

PHOENIX UNIT TRUST MANAGERS

## MANAGER'S ANNUAL REPORT

For the year: 1 October 2023 to 30 September 2024

### PUTM BOTHWELL ULTRA SHORT DURATION FUND





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

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# Investment review

## Dear Investor

Welcome to the PUTM Bothwell Ultrashort Duration Fund report for the 12 months to 30 September 2024.

## Performance Review

Over the review period, the PUTM Bothwell Ultrashort Duration Fund returned 5.89% (Source: FactSet, Gross of AMC, GBP, based upon the movement in the Cancellation Price for 12 months to 30/09/2024). This was compared to a return of 5.32% from its benchmark index (Source: FactSet, the Sterling Overnight Interbank Average Rate (SONIA), Total Return, GBP for 12 months to 30/09/2024).

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

## Standardised Past Performance

	Sept 23-24 % growth	Sept 22-23 % growth	Sept 21-22 % growth	16 Dec 20- 30 Sept 21 % growth
<b>PUTM Bothwell Ultrashort Duration Fund</b>	5.89	4.27	0.59	0.12
<b>Benchmark Index</b>	5.32	3.99	0.72	0.04

Source: Fund performance is FactSet, Gross of AMC, GBP, based upon the movement in the Cancellation Price to 30 September for each year. Benchmark index performance is FactSet, Sterling Overnight Interbank Average Rate (SONIA) Gross Return, GBP to 30 September for each year.

## 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.

The fund launched in 2020 therefore there are only 4 years of performance figures.

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# Investment review

## Portfolio Review

The Fund slightly outperformed the index over the review period. The Fund continues to provide strong, stable returns versus its benchmark and money market alternatives as capital appreciation on assets and carry over higher Sterling Overnight Interbank Average (SONIA) rates drove returns. The Fund maintains a strong liquidity position, creating opportunity for new investment as market pricing develops further in the coming months.

The review period got off to a weak start, but this began to change in November; weaker inflation figures and signs of softening employment data were backed up by dovish comments from central banks. There was volatility in the second quarter of 2023, motivated by geopolitical events and elections, particularly those in France, but this subsided after the French and British general elections. Volatility picked up in August, although spreads largely recovered by the end of the period.

Credit spreads spiked in early August, due to three factors. Firstly, alarming US macro data came from a poor employment report, followed by significant downward revisions to the previous year's data. Secondly, geopolitical tensions rose, although this was far from a big driver of credit spreads. Finally, the Federal Reserve was primed to cut rates and markets rushed to price more cuts, while a rate hike in Japan led to the unwind of the yen carry trade. As investors in Japan rushed to sell higher yielding US dollar corporate bond holdings, to cover their domestic shorts. This sent reverberations through the market for a couple of weeks.

At the beginning of August, as widely expected, the Bank of England (BoE) reduced the UK's base rate by 0.25% to 5.00%, its first cut since March 2020. The move came after a close vote, as four of the nine members of the Monetary Policy Committee preferred to maintain interest rates. Governor Andrew Bailey stressed that the bank would not lower rates too far or too quickly. The BoE chose to keep the Bank Rate unchanged at 5.00% in September. While annual consumer price inflation remained steady at 2.2% in August (level with July and above the 2% recorded in June), data from the British Retail Consortium showed that shop prices fell into deflationary territory during the first week of September.

Early in the period, Fund positioning maintained an extended weighted average maturity (WAM) target, adding fixed-rate assets across the longer end of the money market curve. At the start of 2024, trading was anchored

around maintaining an attractive yield level with an advantage sought through concentrating on the steepness of issuer curves and positioning in three to six-month tenors to benefit from the funding needs of issuers. The first quarter also saw the return of new sterling covered bond issuance in the floating rate space with attractive spreads over SONIA. New positions were added to provide carry going forward. As the curve repriced the relative attractiveness of short-dated assets and floating rate notes improved shifting focus to this area.

In the second half of the period, we added to our AAA-rated holdings through prime master trust residential mortgage-backed securities issuance, replacing exposure that was paid down from long held, short weighted average life bonds. In the summer months, we added 1-year and longer maturity bonds to the Fund, before concentrating on floating coupon and shorter maturity fixed rate securities when pricing moved aggressively beyond our expectations for this cutting cycle.

