

# PHOENIX UNIT TRUST MANAGERS

## MANAGER'S INTERIM REPORT

For the half year: 1 October 2022 to 31 March 2023 (unaudited)

### PUTM BOTHWELL INDEX LINKED STERLING HEDGED FUND





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# Investment review

## Dear Investor

Welcome to the PUTM Bothwell Index Linked Sterling Hedged Fund report for the 6 months to 31 March 2023.

## Performance Review

Over the review period, the PUTM Bothwell Index Linked Sterling Hedged Fund returned -1.8%. (Source: abrdrn for 6 months to 31 March 2023). This was compared to its benchmark index, which returned -2.0%. (Source: abrdrn, FTSE Actuaries UK Index Linked Gilts All Stocks, Total Return for 6 months to 31 March 2023).

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

## Standardised Past Performance

	Mar 22-23 % growth	Mar 21-22 % growth	Mar 20-21 % growth	Mar 19-20 % growth	Mar 18-19 % growth
PUTM Bothwell Index Linked Sterling Hedged Fund	-26.7	4.5	2.9	1.5	5.9
Benchmark Index	-26.7	5.1	2.3	2.1	5.5

Source: Fund performance is abrdrn for each 12-month period to 31 March. Benchmark Index performance is abrdrn, FTSE Actuaries UK Index Linked Gilts All Stocks, Total Return to 31 March for each 12-month period

## Past Performance is not a guide to future performance

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

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

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# Investment review

## Portfolio and Market Review

At the start of the period, bond markets remained under pressure from high inflation while also grappling with a weakening economic backdrop. With the Bank of Japan's surprising move to raise its target yield bands, global government bond yields rose into 2022 year-end. The US Federal Reserve (Fed) hiked rates by 75 basis points (bps) in November and 50 bps in December. While yields had fallen up until the December rate increase, the synchronised global moves into year-end saw 10-year nominal Treasuries end December 25 bps higher at 3.81%. Real yields rose further, by 33 bps to 1.58%, as 10-year breakevens declined by 7bps to 2.30%.

UK Gilts were still in a state of confusion at the start of the period. Although the Bank of England (BoE) had stepped in to stabilise the UK bond market by purchasing long-dated conventional Gilts, it became clear that issues remained in the UK index-linked Gilt market, with huge daily yield moves and extreme curve dislocations. Chancellor Kwasi Kwarteng was removed and Prime Minister Liz Truss resigned from office due to the fallout from their mini-budget, with Truss replaced by former chancellor Rishi Sunak. The market was finally stabilised after the BoE took the unprecedented step of purchasing index-linked gilts as well, something they had not done before in any of their quantitative easing programs. The BoE raised its bank rate by 75 bps in November and by 50 bps in December. The BoE also began to unwind its Gilt purchases.

Global government bonds recovered in January, as investors anticipated that central banks would limit the extent of their monetary policy tightening. However, this was reversed in February, as it appeared the global economy was not slowing as previously anticipated. The Fed raised rates by 25 bps in February to 4.5-4.75%. However, US labour data came in stronger than expected, while core inflation surprised to the upside. The BoE increased rates by 50 bps and issued more supportive commentary, which caused a sharp rally in bonds. As expected, the European Central Bank (ECB) raised rates by 50 bps. March then saw an explosion of volatility, as the collapse of Silicon Valley Bank and Signature Bank spurred a huge turnaround in government bond markets. The fear of contagion was exacerbated by later issues at Credit Suisse. US economic data, however, pointed to a fairly resilient economy. Inflation came in in-line with estimates, as headline fell to 6.0% and core edged lower to 5.5%. The Fed did hike by 25 bps during March while pointing out that inflation remained too high. By the end of the period, 10-year Treasury inflation-protected securities (TIPS) yields fell 38 bps to 1.15% as 10-year breakevens declined 6 bps to 2.32%. European inflation data was higher than expected, coming in at 8.5% headline and 5.6% core. The ECB raised rates by 50 bps, as expected. Inflation data for the UK surprised massively to the upside. All three measures came in at 0.5% above expectations, with CPI at 10.4%, core CPI at 6.2% and RPI at 13.8%. The BoE increased the bank rate by 25 bps at 4.25%, pointing to better growth as the reason for the hike. By the end of the period, 10-year UK nominal yields were 33 bps lower at 3.48% while 10-year real yields declined by a huge 51 bps to -0.30%, leaving breakevens higher at 3.78%.

