

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 1 October 2022 to 30 September 2023

PUTM BOTHWELL EMERGING MARKETS EQUITY FUND



Contents

Investment review*	2-3
Portfolio of investments*	4-7
Top ten purchases and sales	8
Statistical information*	9-12
Statements of total return & change in net assets attributable to unitholders	13
Balance sheet	14
Notes to the financial statements	15-25
Distribution tables	26
Responsibilities of the manager and the trustee	27
Trustee's report and directors' statement	28
Independent auditor's report	29-31
Appendix	32-33
Corporate information*	34-35

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

Investment review

Dear Investor

Welcome to the PUTM Bothwell Emerging Markets Equity Fund annual report for the 12 months to 30 September 2023.

Performance Review

Over the review period, the PUTM Bothwell Emerging Markets Equity Fund returned 3.60% (Source: abrnn for 12 months to 30/09/23). This is compared to its benchmark index, which returned 2.59% (Source: Factset, MSCI Emerging Markets Index, Gross Return, GBP for 12 months to 30/09/23).

Standardised Past Performance

	Sep 22-23 % growth	Sep 21-22 % growth	Sep 20-21 % growth	Sep 19-20 % growth	Sep 18-19 % growth
PUTM Bothwell Emerging Markets Equity Fund	3.60	-18.91	18.88	5.96	10.69
Benchmark Index	2.59	-12.79	13.70	5.72	4.09

Source: Fund performance is abrnn for 12 months to 30 September for each year. Benchmark Index performance is Factset, MSCI Emerging Markets Index, Gross Return, GBP to 30 September for each year.

Past performance is not a guide to future performance.

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

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

Investment review

Portfolio and Market Review

Emerging market equities rose over the 12 months under review, driven largely by interest rate expectations and the pace of China's economic recovery as Beijing rolled back its controversial zero-Covid policy at the end of 2022. An aggressive series of rate hikes by the US Federal Reserve (Fed) to rein in inflation sparked concerns over a potential slowdown in the US economy. However, an exceptionally resilient labour market, together with moderating inflation levels as the year progressed, renewed optimism about a benign soft landing in the world's largest economy and fuelled hopes that the Fed could be nearing the end of its monetary tightening cycle. Towards the period-end, investor sentiment shifted to worries about higher for longer US interest rates, which pushed the dollar higher and dampened the outlook for emerging markets.

Over in China, initial optimism surrounding the country's reopening fizzled as it became apparent that the pace of recovery in domestic consumption would be slower than the market had expected. Authorities stepped in to help speed up the recovery. The People's Bank of China drummed up support with rate cuts, while Beijing rolled out targeted stimulus measures. The flurry of policy moves appeared to be starting to pay off towards the period-end amid signs of stabilisation in the economy. Challenges remain, mainly from the headwinds in the property sector. More easing measures are likely if home sales remain sluggish over the coming months.

Regarding Fund performance, the non-benchmark exposure to the Netherlands was a key driver of relative gains. Dutch-listed e-commerce company Inpost reported strong results and fewer losses at its international division. Our semiconductor holdings in ASM International and ASML Holding were lifted by an artificial intelligence (AI)-driven tech rally. The AI supercycle is an exciting theme that requires significant investment in semiconductors and technology hardware to make possible, and it is part of a wider capex theme that should support emerging markets.

Positive stock selection in Mexico and Brazil added further to relative returns. Our holdings were underpinned by positive market sentiment, as economic indicators and domestic consumption strength proved encouraging. Mexico further benefits from nearshoring trends due to a global effort by companies to diversify their supply chains to better manage reliance on China. Mexican lender Banorte and conglomerate FEMSA turned in a robust performance, while Brazilian e-commerce player MercadoLibre advanced on strong domestic consumption trends and competitive strength.

Other outperformers at the stock level included Kazakh financial technology company Kaspi.kz and Taiwanese testing equipment maker Chroma ATE. The former added to relative performance after reporting a beat-and-raise set of results that underscored its competitive advantage, while the latter was buoyed by strong sentiment around AI and future demand for its testing products.

Being underweight the Middle East was favourable as Gulf bourses underperformed amid volatile energy prices. The new position in Americana Restaurants was additive as the quick service restaurant operator posted results that beat market estimates.

Conversely, China, including the off-benchmark exposure to Hong Kong, hindered relative gains. Our domestic consumption-focused names disappointed due to a slower-than-expected pace of economic recovery in China following the post-Covid

reopening. China Tourism Group Duty Free was weighed down by sluggish holiday duty-free sales in Hainan over the period. Luxury car dealer Zhongsheng Group faced pressure from weak consumer sentiment and lacklustre car sales. Condiment maker Foshan Haitian and LONGi Green Energy also detracted – we exited both names on waning conviction. Our Hong Kong-listed holdings were not spared from the sell-off despite posting resilient quarterly earnings, as weak investor sentiment carried over to the H-share market.