## Market Outlook and Fund Strategy

The outlook for the UK remains anchored around data dependency, however the BoE appears to be looking through day-to-day volatility to a steady reduction to neutral rates over time. At this stage, UK policy rates seem destined to remain higher than other developed market economies. There are several unknown factors for the domestic economy, not least the first Budget for the newly elected Labour government that will be announced on 30 October. The Budget seems set to outline the fiscal policy path of the new administration and will likely have an influence on government yields going forward. We expect the yield curve to likely remain volatile on domestic and global data. We will therefore continue to monitor the pricing in the sterling yield curve looking into late 2024 and 2025.

## Portfolio of investments (unaudited)

### Investments held at 30 September 2024

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Corporate Bonds (30/09/23 – 29.06%)</b>		<b>38.11</b>
£1,500,000	ABN AMRO Bank 5.25% 26/05/2026	1,511	0.17
£9,047,000	Australia New Zealand Banking Group 04/12/2026	9,084	1.04
£9,033,000	Bank of Montreal FRN 14/12/2025	9,066	1.04
£10,000,000	Bank of Nova Scotia 26/01/2026	10,080	1.16
£10,100,000	Bank of Nova Scotia FRN 15/10/2024	10,102	1.16
£10,400,000	Bank of Nova Scotia FRN 14/03/2025	10,435	1.20
£10,500,000	Bank of Nova Scotia FRN 09/03/2027	10,534	1.21
£17,000,000	Banque Fédérative du Crédit Mutuel FRN 26/01/2025	16,998	1.95
£1,215,000	Barclays Bank 13/03/2029	1,217	0.14
£3,600,000	BPCE 1% 22/12/2025	3,437	0.40
£9,500,000	Canadian Imperial Bank of Commerce FRN 13/04/2026	9,532	1.10
£7,500,000	Clydesdale Bank FRN 22/03/2026	7,528	0.87
£8,401,000	Commonwealth Bank of Australia FRN 16/01/2025	8,409	0.97
£8,000,000	Dexia Credit Local 1.25% 21/07/2025	7,778	0.89
£6,000,000	DNB Bank ASA 2.625% 10/06/2026	5,894	0.68
£15,000,000	HSBC Bank FRN 09/03/2025	15,003	1.72
£9,000,000	HSBC UK Bank FRN 20/09/2025	8,980	1.03
£9,910,000	JPMorgan Chase 0.991% 28/04/2026	9,673	1.11
£8,500,000	Metropolitan Life Global Funding FRN 12/09/2025	8,498	0.98
£12,701,000	National Australia Bank FRN 04/02/2025	12,712	1.46
£10,029,000	National Australia Bank FRN 17/06/2026	10,061	1.16
£7,000,000	National Bank of Canada FRN 24/07/2025	7,000	0.80
£5,000,000	National Bank of Canada FRN 05/05/2026	5,045	0.58
£5,380,000	National Westminster Bank FRN 28/03/2029	5,383	0.62
£8,251,000	Nationwide Building Society FRN 10/01/2025	8,259	0.95
£10,000,000	Nationwide Building Society FRN 20/04/2026	10,038	1.15
£3,000,000	Royal Bank of Canada 1.375% 09/12/2024	2,976	0.34
£14,002,000	Royal Bank of Canada FRN 30/01/2025	14,013	1.61
£8,000,000	Royal Bank of Canada FRN 18/03/2027	8,023	0.92
£8,462,000	Royal Bank of Canada FRN 18/01/2028	8,510	0.98
£5,352,000	Santander UK Group 12/07/2027	5,367	0.62
£5,999,000	Toronto Dominion Bank 18/01/2027	6,023	0.69
£19,000,000	Toronto Dominion Bank FRN 22/04/2025	19,019	2.19
£6,222,000	Toronto Dominion Bank FRN 11/06/2029	6,225	0.72
£7,111,000	TSB Bank FRN 15/09/2028	7,149	0.82
£25,469,000	UBS Group 2.75% 08/08/2025	24,991	2.87
£7,000,000	Westpac Banking FRN 03/07/2028	7,007	0.81