In terms of Fund performance, during the final quarter of 2022, the long 30-year US CPI position was positive for performance, as the long end of the US inflation curve outperformed. The long New Zealand real yields position was also positive for performance, as real yields generally outperformed. Conversely, the long position in the belly of the UK index-linked Gilts (UKTIs) 44s47s50s contributed negatively to performance, as UKTI 47s

underperformed following the market turmoil at the beginning of the quarter. The UKTI 10s30s flattener position also underperformed, as the shorter-dated tenors outperformed during the period of instability. In the first quarter of 2023, the long New Zealand real yields position was a positive contributor to the Fund's performance, as global duration rallied, spurred on by the banking crisis in March. Another positive contributor was our long 30-year US TIPS position, which benefitted from the falling yield environment despite inflation pricing moving lower. The short 10-year US bond futures position was a negative contributor to performance. Our UKTI 10s30s flattener position also contributed negatively, as shorter-dated real yields continued to outperform. This was, in part, due to the modest nominal curve steepening and the upcoming UKTI supply in the 20 to 30-year sector.

In terms of activity, at the start of the period, we initiated a small underweight position in UKTIs, as we believed UKTIs were over-stretched amid the highly volatile period following the mini-budget. We also entered a short position in US 10-year nominal futures, as we thought that the Fed would likely maintain its current hiking path in the next couple of months. We entered into a UKTI 25-year versus 50-year curve steeper position, as we sought to oppose the extreme inversion of the real yield curve. In December, we added an underweight position in UK Gilt futures. In the second half of the period, we removed our underweight position in UK Gilt futures, as we looked to soften the short duration stance of the portfolio amid the global strength in government bond markets. We also entered into a UKTI curve trade, going short 30-year bonds versus 20-year and 40-year bonds, as we sought to oppose the richness of the 30-year on the curve as we approached further 30-year supply in March. We then took profit on our previously mentioned UKTI curve trade, after the 30-year sector cheapened substantially on the curve and the trade hit our targets. We initiated a new trade, going long 10-year US TIPS against a short position in 10-year UKTIs. We think that US inflation-linked bonds could outperform and that TIPS offer attractive entry levels. The underweight in 10-year UKTIs allows us to offset the additional duration in the US, in a market we think could underperform.

## Market Outlook and Fund Strategy

It is often said that central banks hike 'until something breaks', but with the crisis in the banking sector appearing contained, we think the outlook is more nuanced. With global growth seemingly more resilient than previously anticipated and inflation falling but elevated across developed markets, central banks now tread an even finer line in bringing inflation down while trying not to cause a sharp economic contraction.

Headline inflation in the US is expected to continue to decline, though core inflation remains elevated. The developments in the banking sector are likely to be a net growth negative, although the extent of this is unclear. In the UK, the BoE recently outlined its recommendations for liability-driven-investment (LDI) funds in the wake of the LDI crisis in September. The conclusions focused on the buffer funds should hold to insulate against further shocks. LDI involvement in the UK linker market has continued to be light, and we await the report from The Pensions Regulator. The ECB remain the most steadfast in its messaging around inflation. Like elsewhere, core inflation remains stubbornly high. The ECB will likely continue with this messaging until core inflation moves meaningfully lower.

