



**Assessment of Value  
PUTM European Unit Trust  
("the Fund")**

**30 September 2021**

Dear Investor,

### Assessment of Value for PUTM European Unit Trust ("the Fund")

The FCA requires all UK regulated Authorised Fund Managers (AFMs) to perform an annual Assessment of Value ("AoV") for each unit class of each of the funds being managed. Regulations require the output of this assessment to be made publicly available in an annually published report providing investors with a comprehensive view on the value of the funds and context to any corrective action, if any, required by the AFM.

This report has been prepared by Phoenix Unit Trust Managers Limited ("PUTM") to enable you to make an assessment of value of the Fund. It is part of our ongoing dialogue with you to ensure that your objectives are being identified and met.

### Background to Assessment of Value

Assessment of value requires consideration of a specific set of criteria defined by the FCA. These are outlined in the FCAs "seven pillars" which are summarised in this report, along with the outcome of each assessment illustrated by a Red, Amber or Green rating.

In performing the assessment of value, PUTM as the AFM of our funds, have taken into account a combination of factors, including the return achieved, price paid, risk taken and the quality and range of services provided by the asset manager. This has been considered in the context of the investment objectives and policy for the fund, the target investor, the recommended holding period, market comparisons including the ability to take advantage of economies of scale.

### Overall Fund AoV Outcome

PUTM are generally comfortable that the fund meets most of the required Assessment of Value criteria. There are a number of Amber and Red ratings to address as summarised below. Further details are available in the next page.

Fund	Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable market rates	Comparable Services	Classes of Units	Overall Fund Rating
PUTM European Unit Trust (2020)	Green	Amber	Green	Green	Green	Green	Green	Green
PUTM European Unit Trust (2021)	Green	Amber	Green	Green	Green	Green	Green	Amber

### Conclusion:

The Fund underperformed the benchmark over 1, 3 and 5 years. Following internal performance monitoring and strategic planning, the Investment Committee and PUTM Board made the decision to close this Fund effective from December 2021 and in-specie transfer the holdings into the PUTM ACS European ex UK Fund (which has stronger performance metrics and allows for further economies of scale which are of benefit to existing underlying investors within this Fund). All retail investors elected to exit the Fund during closure.

### The Board of Phoenix Unit Trust Managers Limited

## Assessment of Value Criteria

<b>Pillar 1: Quality of Service</b>	
<p>This pillar focuses on the range and quality of services provided to unitholders. When assessing the quality of service provided, the FCA suggests the AFM should have regard to the quality of service it provides and the quality of service provided by a delegated external service provider to the AFM on its behalf. In addition, consideration is made of the quality of the investment process used to make decisions about managing the scheme property. We have also taken into account the level and type of customer complaints, breaches, errors and external service provider issues as appropriate.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> No action required.</p>	
<b>Pillar 2: Performance</b>	
<p>This pillar focuses on performance of the fund. We have assessed performance over an appropriate timescale given the fund's objectives, policy, strategy and risk management. Performance is measured net of all fees and charges. In considering performance, we reviewed (i) Performance over time vs benchmark, being the 1 year, 2-year 5-year cumulative performance vs benchmark; and (ii) Performance vs any specific performance objectives of the fund.</p>	
<p><b>Outcome of assessment:</b> The Fund has underperformed the benchmark over 1, 3 and 5 years.</p>	<b>Amber</b>
<p><b>Action:</b> Following internal performance monitoring and strategic planning, the decision was made to close this existing Fund effective from December 2021 and in-specie transfer holdings into the PUTM ACS European ex UK Fund which has stronger performance metrics and allows for further economies of scale which are of benefit to existing underlying investors within this Fund.</p>	
<b>Pillar 3: AFM costs - general</b>	
<p>This pillar focuses on the fund costs included in the Ongoing Charges (OCF). In considering cost, we have taken account of the total cost of investing, including any adviser charges, platform charges, adviser fees and the on-going annual management charge. We have taken into account the degree of active management, the fund's composition of performance compared to its benchmark, the size of the portfolio and the ability of larger funds to benefit from economies of scale.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> No action required.</p>	
<b>Pillar 4: Economies of Scale</b>	
<p>This pillar is considering whether the AFM is able to achieve savings and benefits from economies of scale to our investors as the assets in our funds grow. This includes the direct and indirect costs of managing our fund ranges and takes into account the value of the fund assets and whether it has grown or contracted in size as a result of investments or redemptions.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> Potential options to improve economies of scale has been considered and approved. This shall involve merging fund into an alternative larger PUTM fund, which has investment objective and policies that align to this fund.</p>	
<b>Pillar 5: Comparable market rates</b>	
<p>This pillar looks at comparing the OCF of each fund to relevant market peers. Here we consider the market rate for any comparable service provided by us as the AFM and any service provided to us by an external service provider.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> No action required.</p>	
<b>Pillar 6: Comparable services</b>	
<p>This pillar looks at the costs internally in relation to each separate charge. We have considered the AFM charges for each fund against comparable services provided across our fund ranges. These should be comparable in terms of size, strategy, target investor, investment objectives and policies.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> No action required.</p>	
<b>Pillar 7: Classes of units</b>	
<p>This pillar looks within each fund to assess whether it is appropriate for unitholders to invest in unit classes which are subject to higher charges than other comparable unit classes in the same fund.</p>	
<p><b>Outcome of assessment:</b> PUTM are comfortable that the fund meets the required Assessment of Value criteria.</p>	<b>Green</b>
<p><b>Action:</b> No action required.</p>	



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

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

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