## Portfolio of investments (unaudited)

### Investments held at 30 September 2024

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Mortgage Bonds (30/09/23 – 9.32%)</b>		<b>10.71</b>
£7,700,000	Compartment Driver UK Eight FRN 25/09/2031	7,704	0.88
£13,600,000	Economic Master Issuer FRN 25/06/2073	13,364	1.54
£7,333,000	Economic Master Issuer FRN 25/04/2075	6,420	0.74
£3,850,000	Economic Master Issuer FRN 25/04/2075	3,803	0.44
£4,752,000	Friary No.7 FRN 21/10/2070	3,473	0.40
£8,000,000	Holmes Master Issuer FRN 15/10/2072	8,019	0.92
£6,749,000	Holmes Master Issuer FRN 15/10/2072	6,755	0.78
£6,000,000	Lanark Master Issuer FRN 22/12/2069	4,376	0.50
£7,833,000	Permanent Master Issuer FRN 15/07/2073	7,838	0.90
£6,082,000	Permanent Master Issuer FRN 15/07/2073	6,089	0.70
£4,920,000	Permanent Master Issuer FRN 15/07/2073	4,927	0.57
£9,107,000	Silverstone Master Issuer FRN 21/01/2070	8,686	1.00
£6,400,000	Silverstone Master Issuer FRN 21/01/2070	6,402	0.74
£5,250,000	Silverstone Master Issuer FRN 21/01/2070	5,253	0.60
	<b>Money Market (30/09/23 – 5.78%)</b>		<b>7.22</b>
£62,778*	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1+	62,783	7.22
	<b>Certificates of Deposit (30/09/23 - 9.50%)</b>		<b>7.71</b>
£8,000,000	Barclays Bank 5.30% 10/02/2025	8,010	0.92
£8,000,000	Barclays Bank 5.33% 14/02/2025	8,011	0.92
£7,000,000	Danske Bank 5.24% 24/03/2025	7,008	0.81
£5,000,000	DNB Bank ASA 5.83% 22/10/2024	5,002	0.57
£8,000,000	DZ Bank 5.27% 17/02/2025	8,011	0.92
£8,000,000	First Abu Dhabi Bank 4.86% 29/08/2025	8,013	0.92
£6,000,000	Handelsbanken 5.3% 13/12/2024	6,004	0.69
£8,000,000	Société Générale 5.4% 04/02/2025	8,013	0.92
£9,000,000	Société Générale 5.74% 31/10/2024	9,005	1.04
	<b>Commercial Paper (30/09/23 - 19.00%)</b>		<b>30.51</b>
£8,000,000	Abu Dhabi Bank 0% 06/01/2025	7,893	0.91
£8,000,000	Abu Dhabi Bank 0% 03/02/2025	7,863	0.90
£8,000,000	Abu Dhabi Bank 0% 13/03/2025	7,824	0.90
£7,000,000	Bank of America 0% 03/02/2025	6,885	0.79
£2,500,000	Bank of America 0% 07/02/2025	2,458	0.28
£8,000,000	Bank of America 0% 10/03/2025	7,834	0.90
£8,000,000	Bank of Montreal 0% 07/01/2025	7,896	0.91
£8,000,000	Banque Federative 0% 30/05/2025	7,756	0.89
£8,000,000	Barclays Bank 0% 04/03/2025	7,841	0.90
£8,000,000	Bred Banque 0% 15/01/2025	7,889	0.91
£9,000,000	Citibank 0% 03/12/2024	8,921	1.03
£8,000,000	Danske Bank 0% 01/04/2025	7,813	0.90
£8,000,000	DZ Privatebank 0% 05/11/2024	7,962	0.91