# Portfolio of investments

## Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Government Index-Linked (30/09/22- 95.87%)</b>		<b>91.01</b>
NZ\$498,000	New Zealand 2.5% 20/09/2035	316	2.62
£197,000	UK Treasury 0.125% 22/03/2024	293	2.43
£186,100	UK Treasury 0.125% 22/03/2026	262	2.17
£128,800	UK Treasury 0.125% 10/08/2028	170	1.41
£270,700	UK Treasury 0.125% 22/03/2029	420	3.48
£67,700	UK Treasury 0.125% 10/08/2031	86	0.71
£50,700	UK Treasury 0.125% 22/11/2036	71	0.59
£50,000	UK Treasury 0.125% 22/03/2039	60	0.50
£274,900	UK Treasury 0.125% 10/08/2041	347	2.87
£298,033	UK Treasury 0.125% 22/03/2044	423	3.50
£330,400	UK Treasury 0.125% 22/03/2046	434	3.59
£294,100	UK Treasury 0.125% 10/08/2048	360	2.98
£90,000	UK Treasury 0.125% 22/03/2051	102	0.84
£105,500	UK Treasury 0.125% 22/11/2056	133	1.10
£215,200	UK Treasury 0.125% 22/03/2058	280	2.32
£145,700	UK Treasury 0.125% 22/11/2065	191	1.58
£262,644	UK Treasury 0.125% 22/03/2068	362	3.00
£16,700	UK Treasury 0.125% 22/03/2073	20	0.16
£213,099	UK Treasury 0.25% 22/03/2052	305	2.53
£316,523	UK Treasury 0.375% 22/03/2062	495	4.10
£193,084	UK Treasury 0.5% 22/03/2050	333	2.76
£439,502	UK Treasury 0.625% 22/03/2040	784	6.49
£301,974	UK Treasury 0.625% 22/11/2042	548	4.54
£243,970	UK Treasury 0.75% 22/03/2034	415	3.44
£283,783	UK Treasury 0.75% 22/11/2047	532	4.40
£241,000	UK Treasury 1.125% 22/11/2037	495	4.10
£149,708	UK Treasury 1.25% 22/11/2032	285	2.36
£236,578	UK Treasury 1.25% 22/11/2055	563	4.66
£275,800	UK Treasury 2% 26/01/2035	699	5.79
£94,753	UK Treasury 2.5% 17/07/2024	355	2.94
£189,910	UK Treasury 4.125% 22/07/2030	661	5.47
\$70,000	US Treasury 0.75% 15/02/2045	61	0.50
\$159,700	US Treasury 1.125% 15/01/2033	130	1.08
	<b>Other Index Linked (30/09/22 – 0.80%)</b>		<b>7.71</b>
£99,000	Network Rail 1.125% 22/11/2047	192	1.59
£50,000	Network Rail 1.375% 22/11/2037	102	0.84
£337,000	Network Rail 1.75% IL 22/11/2027	638	5.28
	<b>Money Market (30/09/22 – 1.09%)</b>		<b>0.97</b>
£117	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1+	117	0.97
	<b>Inflation Rate Swaps (30/09/22- 0.06%)</b>		<b>0.15</b>
(\$95,000)	Morgan Stanley 2.311% 12/07/2051	(30)	(0.25)
\$95,000	Morgan Stanley CPI 12/07/2051	41	0.34
(\$95,000)	Morgan Stanley 2.425% 09/09/2051	(33)	(0.27)
\$95,000	Morgan Stanley CPI 09/09/2051	40	0.33