We remain constructive on China as the market is oversold and there are signs that growth is stabilising. Broadly, the Fund remains well positioned to take advantage of a gradual recovery in domestic consumption. The portfolio has exposure to both onshore and offshore names that are potential beneficiaries. Policy measures will likely remain accommodative and calibrated towards specific sectors like autos, electronics, household products and property. We saw this in June as China introduced targeted measures to boost electric vehicle (EV) and auto sales, which benefitted our position in EV maker Li Auto.

Besides the key portfolio activity mentioned in the interim report, we initiated several new positions in emerging Asia. We bought Taiwanese networking solutions provider Accton Technology, a beneficiary of growing AI demand, and the world's largest shipbuilder Korea Shipbuilding & Offshore Engineering, which is well positioned to gain from positive industry trends. Another addition was China-based Sungrow, a key beneficiary of rising solar energy and storage solution deployment.

In India, our holding in housing finance provider HDFC was converted to HDFC Bank shares after the two entities merged. We also received shares in Reliance Industries' spin-off Jio Financial Services.

Elsewhere in Latin America, we bought Brazil-based Itausa to gain exposure to lender Itau at an appealing discount, and independent oil and gas firm Prio, given its attractive free cash flow generation.

Against this, we divested Banco Bradesco, JD.com and Rumo, in addition to the sale of Foshan Haitian and LONGi mentioned above. We also exited our legacy position in Russia's HeadHunter Group following a liquidity opportunity.

Market Outlook and Fund Strategy

Recent developments paint an encouraging outlook for emerging markets. With inflation now approaching target in a number of emerging markets, we are at the beginning of a monetary easing cycle. Moreover, China is increasingly committed to supporting economic growth, which should help stabilise the property sector and restore confidence.

Overall, the asset class remains attractive due to the diversity of high-quality companies underpinned by structural growth drivers, including healthy demographics, a growing middle class and relatively undemanding valuations. By sticking to our disciplined, bottom-up approach, we expect our holdings to deliver sustainable returns to shareholders over the longer term.

Portfolio of investments (unaudited)

Investments held at 30 September 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	United Kingdom (30/09/22 – 0.72%)		0.72
	Forestry & Paper		
534,053	Mondi	7,347	0.72
	Bermuda (30/09/22 – 0.58%)		0.39
	Banks		
37,937	Credicorp	3,975	0.39
	Brazil (30/09/22 – 6.03%)		6.29
	Electronic & Electrical Equipment		
1,439,355	WEG	8,543	0.84
	Financial Services		
4,837,745	B3 Brasil Bolsa Balcao	9,701	0.95
92,910	Itausa	44	-
8,733,995	Itausa Investimentos Itau	12,924	1.26
	Food & Drug Retailers		
3,718,416	Raia Drogasil	16,811	1.65
	Oil & Gas Producers		
963,864	Petro Rio	7,419	0.73
	Software & Computer Services		
1,997,730	Totvs	8,813	0.86
	Cayman Islands (30/09/22 – 16.32%)		15.82
	Automobiles & Parts		
727,800	Li Auto	10,530	1.03
2,112,000	Zongsheng Group	4,872	0.48
	Beverages		
5,934,242	Budweiser Brewing	9,597	0.94
	Healthcare Equipment & Services		
2,105,235	WuXi Biologics	10,043	0.98
	Real Estate & Investment Services		
2,637,112	China Resources Land	8,593	0.84
	Software & Computer Services		
4,745,899	Alibaba Group	42,498	4.16
1,368,815	Meituan Dianping	16,410	1.61
1,558,603	Tencent Holdings	49,925	4.89
5,060,400	Tongcheng Travel	9,095	0.89
	Chile (30/09/22 – 0.50%)		0.54
	Chemicals		
113,462	Sociedad Quimica Y Mineral de Chile ADR +	5,548	0.54
	China (30/09/22 – 12.21%)		9.23
	Alternative Energy		
796,801	Sungrow Power Supply	8,000	0.78
	Banks		
25,182,000	China Construction Bank	11,644	1.14
	Beverages		
80,385	Kweichow Moutai A	16,217	1.59
	Electronic & Electrical Equipment		
3,980,937	NARI Technology Development A	9,909	0.97

Portfolio of investments (unaudited)