## Portfolio of investments (unaudited)

### Investments held at 30 September 2024

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Commercial Paper (continued)</b>		
£8,000,000	DZ Bank 0% 23/05/2025	7,766	0.89
£8,500,000	First Abu Dhabi Bank 0% 12/03/2025	8,319	0.96
£7,500,000	Goldman Sachs 0% 10/01/2025	7,400	0.85
£8,000,000	ING Bank 0% 22/04/2025	7,792	0.90
£4,000,000	Kookmin Bank 0% 23/06/2025	3,861	0.44
£17,000,000	Legal General 0% 29/11/2024	16,865	1.94
£4,500,000	Lloyds Bank 0% 28/10/2024	4,483	0.52
£8,000,000	Lloyds Bank 0% 15/07/2025	7,714	0.89
£10,000,000	Matchpoint Finance 0% 04/10/2024	9,994	1.15
£14,000,000	MMBanco Santander 0% 29/10/2024	13,946	1.60
£8,000,000	MMBanco Santander 0% 21/03/2025	7,825	0.90
£8,000,000	Natixis 0% 05/02/2025	7,864	0.90
£10,000,000	Natixis 0% 19/03/2025	9,778	1.12
£8,000,000	Natwest Markets 0% 12/06/2025	7,747	0.89
£8,000,000	Natwest Markets 0% 07/07/2025	7,725	0.89
£8,000,000	Nordea Bank 0% 10/03/2025	7,834	0.90
£7,000,000	Sbab Bank 0% 06/02/2025	6,883	0.79
£9,000,000	Skandinaviska Enskilden 0% 04/11/2024	8,958	1.03
£8,000,000	Skandinaviska Enskilden 0% 17/04/2025	7,796	0.90
£8,000,000	Swed bank 0% 07/10/2024	7,992	0.92
	<b>Portfolio of investments</b>	819,906	94.26
	<b>Net other assets</b>	49,914	5.74
	<b>Net assets</b>	<u>869,820</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.

+ SICAV(s) (open ended investment scheme registered outside the UK).

\* The currency symbol has been shown as the shares are issued in blocks of £1,000.



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## Top ten purchases and sales

For the year ended 30 September 2024

<b>Purchases</b>	<b>Cost £000</b>	<b>Sales</b>	<b>Proceeds £000</b>
UBS Group 2.75% 08/08/2025	24,719	Matchpoint Finance 0% 28/11/2023	32,827
Matchpoint Finance 5% 30/09/2024	19,909	Matchpoint Finance 0% 02/10/2023	20,000
Matchpoint Finance 0% 29/11/2024	19,837	Norinchukin Bank 0% 23/11/2023	20,000
Norinchukin Bank 0% 21/08/2024	19,741	Norinchukin Bank 0% 23/02/2024	20,000
Matchpoint Finance 0% 28/05/2024	19,740	Matchpoint Finance 0% 28/02/2024	20,000
Norinchukin Bank 0% 23/05/2024	19,739	Norinchukin Bank 0% 23/05/2024	20,000
Matchpoint Finance 0% 28/08/2024	19,734	Matchpoint Finance 0% 28/05/2024	20,000
Matchpoint Finance 0% 28/02/2024	19,729	Norinchukin Bank 0% 21/08/2024	20,000
Norinchukin Bank 0% 23/02/2024	19,726	Matchpoint Finance 0% 28/08/2024	20,000
Legal General 0% 29/11/2024	16,789	Matchpoint Finance 5% 30/09/2024	20,000
<b>Subtotal</b>	<b>199,663</b>	<b>Subtotal</b>	<b>212,827</b>
<b>Other purchases</b>	<b>754,273</b>	<b>Other sales</b>	<b>835,770</b>
<b>Total purchases for the year</b>	<b>953,936</b>	<b>Total sales for the year</b>	<b>1,048,597</b>

# Statistical information

## Comparative table

	30/09/24 pence	Class 'B' Accumulation 30/09/23 pence	30/09/22 pence
<b>Change in net assets per unit</b>			
Opening net asset value per unit	105.33	100.67	100.12
Return before operating charges*	6.22	4.68	0.56
Operating charges	(0.01)	(0.02)	(0.01)
Return after operating charges*	6.21	4.66	0.55
Distributions on accumulation units	(6.08)	(4.27)	(0.86)
Retained distributions on accumulation units	6.08	4.27	0.86
Closing net asset value per unit	111.54	105.33	100.67
* after direct transaction costs of:	–	–	–

## Performance

Return after charges	5.90%	4.63%	0.55%
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## Other information

Closing net asset value (£000)	869,820	974,745	1,290,068
Closing number of units	779,862,359	925,434,705	1,281,442,858
Operating charges	0.02%	0.02%	0.01%
Direct transaction costs	0.00%	0.00%	0.00%

## Prices<sup>+</sup>

Highest unit price (pence)	111.52	105.34	100.74
Lowest unit price (pence)	105.33	100.69	100.10

+ 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.

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# Statistical information

## Investment objective

The PUTM Bothwell Ultra Short Duration Fund (the 'Fund') aims to provide a total return (a combination of capital growth and income) by outperforming 3 month SONIA (before fees) by 0.27% to 0.47% per annum over any given 3 year period.