# Portfolio of investments

## Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b>			
<b>(30/09/22- 0.06%)</b>			
			<b>0.07</b>
GBP 75,450	GBP Forward Currency Contract 06/04/2023	75	0.62
(USD 90,342)	USD Forward Currency Contract 06/04/2023	(73)	(0.60)
GBP 311,058	GBP Forward Currency Contract 06/04/2023	311	2.57
(NZD 604,403)	NZD Forward Currency Contract 06/04/2023	(306)	(2.53)
USD 1,723	USD Forward Currency Contract 06/04/2023	1	0.01
(GBP 1,425)	GBP Forward Currency Contract 06/04/2023	(1)	(0.01)
GBP 1,920	GBP Forward Currency Contract 06/04/2023	2	0.02
(USD 2,301)	USD Forward Currency Contract 06/04/2023	(2)	(0.02)
GBP 1,306	GBP Forward Currency Contract 06/04/2023	1	0.01
(USD 1,572)	USD Forward Currency Contract 06/04/2023	(1)	(0.01)
USD 1,020	USD Forward Currency Contract 06/04/2023	1	0.01
(GBP 849)	GBP Forward Currency Contract 06/04/2023	(1)	(0.01)
USD 2,912	USD Forward Currency Contract 06/04/2023	2	0.02
(GBP 2,461)	GBP Forward Currency Contract 06/04/2023	(2)	(0.02)
USD 3,308	USD Forward Currency Contract 06/04/2023	3	0.02
(GBP 2,790)	GBP Forward Currency Contract 06/04/2023	(3)	(0.02)
GBP 5,159	GBP Forward Currency Contract 06/04/2023	5	0.04
(NZD 10,086)	NZD Forward Currency Contract 06/04/2023	(5)	(0.04)
GBP 2,549	GBP Forward Currency Contract 06/04/2023	3	0.02
(USD 3,100)	USD Forward Currency Contract 06/04/2023	(3)	(0.02)
GBP 1,532	GBP Forward Currency Contract 06/04/2023	2	0.02
(USD 1,863)	USD Forward Currency Contract 06/04/2023	(2)	(0.02)
GBP 4,642	GBP Forward Currency Contract 06/04/2023	5	0.04
(NZD 9,087)	NZD Forward Currency Contract 06/04/2023	(5)	(0.04)
USD 3,528	USD Forward Currency Contract 06/04/2023	3	0.02
(GBP 2,916)	GBP Forward Currency Contract 06/04/2023	(3)	(0.02)
GBP 4,644	GBP Forward Currency Contract 06/04/2023	5	0.04
(NZD 9,030)	NZD Forward Currency Contract 06/04/2023	(5)	(0.04)
NZD 9,977	NZD Forward Currency Contract 06/04/2023	5	0.04
(GBP 5,099)	GBP Forward Currency Contract 06/04/2023	(5)	(0.04)
USD 2,715	USD Forward Currency Contract 06/04/2023	2	0.02
(GBP 2,226)	GBP Forward Currency Contract 06/04/2023	(2)	(0.02)
GBP 1,356	GBP Forward Currency Contract 06/04/2023	1	0.01
(USD 1,667)	USD Forward Currency Contract 06/04/2023	(1)	(0.01)
GBP 127,325	GBP Forward Currency Contract 06/04/2023	127	1.05
(USD 156,428)	USD Forward Currency Contract 06/04/2023	(126)	(1.04)
GBP 5,384	GBP Forward Currency Contract 06/04/2023	5	0.04
(USD 6,629)	USD Forward Currency Contract 06/04/2023	(5)	(0.04)
GBP 202,937	GBP Forward Currency Contract 05/05/2023	203	1.68
(USD 248,697)	USD Forward Currency Contract 05/05/2023	(201)	(1.66)
NZD 622,629	NZD Forward Currency Contract 06/04/2023	315	2.61
(GBP 315,173)	GBP Forward Currency Contract 06/04/2023	(315)	(2.61)
USD 248,697	USD Forward Currency Contract 06/04/2023	201	1.66
(GBP 203,059)	GBP Forward Currency Contract 06/04/2023	(203)	(1.68)

# Portfolio of investments

## Investments held at 31 March 2023

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (continued)</b>			
GBP 314,971	GBP Forward Currency Contract 05/05/2023	315	2.61
(NZD 622,629)	NZD Forward Currency Contract 05/05/2023	(315)	(2.61)
GBP 3,731	GBP Forward Currency Contract 05/05/2023	4	0.03
(NZD 7,375)	NZD Forward Currency Contract 05/05/2023	(4)	(0.03)
USD 4,974	USD Forward Currency Contract 05/05/2023	4	0.03
(GBP 4,044)	GBP Forward Currency Contract 05/05/2023	(4)	(0.03)
GBP 3,471	GBP Forward Currency Contract 05/05/2023	3	0.02
(USD 4,280)	USD Forward Currency Contract 05/05/2023	(3)	(0.02)
GBP 2,283	GBP Forward Currency Contract 05/05/2023	2	0.02
(USD 2,827)	USD Forward Currency Contract 05/05/2023	(2)	(0.02)
<b>Futures (30/09/22- 0.26%)</b>			<b>(0.12)</b>
(5)	CBT US 10Y Ultra Futures June 2023	(15)	(0.12)
<b>Portfolio of investments ^</b>		<b>12,051</b>	<b>99.79</b>
<b>Net other assets</b>		<b>25</b>	<b>0.21</b>
<b>Net assets</b>		<b>12,076</b>	<b>100.00</b>

Unless otherwise stated, all investments with the exception of Forward Foreign Exchange Contracts and Inflation Rate Swaps are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange contracts are BNP Paribas, JP Morgan Chase Bank, Merrill Lynch, Morgan Stanley, Lloyds Bank Corporate Markets and Royal Bank of Canada.