Investments held at 30 September 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Financial Services		
5,319,600	China International Capital Corporation H	7,991	0.78
	General Retailers		
823,200	China Tourism Group Duty Free Corporation	8,930	0.87
	Healthcare Equipment & Services		
478,179	Shenzhen Mindray Bio-Medical Electronics A	14,472	1.42
	Household Goods		
2,283,747	Midea Group	14,210	1.39
	Travel & Leisure		
247,541	China International Travel Service A	2,942	0.29
	Cyprus (30/09/22 – 0.24%)		
	France (30/09/22 – 0.00%)		1.89
	Oil & Gas Producers		
357,072	TotalEnergies	19,297	1.89
	Hong Kong (30/09/22 – 2.56%)		2.65
	Financial Services		
259,879	Hong Kong Exchanges and Clearing	7,944	0.78
	Life Insurance		
2,864,647	AIA Group	19,119	1.87
	India (30/09/22 – 14.93%)		14.13
	Automobiles & Parts		
65,443	Maruti Suzuki	6,851	0.67
	Banks		
2,265,743	HDFC Bank	34,119	3.34
853,823	Kotak Mahindra Bank	14,622	1.43
	Construction & Materials		
121,939	UltraTech Cement	9,931	0.97
	Electricity		
9,637,832	Power Grid Corporation of India	18,994	1.86
	Financial Services		
490,254	Jio Financial Services	1,118	0.11
	Life Insurance		
1,682,200	SBI Life Insurance	21,666	2.12
	Oil & Gas Producers		
490,254	Reliance Industries	11,343	1.11
	Personal Goods		
547,209	Hindustan Unilever	13,311	1.30
	Software & Computer Services		
357,437	Tata Consultancy Services	12,444	1.22
	Indonesia (30/09/22 – 4.68%)		4.10
	Banks		
20,367,270	Bank Central Asia	9,528	0.93
5,514,400	Bank Negara Indonesia	3,018	0.30
64,193,569	Bank Rakyat Indonesia	17,781	1.74
	Fixed Line Telecommunications		
58,279,000	Telekomunikasi Indonesia	11,586	1.13

Portfolio of investments (unaudited)

Investments held at 30 September 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Israel (30/09/22 – 0.67%)		0.69
	Technology Hardware & Equipment		
76,145	Nova	7,013	0.69
	Kazakstan (30/09/22 – 0.94%)		1.69
	Software & Computer Services		
217,390	Kaspi.kz JSC GDR + +	17,241	1.69
	Luxembourg (30/09/22 – 1.95%)		2.18
	Industrial Transportation		
1,261,919	InPost	12,041	1.18
	Software & Computer Services		
63,184	Globant	10,239	1.00
	Malaysia (30/09/22 – 0.68%)		0.48
	General Retailers		
18,478,500	MR DIY Group M Bhd	4,869	0.48
	Mexico (30/09/22 – 5.79%)		3.62
	Banks		
2,622,926	Grupo Financiero Banorte SAB de CV	18,063	1.77
	Beverages		
1,536,969	Fomento Economico Mexicano	13,766	1.35
	Industrial Transportation		
253,835	Grupo Aeroportuario del Sureste	5,098	0.50
	Netherlands (30/09/22 – 2.13%)		2.34
	Financial Services		
325,213	Prosus	7,876	0.77
	Technology Hardware & Equipment		
27,755	ASM International	9,570	0.94
13,290	ASML Holding	6,445	0.63
	Russia (30/09/22 – 0.00%)		–
	Banks		
738,152	Sberbank of Russia*	–	0.00
	Oil & Gas Producers		
287,319	Lukoil*	–	0.00
1,003,456	Novatek*	–	0.00
	Saudi Arabia (30/09/22 – 1.88%)		2.61
	Banks		
688,287	Al Rajhi Bank	10,209	1.00
	Financial Services		
114,966	Saudi Tadawul Group	4,837	0.47
	Oil & Gas Producers		
1,530,151	Saudi Arabian Oil Company	11,683	1.14
	South Africa (30/09/22 – 3.44%)		1.69
	Life Insurance		
4,281,547	Sanlam	12,226	1.20
	Mining		
164,583	Anglo American Platinum	5,053	0.49

Portfolio of investments (unaudited)

Investments held at 30 September 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	South Korea (30/09/22 - 9.48%)		9.38
	Chemicals		
42,999	LG Chem	12,962	1.27
	Construction & Materials		
587,590	Samsung Engineering	10,792	1.06
	Electronic & Electrical Equipment		
945,381	Samsung Electronics	39,262	3.84
691,330	Samsung Electronics Preference	22,834	2.23
	Industrial Engineering		
67,452	HD Korea Shipbuilding & Offshore Engineering	4,546	0.44
	Technology Hardware & Equipment		
79,465	SK Hynix	5,534	0.54
	Taiwan (30/09/22 – 10.09%)		14.09
	Electronic & Electrical Equipment		
2,426,409	Chroma ATE	16,997	1.66
652,000	Delta Electronics	5,370	0.53
3,140,972	Hon Hai Precision Industry	8,251	0.81
	Personal Goods		
741,000	Makalot Industrial	6,310	0.62
	Technology Hardware & Equipment		
905,000	Accton Technology	11,313	1.11
679,000	MediaTek	12,667	1.24
6,265,566	Taiwan Semiconductor Manufacturing	83,011	8.12
	Thailand (30/09/22 – 2.51%)		0.71
	Banks		
2,596,600	Kasikornbank	7,303	0.71
	UAE (30/09/22 – 0.00%)		1.32
	General Retailers		
14,782,171	Americana Restaurants	13,498	1.32
	United States (30/09/22 – 1.00%)		2.47
	General Retailers		
10,038	Mercadolibre	10,426	1.02
	Industrial Metals		
239,525	Southern Copper Corporation	14,775	1.45
	Money Markets (30/09/22 – 0.84%)		1.33
£13,641	Aberdeen Standard Liquidity Fund (Lux) - Seabury Sterling Class Z-1~	13,639	1.33
	Portfolio of investments	<u>1,025,394</u>	<u>100.36</u>
	Net other liabilities	<u>(3,695)</u>	<u>(0.36)</u>
	Net assets	<u>1,021,699</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.