## Investment policy

The Fund aims to achieve its objective by investing a minimum of 70% in a diversified portfolio of liquid transferable securities such as investment grade short term bonds (which either pay fixed or variable income), money market instruments, asset backed securities and mortgage backed securities available within and outside the UK from UK or non-UK issuers. These may be issued or guaranteed by UK government, other sovereign governments or their agencies, supranational issuers, banks, corporates or other commercial issuers. The maximum duration of the Fund's investments will not exceed 2 years, with the maximum expected maturity of instruments being up to 5 years. The maturity for Asset Backed Securities and/or amortising assets is determined by the expected maturity of such assets rather than the legal maturity at issuance of such securitisations.

In order to pursue its investment policy, the Fund may also invest the Fund's assets in cash, near cash, deposits and units in collective investment schemes. The Fund may make limited use of stock lending, repos and reverse repos.

Derivatives may be used for efficient portfolio management.

## Investment strategy

The Fund's holdings will typically consist of individual bonds but derivatives (including currency forwards and interest rate and credit default swaps) may be used to gain or reduce (hedge) exposure. The Fund is actively managed and the investment manager invests the Fund's assets using the principle of risk diversification to achieve the objective, through active duration and yield curve management. Non-Sterling denominated assets will typically be hedged back to sterling to minimise exposure to currency rate movements.

## Revenue distribution and pricing

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

At each distribution the net revenue after deduction of expenses, 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.

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# Statistical information

## Risk and reward profile

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

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

This Fund is ranked at 1 (30/09/23: 1) because funds of this type have experienced average rises and falls in value in the past. The above figure applies to the following unit class:

- Class 'B' Accumulation

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

- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts.
- Although the Investment Manager will use currency trades to reduce exchange rate risk on investments not priced in Sterling, this may not completely eliminate the Fund's exchange rate risk.
- Derivatives may be used for efficient portfolio management and hedging only.

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](http://www.phoenixunittrust.co.uk).

# Annual financial statements

For the year ended 30 September 2024

## Statement of total return

		30/09/24		30/09/23	
	Notes	£000	£000	£000	£000
Income					
Net capital gains	4		998		3,954
Revenue	5	49,717		40,249	
Expenses	6	(106)		(166)	
Interest payable and similar charges		(32)		–	
Net revenue before taxation		<u>49,579</u>		<u>40,083</u>	
Taxation	7	–		–	
Net revenue after taxation			<u>49,579</u>		<u>40,083</u>
Total return before distributions			50,577		44,037
Distributions	8		(49,594)		(40,152)
Change in unitholders' funds from investment activities			<u>983</u>		<u>3,885</u>

## Statement of change in unitholders' funds

		30/09/24		30/09/23	
		£000	£000	£000	£000
Opening net assets			974,745		1,290,068
Amounts receivable on issue of units		–		31,375	
Amounts payable on cancellation of units		<u>(154,314)</u>		<u>(390,151)</u>	
Change in unitholders' funds from investment activities			(154,314)		(358,776)
Retained distributions on accumulation units			<u>48,406</u>		<u>39,568</u>
Closing net assets			<u>869,820</u>		<u>974,745</u>

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# Annual financial statements

As at 30 September 2024

## Balance sheet

	Notes	£000	30/09/24 £000	£000	30/09/23 £000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investments			819,906		708,295
<b>Current assets:</b>					
Debtors	9	5,358		4,821	
Cash and bank balances	10	47,642		283,486	
Total current assets			<u>53,000</u>	<u></u>	<u>288,307</u>
Total assets			<u>872,906</u>	<u></u>	<u>996,602</u>
<b>Liabilities:</b>					
<b>Creditors:</b>					
Bank overdraft	11	–		(1,961)	
Other creditors	12	(3,086)		(19,896)	
Total creditors			<u>(3,086)</u>	<u></u>	<u>(21,857)</u>
Net assets			<u>869,820</u>	<u></u>	<u>974,745</u>
Unitholders' funds			<u>869,820</u>	<u></u>	<u>974,745</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 close of business on 30 September 2024, 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 on 30 September 2024, the last valuation point in the accounting year.

### (d) Revenue

Interest receivable on bank deposits is accounted for on a receipts basis and money market funds is accounted for on an accruals basis. Interest receivable from debt securities is accounted for on an effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is accounted for as revenue.