The counterparty for the Inflation Rate Swaps is Morgan Stanley.

^ Includes investment liabilities.

+SICAVs (open ended investment schemes registered outside the UK).

Credit Ratings	£000	%
Investment grade	11,923	98.72
Total investment in bonds	11,923	98.72



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## Top ten purchases and sales

For the half year ended 31 March 2023

<b>Purchases</b>	<b>Cost £000</b>	<b>Sales</b>	<b>Proceeds £000</b>
Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	738	Aberdeen Standard Liquidity Fund (Lux) – Seabury Sterling Class Z-1	754
Network Rail 1.75% 22/11/2027	616	UK Treasury 1.25% 22/11/2027	456
UK Treasury 0.625% 22/03/2040	319	UK Treasury 0.625% 22/03/2040	293
UK Treasury 0.125% 22/03/2051	220	UK Treasury 1.875% 22/11/2022	253
UK Treasury 1.25% 22/11/2032	212	UK Treasury 1.25% 22/11/2032	230
UK Treasury 0.125% 10/08/2028	184	UK Treasury 0.125% 22/03/2024	227
UK Treasury 0.375% 22/03/2062	183	UK Treasury 0.125% 22/03/2026	194
Network Rail 1.125% 22/11/2047	181	UK Treasury 0.75% 22/11/2047	174
UK Treasury 0.125% 10/08/2041	166	UK Treasury 0.125% 10/08/2028	132
UK Treasury 0.125% 22/03/2046	147	UK Treasury 0.25% 22/03/2052	110
<b>Subtotal</b>	<u>2,966</u>	<b>Subtotal</b>	<u>2,823</u>
<b>Other purchases</b>	641	<b>Other sales</b>	545
<b>Total purchases for the half year</b>	<u>3,607</u>	<b>Total sales for the half year</b>	<u>3,368</u>

# Statistical information

## Comparative table

	31/03/23	Class 'B' Accumulation		30/09/20
	pence	30/09/22	30/09/21	pence
		pence	pence	
<b>Change in net assets per unit</b>				
Opening net asset value per unit	157.43	214.45	214.41	213.76
Return before operating charges*	(1.94)	(56.82)	0.21	0.87
Operating charges	(0.13)	(0.20)	(0.17)	(0.22)
Return after operating charges*	(2.07)	(57.02)	0.04	0.65
Distributions on accumulation units	(7.48)	(16.47)	(3.17)	(0.11)
Retained distributions on accumulation units	7.48	16.47	3.17	0.11
Closing net asset value per unit	155.36	157.43	214.45	214.41
* after direct transaction costs of: ^	0.00	0.06	0.04	0.02

## Performance

Return after charges	(1.31%)	(26.59%)	0.02%	0.30%
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## Other information

Closing net asset value (£000)	12,076	12,268	19,114	20,645
Closing number of units	7,773,283	7,792,249	8,913,205	9,628,502
Operating charges	0.13%	0.10%	0.08%	0.11%
Direct transaction costs	0.00%	0.03%	0.02%	0.01%

## Prices<sup>+</sup>

Highest unit price (pence)	163.39	240.10	230.75	221.99
Lowest unit price (pence)	123.99	122.42	196.58	176.33

^ The direct transaction costs includes commission on futures and clearing house fees on swaps.

<sup>+</sup> 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 Fund aims to provide a total return (a combination of capital growth and income) by outperforming the benchmark by 0.25% to 0.75% per annum over any given 3 year period.

The benchmark as the FTSE UK Index-Linked Gilts All Stocks Index (the "Index").

## Investment policy

The Fund aims to achieve its objective by investing at least 80% of the portfolio in index-linked securities (indexed against the UK Retail Prices Index or a similar UK inflation index) issued by approved supranational bodies and OECD governments.

Non-Sterling exposure will be predominantly hedged back to Sterling.