*Suspended stock priced with last available traded price.

~SICAVs (open ended investment schemes registered outside the UK)

+ADR – American Depositary Receipt

++GDR – Global Depositary Receipt

Top ten purchases and sales

For the year ended 30 September 2023

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (Lux) –		Aberdeen Standard Liquidity Fund (Lux) –	
Seabury Sterling Class Z-1	204,826	Seabury Sterling Class Z-1	199,828
TotalEnergies	20,243	PTT Exploration and Production	17,781
Southern Copper Corporation	16,162	Grupo Mexico 'B'	16,967
Meituan Dianping	14,011	JD.com	16,443
MediaTek	13,976	Banco Bradesco	14,571
Itausa Investimentos Itau	13,537	Novatek	13,463
Novatek	13,463	China Merchants Bank	13,385
China Construction Bank	12,812	Grupo Financiero Banorte SAB de CV	11,631
Al Rajhi Bank	12,697	Larsen & Toubro	11,036
Americana Restaurants	11,240	Bank Central Asia	10,427
Subtotal	332,967	Subtotal	325,532
Other purchases	194,918	Other sales	212,763
Total purchases for the year	527,885	Total sales for the year	538,295

Statistical information

Comparative tables

	30/09/23	Class 'A' Accumulation 30/09/22	30/09/21
	pence	pence	pence
Change in net assets per unit			
Opening net asset value per unit	132.66	166.02	142.70
Return before operating charges*	4.07	(31.07)	25.93
Operating charges	(2.11)	(2.29)	(2.61)
Return after operating charges*	1.96	(33.36)	23.32
Distributions on accumulation units	(1.36)	(0.71)	(0.51)
Retained distributions on accumulation units	1.36	0.71	0.51
Closing net asset value per unit	134.62	132.66	166.02
*after direct transaction costs of:	0.12	0.19	0.19

Performance

Return after charges	1.48%	(20.09%)	16.34%
----------------------	-------	----------	--------

Other information

Closing net asset value (£000)	22,977	20,218	22,923
Closing number of units	17,067,952	15,240,926	13,807,785
Operating charges	1.54%	1.54%	1.55%
Direct transaction costs	0.09%	0.13%	0.12%

Prices⁺

Highest unit price (pence)	151.12	186.15	200.49
Lowest unit price (pence)	124.10	130.84	142.91

⁺ 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

Comparative tables

	30/09/23 pence	Class 'B' Accumulation 30/09/22 pence	30/09/21 pence
Change in net assets per unit			
Opening net asset value per unit	175.69	216.66	183.51
Return before operating charges*	4.86	(40.90)	33.26
Operating charges	(0.08)	(0.07)	(0.11)
Return after operating charges*	4.78	(40.97)	33.15
Distributions on accumulation units	(4.00)	(3.72)	(3.92)
Retained distributions on accumulation units	4.00	3.72	3.92
Closing net asset value per unit	180.47	175.69	216.66
*after direct transaction costs of:	0.17	0.25	0.25

Performance

Return after charges	2.72%	(18.91%)	18.06%
----------------------	-------	----------	--------

Other information

Closing net asset value (£000)	998,722	1,003,372	1,286,938
Closing number of units	553,408,518	571,116,755	593,996,335
Operating charges	0.04%	0.04%	0.05%
Direct transaction costs	0.09%	0.13%	0.12%

Prices⁺

Highest unit price (pence)	186.71	226.06	240.77
Lowest unit price (pence)	164.28	171.72	183.52

⁺ High and low price disclosures are based on quoted unit prices. Therefore, the opening and closing NAV prices may fall outside the high/low price threshold.

Statistical information

Investment objective

The Fund aims to provide capital growth by outperforming the benchmark (before fees) by 0.5% to 1.5% per annum over any given 3 year period.

The benchmark is the MSCI Emerging Markets £ Index (the "Index").

Investment policy

The Fund aims to achieve its objective by investing at least 70% of the portfolio in equities and equity related securities of emerging market companies that are listed or traded on an eligible market. In order to improve liquidity, the Fund will have the ability to invest in the securities of companies incorporated in emerging markets whose securities are traded on Eligible Markets in developed economies.

The Fund's holdings will typically consist of equities or "Equity related securities" which will include convertible stocks, stock exchange listed warrants, depository receipts, exchange traded funds (ETFs), MSCI Opals, participation notes (or similar equivalent securities) where these provide a cost effective method of gaining access to some emerging markets, offer reduced settlement risk and improved liquidity. The Fund will also hold such investments which entitled 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 Manager, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash and other collective investment schemes. The Fund's exposure to unapproved securities will be limited to no more than 10% of its net asset value.