### (e) Expenses

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

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# Notes to the financial statements

## Note 1 Accounting policies (continued)

### (f) Taxation

The Fund satisfied the rules of SI 2006/964, Reg 19 throughout the period. All distributions made are therefore made as interest distributions. The Fund has no corporate tax liability as interest distributions are tax deductible.

### (g) 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 accumulated to unitholders.

The Fund is more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg 20) and will pay an interest distribution.

### (b) Unclaimed distributions

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

### (c) Interest from debt securities

Future cash flows on all assets are considered when calculating revenue on an effective interest rate basis and where, in the Manager's view there is doubt as to the final maturity value, an estimate of the final redemption proceeds will be made in determining those cash flows. The impact of this will be to reduce the revenue from debt securities, and therefore the revenue distributed, whilst preserving capital within the Fund.

### (d) Expenses

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

## 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 Fund's assets are comprised of partly fixed interest rate securities. There is therefore a risk that the capital value of investments will vary as a result of the market's sentiment regarding future interest rates.

Expectations of future rates may result in an increase or decrease in the value of investments held. In general, if interest rates rise the revenue potential of the Fund also rises but the value of fixed interest rate securities will decline. A decline in interest rates will in general have the opposite effect.

Any transactions in fixed interest securities 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 interest rate risk, for this Fund.

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) Credit risk**

At the Balance sheet date 37.22% (30/09/23: 29.06%) of the Fund's assets were held in corporate bonds, 10.71% (30/09/23: 9.32%) in mortgage bonds, and 0.89% (30/09/23: Nil) in government bonds..

Corporate and mortgage bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Fund Manager selects bonds taking into account the credit rating, bearing in mind the Fund's objective.

### **(f) 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.

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. 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.

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## Notes to the financial statements

### Note 4 Net capital gains

The net capital gains during the year comprise:

	30/09/24	30/09/23
	£000	£000
Gains on non-derivative securities	970	3,674
Currency gains	35	281
Handling charges	(7)	(1)
Net capital gains	<u>998</u>	<u>3,954</u>

### Note 5 Revenue

	30/09/24	30/09/23
	£000	£000
Interest on debt securities	43,432	35,079
Bank interest	18	73
Liquidity Fund Interest	6,267	5,097
Total revenue	<u>49,717</u>	<u>40,249</u>

### Note 6 Expenses

	30/09/24	30/09/23
	£000	£000
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>44</u>	<u>49</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	<u>30</u>	<u>32</u>
(c) Other expenses:		
Audit fee	13	10
Safe custody charges	15	69
Printing & stationery	1	1
Professional fees	3	5
	<u>32</u>	<u>85</u>
Total expenses	<u>106</u>	<u>166</u>

## Notes to the financial statements

### Note 7 Taxation

	30/09/24 £000	30/09/23 £000
(a) Analysis of tax charge for the year	–	–
Total taxation (Note 7(b))	–	–
(b) Factors affecting the tax charge for the year		
The tax assessed differs from 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	49,579	40,083
Corporation tax at 20% (30/09/23: 20%)	9,916	8,017
Effects of:		
Deductible interest distributions	(9,916)	(8,017)
Total tax charge for the year (Note 7(a))	–	–

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

- (c) Provision for deferred taxation  
No deferred tax asset has been recognised in the year or the prior year.

### 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:

	30/09/24 £000	30/09/23 £000
Interim	23,356	15,714
Final	25,050	23,854
	48,406	39,568
Amounts deducted on cancellation of units	1,188	929
Amounts added on issue of units	–	(345)
Net distribution for the year	49,594	40,152
Net revenue after taxation	49,579	40,083
Expenses taken to capital	15	69
Net distribution for the year	49,594	40,152

Details of the distribution per unit are set out in the tables on page 24.