In meeting the Fund objective and to aid diversification, the Fund may invest up to 20% in investment grade fixed and floating rate government backed corporate bonds and up to 10% in fixed rate UK Government Treasury Stock. The Fund may also invest in other transferable securities, units in collective investment schemes and may hold up to 20% of its assets in money market instruments, deposits, cash and near cash.

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

## Investment strategy

Although at least 80% of the Fund is invested in components of the Index, the Fund is actively managed. The investment Adviser uses a stock selection model to select individual holdings, where they believe there is misalignment in the assessment of growth prospects and creditworthiness of the holdings and that of the market, while giving consideration to future economic and business conditions. The Fund is managed within constraints, so that divergence from the Index is controlled. The Fund's portfolio may, therefore, be similar to the components of the Index.

## Revenue distribution and pricing

Units of the Fund are available as Class 'B' Accumulation (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.

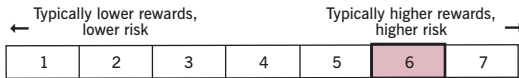
At each distribution the net revenue after deduction of expenses, from the investments of the Fund, is apportioned amongst the unitholders. Unitholders receive a tax voucher giving details of the distribution and the Manager's Report no later than two months after these dates.

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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.



This Fund is ranked at 6 (30/09/22: 5) because funds of this type have experienced medium to high rises and falls in value in the past. Although this is a high risk ranking it is not the highest.

The above figure applies to the following unit class/classes:

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

## Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

30 May 2023

Craig Baker, Director  
Andrew Moss, Director

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# Interim financial statements

For the half year ended 31 March 2023

## Statement of total return

	31/03/23		31/03/22	
	£000	£000	£000	£000
Income				
Net capital losses		(733)		(482)
Revenue	589		418	
Expenses	<u>(9)</u>		<u>(8)</u>	
Net revenue for the half year		<u>580</u>		<u>410</u>
Total deficit before distribution		(153)		(72)
Distributions		(577)		(410)
Change in unitholders' funds from investment activities		<u>(730)</u>		<u>(482)</u>

## Statement of change in unitholders' funds

	31/03/23		31/03/22	
	£000	£000	£000	£000
Opening net assets		12,268		19,114
Amounts receivable on issue of units	479		909	
Amounts payable on cancellation of units	<u>(522)</u>		<u>(4,870)</u>	
		(43)		(3,961)
Change in unitholders' funds from investment activities		(730)		(482)
Retained distributions on accumulation units		<u>581</u>		<u>339</u>
Closing net assets		<u>12,076</u>		<u>15,010</u>

\*Please note that the comparative figures are for the comparative interim period. The brought forward net assets for the current period do not, therefore, equal the carried forward figure in the comparative.

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# Interim financial statements

As at 31 March 2023

## Balance sheet

	31/03/23		30/09/22	
	£000	£000	£000	£000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investments		12,069		12,046
<b>Current assets:</b>				
Debtors	15		377	
Cash and bank balances	27		10	
Total current assets		42		387
Total assets		12,111		12,433
<b>Liabilities:</b>				
Investment liabilities		(18)		(6)
<b>Creditors:</b>				
Bank overdraft	(12)		(29)	
Other creditors	(5)		(130)	
Total creditors		(17)		(159)
Total liabilities		(35)		(165)
Net assets		12,076		12,268
Unitholders' funds		12,076		12,268

## Notes to the interim financial statements

### Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the valuation of investments and in compliance with FRS 102 and in accordance with the Statement of Recommended Practice (2014 SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017). Unless otherwise stated all accounting policies applied are consistent with those of the Annual Report for the year ended 30 September 2022 and are described in those financial statements.

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# Distribution table

For the half year ended 31 March 2023

## Interest distributions

### 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

	Gross income	Equalisation	2023 pence per unit payable 31 May	2022 pence per unit paid 31 May
<b>Class 'B' Accumulation</b>				
Group 1	7.4788	—	7.4788	4.8126
Group 2	7.4105	0.0683	7.4788	4.8126

### 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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## Corporate information

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). These details describe how remuneration and benefits are calculated and identify the committee which oversees and controls the policy. A paper copy of these details can be requested free of charge from the Manager. Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UK UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive, the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year, split into fixed and variable remuneration.

### 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

## 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 Investment  
Management Phoenix Life;

**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.SC101825  
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.

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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.