The Fund may invest in companies incorporated outside of emerging markets whose revenue derives substantially from emerging markets or whose assets are substantially in emerging markets. The Fund may also invest in eligible collective investment schemes and in equities of (or interests in) other investment companies (or similar funds) the investment objective of which is to invest in emerging markets. The Fund may also invest part of its assets in stocks of companies incorporated in developed markets.

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

Investment strategy

Although a minimum of 70% 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 finding high quality companies at attractive valuations that can be held for the long term. 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.

Statistical information

Revenue distribution and pricing

Units of the Fund are available as either Class 'A' Accumulation or 'B' Accumulation units (where revenue is reinvested to enhance the unit price).

There will be two potential distributions in each accounting year: an interim distribution as at 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.

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 (30/09/22: 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 classes:

- Class 'A' Accumulation
- 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:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective.

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

Annual financial statements

For the year ended 30 September 2023

Statement of total return

		30/09/23		30/09/22	
	Notes	£000	£000	£000	£000
Income					
Net capital gains/(losses)	4		9,803		(274,582)
Revenue	5	25,319		25,420	
Expenses	6	(800)		(734)	
Interest payable and similar charges		(12)		(3)	
Net revenue before taxation		<u>24,507</u>		<u>24,683</u>	
Taxation	7	(5,122)		(1,250)	
Net revenue after taxation			<u>19,385</u>		<u>23,433</u>
Total return before distributions			29,188		(251,149)
Distributions	8		(22,458)		(22,557)
Change in net assets attributable to unitholders from investment activities			<u>6,730</u>		<u>(273,706)</u>

Statement of change in net assets attributable to unitholders

		30/09/23		30/09/22	
		£000	£000	£000	£000
Opening net assets attributable to unitholders			1,023,590		1,309,861
Amounts receivable on issue of units		42,962		85,990	
Amounts payable on cancellation of units		<u>(73,963)</u>		<u>(120,516)</u>	
Change in net assets attributable to unitholders from investment activities			(31,001)		(34,526)
Retained distributions on accumulation units			6,730		(273,606)
Closing net assets attributable to unitholders			<u>22,380</u>		<u>21,961</u>
			<u>1,021,699</u>		<u>1,023,590</u>

Annual financial statements

As at 30 September 2023

Balance sheet

	Notes	£000	30/09/23 £000	£000	30/09/22 £000
Assets:					
Fixed assets:					
Investments			1,025,394		1,025,354
Current assets:					
Debtors	9	2,628		18,237	
Cash and bank balances	10	4,465		11,021	
Total current assets			7,093		29,258
Total assets			<u>1,032,487</u>		<u>1,054,612</u>
Liabilities:					
Creditors:					
Bank overdraft	11	(1,780)		(5,297)	
Other creditors	12	(4,380)		(22,794)	
Total creditors			(6,160)		(28,091)
Deferred tax liability			(4,628)		(2,931)
Total liabilities			<u>(10,788)</u>		<u>(31,022)</u>
Net assets attributable to unitholders			<u>1,021,699</u>		<u>1,023,590</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 30 September 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.

Over-the-counter derivatives are priced at fair value using valuation models or data sourced from market data providers.

(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, 30 September 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) Stock dividends

The ordinary element of stocks received in lieu of cash is recognised as revenue. Any excess in value of shares received over the amount of cash forgone would be treated as capital. It is the policy of the Fund, where applicable, to distribute the revenue element of stock dividends.

(g) Expenses

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

(h) 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.

(i) Deferred taxation

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

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

Note 2 Distribution policies

(a) Basis of distribution

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

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

(b) Unclaimed distributions

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

(c) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Tax will be allocated between the unit classes according to income. Consequently, the revenue available to distribute for each unit class will differ.

(d) Stock dividends

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

(e) Special dividends

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

Notes to the financial statements

Note 2 Distribution policies (continued)

(f) Distributions from collective investment schemes

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

(g) Expenses

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

Costs arising from the filing of European withholding tax reclaims are charged to revenue but deducted from capital for the purpose of calculating the distribution. On receipt of any withholding tax reclaims relevant costs are transferred back to revenue and deducted from the distribution.

Note 3 Risk management policies

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

(a) Market price risk

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

(b) Interest rate risk

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

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

(c) Foreign currency risk

A substantial proportion of the Fund's investment portfolio is invested in overseas securities and the Balance sheet can be significantly affected by movements in foreign exchange rates. The Fund may be subject to short term exposure to exchange rate movements between placing the purchase or sale of securities and agreeing a related currency transaction albeit usually the two transactions are agreed at the same time.

Any such currency transactions must be used in accordance with the investment objective of the Fund and must be deemed by the Investment Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including currency risk, for the Fund.

Notes to the financial statements

Note 3 Risk management policies (continued)

(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.