### Note 9 Debtors

	30/09/24 £000	30/09/23 £000
Accrued income	5,358	4,821
Total debtors	5,358	4,821

### Note 10 Cash and bank balances

	30/09/24 £000	30/09/23 £000
Cash and bank balances	110	–
Call deposit account	–	10,001
Certificates of deposits	–	48,497
Commercial papers	19,837	154,114
Time deposits	27,695	70,874
Total cash and bank balances	47,642	283,486

# Notes to the financial statements

<b>Note 11 Bank overdraft</b>	30/09/24	30/09/23
	£000	£000
Bank overdraft	–	1,961
Total bank overdraft	–	1,961

<b>Note 12 Other creditors</b>	30/09/24	30/09/23
	£000	£000
Purchases awaiting settlement	3,045	19,815
Manager's periodic charge payable	11	8
Trustee's fees payable	10	8
Safe custody charges payable	8	53
Audit fee payable	12	10
Handling charges payable	–	2
Total other creditors	3,086	19,896

## **Note 13 Reconciliation of units**

	Class 'B' Accumulation
Opening units issued at 01/10/23	925,434,705
Unit movements in year:	
Units cancelled	(145,572,346)
Closing units at 30/09/24	779,862,359

## **Note 14 Contingencies and commitments**

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.

## **Note 15 Related party transactions**

The Manager, Phoenix Unit Trust Managers, is a related party 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 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' Accumulation at the year end (30/09/23: 100%).

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 unitholders' funds 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/enters 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 from derivatives at the year end (2023: nil).

### **Currency exposure**

There was no currency exposure at the current or prior year end.

# Notes to the financial statements

## Note 16 Financial instruments (continued)

### Interest profile

The interest rate risk profile of financial assets and liabilities at 30 September 2024 was:

Currency	Fixed rate	Floating rate	Financial assets	Total
	financial assets	financial assets	not carrying interest	
	£000	£000	£000	£000
Sterling	373,147	494,399	5,358	872,904
Euro	–	2	–	2
	<u>373,147</u>	<u>494,401</u>	<u>5,358</u>	<u>872,906</u>
Currency		Floating rate	Financial liabilities	Total
		financial liabilities	not carrying interest	
		£000	£000	£000
Sterling		–	(3,086)	(3,086)
		<u>–</u>	<u>(3,086)</u>	<u>(3,086)</u>

The interest rate risk profile of financial assets and liabilities at 30 September 2023 was:

Currency	Fixed rate	Floating rate	Financial assets	Total
	financial assets	financial assets	not carrying interest	
	£000	£000	£000	£000
Sterling	281,963	653,466	61,173	996,602
	<u>281,963</u>	<u>653,466</u>	<u>61,173</u>	<u>996,602</u>
Currency		Floating rate	Financial liabilities	Total
		financial liabilities	not carrying interest	
		£000	£000	£000
Sterling		(1,961)	(19,896)	(21,857)
		<u>(1,961)</u>	<u>(19,896)</u>	<u>(21,857)</u>

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.

Credit Ratings	30/09/24		30/09/23	
	£000	%	£000	%
Investment grade	358,579	47.36	316,566	48.56
Unrated	398,544	52.64	335,377	51.44
Total investment in bonds	<u>757,123</u>	<u>100.00</u>	<u>651,943</u>	<u>100.00</u>

### Sensitivity analysis

#### Interest rate risk sensitivity

Changes in interest rates or changes in expectation of future interest rates may result in an increase or decrease in the the market value of the investments held. A one percent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of decreasing the return and net assets by £1,913,604 (30/09/23: £1,893,849). A one percent decrease would have an equal and opposite effect.

#### 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.

# 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 £40,995,283 (30/09/23: £35,414,748). 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 30/09/24

Level	1	2	3	Total
<b>Investment assets</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bonds	7,778	749,345	–	757,123
Money markets/Time deposits	62,783	–	–	62,783
	70,561	749,345	–	819,906

### For the year ended 30/09/23

Level	1	2	3	Total
<b>Investment assets</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bonds	–	651,943	–	651,943
Money markets/Time deposits	56,352	–	–	56,352
	56,352	651,943	–	708,295

## Note 18 Portfolio transaction costs

### For the year ended 30/09/24

	Value	Commission		Taxes		Other expenses		Total costs
	£000	£000	%	£000	%	£000	%	£000
<b>Analysis of total purchases costs</b>								
Bond transactions	953,936	–	–	–	–	–	–	953,936
Total	953,936	–	–	–	–	–	–	953,936

	Value	Commission		Taxes		Other expenses		Total costs
	£000	£000	%	£000	%	£000	%	£000
<b>Analysis of total sales costs</b>								
Bond transactions	1,048,597	–	–	–	–	–	–	1,048,597
Total	1,048,597	–	–	–	–	–	–	1,048,597

