneration disclosures.

PUTM Unit Trusts are managed by Phoenix Unit Trust Managers Limited, which is a subsidiary of Phoenix Life Limited, part of The Phoenix Group plc ('the Group').

The Remuneration Committee ('the Committee') of the Group has established a Remuneration Policy which applies to all entities of the Group. The guiding principles of this policy ensure sound and effective risk management so as not to encourage risk-taking outside of the Group's risk appetite, and support management in the operation of their business through identification of minimum control standards and key controls. The Committee approves the list of UK UCITS Code Staff annually and identified UK UCITS Code Staff are annually notified of their status and the associated implications.

Further information on the Group Remuneration Policy can be found in the Group annual reports and accounts which can be found on www.phoenixgroup.com.

The below table provides detail of remuneration provided, split between fixed and variable remuneration, for UK UCITS Code Staff (defined as all staff whose professional activities have material impact on the risk profiles of the fund it manages).

As at 31 December 2022

	Headcount	Total remuneration
Phoenix Unit Trust Managers	2	99,305.63
of which		
Fixed Remuneration	2	65,211.04
Variable Remuneration	1	34,094.59
Carried Interest	n/a	
Highest paid Director's Remuneration		39,922.40

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 the value for money for each unit class of PUTM Bothwell UK Listed Equity Income Fund. This has been performed based on the information available as at 15 May 2023.

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

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

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

Based on our assessment of the value of each unit class, PUTM can confirm that the Fund meets all of the required Assessment of Value criteria. No immediate action is required.

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

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

Risks

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

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

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

Corporate information (unaudited)

Manager

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

Directors

Brid Meaney PUTM Director, Chief Executive
Phoenix Life;

Craig Baker PUTM Director, Head of
Policyholder Assets;

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

Franklin Templeton Investments
Cannon Place
78 Cannon Street
London EC4N 6HL
Authorised and regulated by the Financial Conduct Authority.

Trustee

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

Independent Auditor

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

Authorised status

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

Notes

Notes

Notes

Notes

Notes

Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **phoenixunittrust.co.uk**

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

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

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

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

*Authorised and regulated by the Financial Conduct Authority.