The Manager has used forward foreign currency contracts to hedge the portfolio where assets are denominated in foreign currency. The purpose of undertaking these contracts is to protect the portfolio as far as possible from a movement in the value of exchange rates.

Note 4 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	30/09/23	30/09/22
	£000	£000
Gains/(losses) on non-derivative securities	10,454	(274,994)
Gains on derivative contracts	3	1
Currency (losses)/gains	(646)	453
Handling charges	(8)	(42)
Net capital gains/(losses)	<u>9,803</u>	<u>(274,582)</u>

Notes to the financial statements

Note 5 Revenue	30/09/23	30/09/22
	£000	£000
Overseas dividends	24,877	25,295
Stocklending commission	28	66
Bank interest	64	7
Liquidity interest	350	52
Total revenue	<u>25,319</u>	<u>25,420</u>

Note 6 Expenses	30/09/23	30/09/22
	£000	£000
(a) Payable to the Manager or associates of the Manager and agents of either of them: Manager's periodic charge	<u>368</u>	<u>392</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them: Trustee's fees	<u>34</u>	<u>35</u>
(c) Other expenses:		
Audit fee	9	9
Safe custody charges	351	243
Printing & stationery	1	1
Revenue collection expenses	9	9
Professional fees	19	36
Service fees	9	9
	<u>398</u>	<u>307</u>
Total expenses	<u>800</u>	<u>734</u>

Note 7 Taxation	30/09/23	30/09/22
	£000	£000
(a) Analysis of tax charge for the year		
Corporation tax	144	240
Double tax relief	(144)	(209)
Overseas withholding tax	2,331	2,288
Reclaimable tax (windfall recovery)/written off	(1)	2
Overseas capital gains tax	1,095	1,730
Total current tax	<u>3,425</u>	<u>4,051</u>
Deferred tax on overseas capital gains (Note 7(c))	1,697	(2,801)
Total taxation (Note 7(b))	<u>5,122</u>	<u>1,250</u>

- (b) Factors affecting the tax charge for the year
The tax assessed for the year is higher/lower (30/09/22: 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:

Notes to the financial statements

Note 7 Taxation (continued)	30/09/23	30/09/22
	£000	£000
Net revenue before taxation	24,507	24,683
Corporation tax at 20% (30/09/22: 20%)	4,901	4,937
Effects of:		
Revenue not subject to taxation	(4,757)	(4,697)
Withholding tax taken as expense relief		–
Expenses not allowable for tax purposes		–
Overseas withholding tax	2,331	2,288
Double tax relief	(144)	(209)
Reclaimable tax (windfall recovery)/written off	(1)	2
Overseas capital gains tax	2,792	(1,071)
Total tax charge for the year (Note 7(a))	5,122	1,250
(c) Provision for deferred taxation		
	30/09/23	30/09/22
	£000	£000
Provision at the start of the year	2,931	5,732
Deferred tax charge/(credit) in year (Note 7(a))	1,697	(2,801)
Provision at the end of the year	4,628	2,931

While Authorised Unit Trusts are exempt from tax on Capital Gains in the UK, this is not the case for certain overseas domiciles. As such, the Manager has determined there is potential liability for capital gains tax on Indian Securities (30/09/22: £2,930,889).

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:

	30/09/23	30/09/22
	£000	£000
Interim	7,625	8,714
Final	14,755	13,247
	22,380	21,961
Amounts deducted on cancellation of units	467	899
Amounts added on issue of units	(389)	(303)
Net distribution for the year	22,458	22,557
Net revenue after taxation	24,013	23,433
Equalisation on conversion of units		
Expenses taken to capital	351	243
Tax credit taken to capital	(70)	(48)
Capital tax balances	(1,836)	(1,071)
Net distribution for the year	22,458	22,557

Details of the distribution per unit are set out in the tables on page 26.

Note 9 Debtors	30/09/23	30/09/22
	£000	£000
Creations awaiting settlement	400	230
Sales awaiting settlement	630	17,357
Accrued income	1,428	546
Corporation tax receivable	91	89
Overseas tax recoverable	79	15
Total debtors	2,628	18,237

Notes to the financial statements

Note 10 Cash and bank balances	30/09/23	30/09/22
	£000	£000
Cash and bank balances	4,465	11,021
Total cash and bank balances	<u>4,465</u>	<u>11,021</u>

Note 11 Bank overdraft	30/09/23	30/09/22
	£000	£000
Bank overdraft	1,780	5,297
Total bank overdraft	<u>1,780</u>	<u>5,297</u>

Note 12 Other creditors	30/09/23	30/09/22
	£000	£000
Cancellations awaiting settlement	1,930	20,901
Purchases awaiting settlement	2,132	1,675
Manager's periodic charge payable	65	95
Trustee's fees payable	8	11
Safe custody charges payable	225	100
Audit fee payable	9	9
Handling charges payable	11	3
Total other creditors	<u>4,380</u>	<u>22,794</u>

Note 13 Reconciliation of units	Class 'A'	Class 'B'
	Accumulation	Accumulation
Opening units issued at 01/10/22	15,240,926	571,116,755
Unit movements in year:		
Units issued	2,087,349	22,286,109
Units cancelled	(260,323)	(39,994,346)
Closing units at 30/09/23	<u>17,067,952</u>	<u>553,408,518</u>

Note 14 Contingencies and commitments

At 30 September 2023 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (30/09/22: £nil).