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

Commission	0.00%
Taxes	0.00%
Other expenses	0.00%

# Notes to the financial statements

## Note 18 Portfolio transaction costs (continued)

For the year ended 30/09/23

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total purchases costs</b>								
Bond transactions	1,481,221	–	–	–	–	–	–	1,481,221
Money markets	104,150	–	–	–	–	–	–	104,150
Total	<u>1,585,371</u>	<u>–</u>		<u>–</u>		<u>–</u>		<u>1,585,371</u>

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
<b>Analysis of total sales costs</b>								
Bond transactions	61,943	–	–	–	–	–	–	61,943
Money markets	96,600	–	–	–	–	–	–	96,600
Corporate actions	1,656,053	–	–	–	–	–	–	1,656,053
Total	<u>1,814,596</u>	<u>–</u>		<u>–</u>		<u>–</u>		<u>1,814,596</u>

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

Commission	0.00%
Taxes	0.00%
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 0.04% (30/09/23: 0.07%) being the difference between the respective bid and offer prices for the Fund's investments.

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## Distribution tables

For the year ended 30 September 2024

### Interest distributions

#### Interim distribution in pence per unit

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased 1 October 2023 to 31 March 2024

	Net income	Equalisation	2024 pence per unit paid 31 May	2023 pence per unit paid 31 May
<b>Class 'B' Accumulation</b>				
Group 1	2.8704	—	2.8704	1.6895
Group 2	2.8704	0.0000	2.8704	1.6895

#### Final distribution in pence per unit

Group 1: units purchased prior to 1 April 2024

Group 2: units purchased 1 April 2024 to 30 September 2024

	Net income	Equalisation	2024 pence per unit payable 29 Nov	2023 pence per unit paid 30 Nov
<b>Class 'B' Accumulation</b>				
Group 1	3.2122	—	3.2122	2.5776
Group 2	3.2122	0.0000	3.2122	2.5776

### 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 accounts 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 the PUTM Bothwell Ultra Short Duration 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 Bothwell Ultra Short Duration Fund of the PUTM Bothwell Range of Unit Trusts ("the Trust") for the Period Ended 30 September 2024**

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  
23 January 2025

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  
23 January 2025

Michael Eakins, Director  
Frances Clare Maclachlan, Director

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# Independent auditor's report to the unitholders of the PUTM Bothwell Ultra Short Duration Fund

## Opinion

We have audited the financial statements of the PUTM Bothwell Ultra Short Duration Fund ("the Fund") for the year ended 30 September 2024 which comprise the Statement of total return, the Statement of change in unitholders' funds, the Balance sheet, the Related notes and Distribution table for the Fund and the accounting policies set out on pages 13 to 14.

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 30 September 2024 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.

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

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# Independent auditor's report to the unitholders of the PUTM Bothwell Ultra Short Duration Fund

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.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial

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# Independent auditor's report to the unitholders of the PUTM Bothwell Ultra Short Duration Fund

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 23, 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  
G2 5AS

23 January 2025

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## 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 2023

	Headcount	Total remuneration
<b>Phoenix Unit Trust Managers</b>	2	113,487.36
of which		
Fixed Remuneration	2	71,167.36
Variable Remuneration	1	42,320.00
Carried Interest	n/a	
<b>Highest paid Director's Remuneration</b>		<b>44,005.66</b>

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.

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## Corporate information (unaudited)

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 UK 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 Ultra Short Duration Fund. This has been performed based on the information available as at 30 September 2024.

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>

### 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

#### Michael Eakins

(appointed 29 April 2024)

PUTM Director, Group Chief  
Investment Officer;

#### Frances Clare MacLachlan

(appointed 19 April 2024)

PUTM Director, Chief  
Finance Officer SLF UK,  
Sun Life of Canada;

#### Craig Baker

(resigned 28 April 2024)

PUTM Director, Head of  
Policyholder Assets;

#### Brid Meany

(resigned 19 April 2024)

PUTM Director, Chief  
Executive Phoenix Life;

#### Timothy Harris

Non Executive Director of  
PUTM;

#### Nick Poyntz-Wright

Non Executive Director of  
PUTM;

#### Ian Craston

(appointed 19 September  
2023)

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.



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# Notes

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## 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](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.