Note 15 Stocklending

The total value of securities on loan at the Balance sheet date was £nil (30/09/22: £nil). Collateral was held in the following form:

	30/09/23	30/09/22
	£000	£000
Overseas Equities	2,687	–
	<u>2,687</u>	<u>–</u>

The gross earnings and fees paid for the year were £34,640 (30/09/22: £80,167) and £6,235 (30/09/22: £14,430) respectively.

The gross earnings were split by the lending agent as follows:
 82% to the Lender (PUTM Bothwell Emerging Markets Equity Fund)
 8% to the Manager (Phoenix Unit Trust Managers Limited)
 10% retained by the Lending Agent (eSec)

Notes to the financial statements

Note 16 Unitholders' Funds

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

The Manager's periodic charge in respect of Class 'A' and Class 'B' units is expressed as an annual percentage of the value of the property of the Fund attributable to each unit class and is currently 1.5050% in respect of Class 'A' units and 0.0050% in respect of Class 'B' units.

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

Note 17 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 'A' Accumulation at the year end (30/09/22: 99.99%) and 99.99% of the units in Class 'B' Accumulation at the year end (30/09/22: 99.94%).

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 30 September 2023 in respect of these transactions are shown in Notes 9 and 12.

Note 18 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.

Notes to the financial statements

Note 18 Financial instruments (continued)

Currency exposure

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

Currency	Net currency assets 30/09/23			Net currency assets 30/09/22		
	Monetary exposure	Non- monetary exposure	Total exposure	Monetary exposure	Non- monetary exposure	Total exposure
	£000	£000	£000	£000	£000	£000
Sterling	(2,746)	13,639	10,893	(8,318)	8,633	315
Brazilian Real	367	64,254	64,621	844	61,712	62,556
Chinese Yuan	1,775	65,751	67,526	3,105	103,808	106,913
Euro	625	55,229	55,854	-	-	-
Hong Kong Dollar	92	217,192	217,284	96	214,341	214,437
Indian Rupee	(4,577)	144,399	139,822	1,579	152,812	154,391
Indonesian Rupiah	(160)	41,913	41,753	2,037	47,892	49,929
South Korean Won	16	95,930	95,946	(106)	97,019	96,913
Mexican Peso	424	36,926	37,350	401	59,272	59,673
South African Rand	7	24,626	24,633	899	42,518	43,417
New Taiwan Dollar	1,921	143,918	145,839	3,077	103,445	106,522
US Dollar	(10)	69,218	69,208	(5,495)	50,025	44,530
Other foreign currencies*	(1,429)	52,399	50,970	117	83,877	83,994
	(3,695)	1,025,394	1,021,699	(1,764)	1,025,354	1,023,590

* foreign currencies included within 'other foreign currencies' above amounts to less than 10% (30/09/22: less than 10%) of the net asset value of the Fund.

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, 0.26% (30/09/22: 0.56%) 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.

Sensitivity analysis

Interest rate risk sensitivity

As the majority of the Fund's financial assets are non-interest bearing, the Fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

Foreign currency risk sensitivity

A five percent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £50,540,376 (30/09/22:£51,163,819).

A five percent decrease would have an equal and opposite effect.

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 £51,269,719 (30/09/22: £51,267,689). A five percent decrease would have an equal and opposite effect.

Notes to the financial statements

Note 19 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 30/09/23

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	1,011,712	–	43*	1,011,755
Money markets/Time deposits	13,639	–	–	13,639
	1,025,351	–	43	1,025,394

For the year ended 30/09/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	1,014,295	–	2,427*	1,016,722
Money markets/Time deposits	8,632	–	–	8,632
	1,022,927	–	2,427	1,025,354

*Stock suspended

Note 20 Portfolio transaction costs

For the year ended 30/09/23

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Equity transactions	309,143	223	0.07	187	0.06	43	0.01	309,596
Money markets	204,821	–	–	–	–	–	–	204,821
Corporate actions	13,468	–	–	–	–	–	–	13,468
Total	527,432	223		187		43		527,885

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total sales costs								
Equity transactions	325,251	(230)	(0.07)	(226)	(0.07)	(32)	(0.01)	324,763
Money markets	199,828	–	–	–	–	–	–	199,828
Corporate actions	13,704	–	–	–	–	–	–	13,704
Total	538,783	(230)		(226)		(32)		538,295

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

Commission	0.04%
Taxes	0.04%
Other expenses	0.01%

Notes to the financial statements

Note 20 Portfolio transaction costs (continued)

For the year ended 30/09/22

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total purchases costs								
Equity transactions	484,420	401	0.08	216	0.04	40	0.01	485,077
Money markets	277,961	-	-	-	-	-	-	277,961
Corporate actions	106	-	-	-	-	-	-	106
Total	<u>762,487</u>	<u>401</u>		<u>216</u>		<u>40</u>		<u>763,144</u>

	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Analysis of total sales costs								
Equity transactions	490,270	(268)	(0.05)	(557)	(0.11)	(27)	(0.01)	489,418
Money markets	281,596	-	-	-	-	-	-	281,596
Corporate actions	501	-	-	-	-	-	-	501
Total	<u>772,367</u>	<u>(268)</u>		<u>(557)</u>		<u>(27)</u>		<u>771,515</u>

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

Commission	0.06%
Taxes	0.06%
Other expenses	0.01%

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 0.14% (30/09/22: 0.17%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 30 September 2023

Interim distribution in pence per unit

Group 1: units purchased prior to 1 October 2022

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

	Net income	Equalisation	2023 pence per unit paid 31 May	2022 pence per unit paid 31 May
Class 'A' Accumulation				
Group 1	0.2121	—	0.2121	0.0000
Group 2	0.2121	0.0000	0.2121	0.0000

Class 'B' Accumulation

Group 1	1.3707	—	1.3707	1.4205
Group 2	0.5815	0.7892	1.3707	1.4205

Final distribution in pence per unit

Group 1: units purchased prior to 1 April 2023

Group 2: units purchased 1 April 2023 to 30 September 2023

	Net income	Equalisation	2023 pence per unit payable 30 Nov	2022 pence per unit paid 30 Nov
Class 'A' Accumulation				
Group 1	1.1508	—	1.1508	0.7145
Group 2	0.0929	1.0579	1.1508	0.7145

Class 'B' Accumulation

Group 1	2.6308	—	2.6308	2.3004
Group 2	0.7523	1.8785	2.6308	2.3004

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 PUTM Bothwell Emerging Markets Equity 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 Emerging Markets Equity Fund of the PUTM Bothwell Range of Unit Trusts ("the Trust") for the Period Ended 30 September 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
29 January 2024

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
29 January 2024

Brid Meaney, Director
Craig Baker, Director

Independent auditor's report to the unitholders of the PUTM Bothwell Emerging Markets Equity Fund

Opinion

We have audited the financial statements of the PUTM Bothwell Emerging Markets Equity Fund ("the Fund") for the year ended 30 September 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 30 September 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 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.

Independent auditor's report to the unitholders of the PUTM Bothwell Emerging Markets Equity Fund

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 27, 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 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.

Independent auditor's report to the unitholders of the PUTM Bothwell Emerging Markets Equity Fund

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
29 January 2024

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 30 September 2023 there were no Securities on loan or collateral held. Thus none of the disclosure is given.

Global Data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.25

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£2,558,704	0.25

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £000
Government of Japan 0.5% 12/09/2036	509,000,000	2,624
Government of Japan 1.3% 20/06/2052	12,200,000	62
Bundesrepublik Deutschland 5.5% 20/06/2031	634	1
Bundesrepublik Deutschland 1% 15/08/2025	100	–
Bundesrepublik Deutschland 0.25% 15/02/2027	46	–
German Treasury Bill 0.0% 17/01/2024	40	–
Bundesrepublik Deutschland 2.1% 15/11/2029	10	–
French Republic Government 0.0% 25/11/2031	1	–

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £000
Citigroup Global Markets Limited	2,559

Appendix (unaudited)

Aggregate Data

Type and quality of collateral

Type	Quality*	Fair value £000
Bonds	Investment grade	2,687
		2,687

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £000	
Rolling Maturity	2,687	
		2,687

Currency of collateral

Currency	Fair value £000	
Sterling	2,687	
		2,687

Maturity tenor of SFTs

Maturity	Fair value £000	
Rolling Maturity	2,559	
		2,559

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	Gross return £000	Cost £000	% of overall returns	Net return £000
Fund	41	(6)	82.00	35
		41	(6)	35

The gross earnings were split by the lending agent as follows:
- 82% to the Lender (PUTM Bothwell Emerging Markets Equity 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

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.

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 Emerging Markets Equity Fund. This has been performed based on the information available as at 30 September 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 are generally comfortable that the Fund meets most of the required Assessment of Value criteria. However, the Fund is not meeting its target outperformance of the benchmark index. PUTM will continue to monitor the Fund's performance and may take action, if required, which could involve establishing new permissible and eligible markets to improve performance.

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

<https://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 [phoenix-unit-trust-managers.co.uk/fund-climate-report](https://www.phoenix-unit-trust-managers.co.uk/fund-climate-report).

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

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

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

Authorised status

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

Contact: **Client Services**

Call: **0345 584 2803**

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

Visit: **phoenixunittrust.co.uk**

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

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

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

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

*Authorised and regulated by the Financial Conduct Authority.