

PHOENIX UNIT TRUST MANAGERS

MANAGER'S FINAL REPORT

For the period: 1 February 2022 to 31 July 2022

PUTM BOTHWELL JAPAN EQUITY FUND (CLOSED)



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

Investment review

Dear Investor

Welcome to the PUTM Bothwell Japan Equity Fund final report for the period ended 31 July 2022. Following a review of the PUTM Fund range, PUTM have taken the decision to close the PUTM Bothwell Japan Equity Fund on 16 March 2022. Approval was received from the FCA, this report contains the final set of financial statements.

Portfolio of investments (unaudited)

Investments held at 31 July 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Basic Materials (31/01/22 - 4.76%)		0.00
	Consumer Goods (31/01/22 - 17.53%)		0.00
	Consumer Services (31/01/22 - 7.93%)		0.00
	Financials (31/01/22 - 12.17%)		0.00
	Healthcare (31/01/22 - 8.60%)		0.00
	Industrials (31/01/22 - 30.32%)		0.00
	Oil & Gas (31/01/22 - 0.70%)		0.00
	Technology (31/01/22 - 9.22%)		0.00
	Telecommunications (31/01/22 - 3.70%)		0.00
	Utilities (31/01/22 - 0.67%)		0.00
	Futures (31/01/22 - (0.20%))		0.00
		<hr/>	<hr/>
	Portfolio of investments	-	0.00
	Net other assets	-	0.00
	Net assets	-	0.00

Top ten purchases and sales

For the period ended 31 July 2022

Purchases	Cost £000	Sales	Proceeds £000
Keyence	11,460	Toyota Motor	17,937
Tokyo Electron	10,675	Sony	13,386
Mitsui	10,218	KDDI	12,996
Nippon Telegraph & Telephone	9,871	Keyence	12,834
Toyota Motor	9,797	Tokyo Electron	11,466
West Japan Railway	8,081	Mitsubishi UFJ Financial Group	10,742
Mitsui Fudosan	7,952	Hoya	10,551
Hitachi	7,222	Recruit Holdings	10,063
Tokio Marine Holdings	7,113	Nippon Telegraph & Telephone	9,930
Daikin Industries	7,007	Seven & I Holdings	9,703
Subtotal	89,396	Subtotal	119,608
Other purchases	219,227	Other sales	483,169
Total purchases for the period	<u>308,623</u>	Total sales for the period	<u>602,777</u>

Statistical information

Comparative tables

	14/04/22** pence	Class 'A' Accumulation		31/01/20 pence
		31/01/22 pence	31/01/21 pence	
Change in net assets per unit				
Opening net asset value per unit	150.99	150.07	143.28	132.15
Return before operating charges*	(7.14)	3.45	9.12	13.43
Operating charges	(0.51)	(2.53)	(2.33)	(2.30)
Return after operating charges*	(7.65)	0.92	6.79	11.13
Distributions on accumulation units	–	(0.87)	(0.88)	(1.00)
Retained distributions on accumulation units	–	0.87	0.88	1.00
Termination price per unit	143.34	–	–	–
Closing net asset value per unit	–	150.99	150.07	143.28
* after direct transaction costs of: ^	0.04	0.02	–	0.01

Performance

Return after charges	(5.07)%	0.61%	4.74%	8.42%
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Other information

Closing net asset value (£000)	–	27,965	29,745	30,261
Closing number of units	–	18,521,380	19,820,026	21,119,416
Operating charges	–	1.62%	1.65%	1.65%
Direct transaction costs	0.03%	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	166.64	182.58	169.79	160.05
Lowest unit price (pence)	141.64	145.02	114.29	128.85

** All of the units in the fund were cancelled by in specie transfer on 14 April 2022 so the information above relates to when the Fund was active.

^ The direct transaction costs includes commission on futures.

+ 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

	Class 'B' Accumulation			31/01/20 pence
	14/04/22** pence	31/01/22 pence	31/01/21 pence	
Change in net assets per unit				
Opening net asset value per unit	178.97	175.33	165.00	150.00
Return before operating charges*	(8.58)	3.98	10.67	15.33
Operating charges	(0.10)	(0.34)	(0.34)	(0.33)
Return after operating charges*	(8.68)	3.64	10.33	15.00
Distributions on accumulation units	–	(3.65)	(3.38)	(3.44)
Retained distributions on accumulation units	–	3.65	3.38	3.44
Termination price per unit	170.29	–	–	–
Closing net asset value per unit	–	178.97	175.33	165.00
* after direct transaction costs of: ^	0.05	0.03	0.01	0.01

Performance

Return after charges	(4.85)%	2.08%	6.26%	10.00%
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Other information

Closing net asset value (£000)	–	197,414	212,842	222,101
Closing number of units	–	110,307,787	121,392,837	134,604,402
Operating charges	–	0.18%	0.21%	0.21%
Direct transaction costs	0.03%	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	183.67	200.11	184.28	171.08
Lowest unit price (pence)	168.29	170.04	131.79	146.44

** All of the units in the fund were cancelled by in specie transfer on 14 April 2022 so the information above relates to when the Fund was active.

^ The direct transaction costs includes commission on futures.

+ 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

	Class 'C' Accumulation			31/01/20 pence
	14/04/22** pence	31/01/22 pence	31/01/21 pence	
Change in net assets per unit				
Opening net asset value per unit	119.62	117.31	110.50	100.54
Return before operating charges*	(5.59)	2.65	7.14	10.28
Operating charges	(0.09)	(0.34)	(0.33)	(0.32)
Return after operating charges*	(5.68)	2.31	6.81	9.96
Distributions on accumulation units	–	(2.34)	(2.16)	(2.21)
Retained distributions on accumulation units	–	2.34	2.16	2.21
Termination price per unit	113.94	–	–	–
Closing net asset value per unit	–	119.62	117.31	110.50
* after direct transaction costs of: ^	0.03	0.02	–	0.01

Performance

Return after charges	(4.75)%	1.97%	6.16%	9.91%
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Other information

Closing net asset value (£000)	–	98,293	99,736	104,996
Closing number of units	–	82,170,478	85,022,060	95,019,538
Operating charges	–	0.27%	0.30%	0.30%
Direct transaction costs	0.03%	0.02%	0.00%	0.01%

Prices⁺

Highest unit price (pence)	122.92	133.97	123.44	114.71
Lowest unit price (pence)	112.61	113.87	88.35	98.26

** All of the units in the fund were cancelled by in specie transfer on 14 April 2022 so the information above relates to when the Fund was active.

^ The direct transaction costs includes commission on futures.

+ 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

Statistical information

The investment objective and the investment policy detailed below, as well as the accounting policies on pages 12 and 13, were appropriate for the period when the Fund was open.

Investment objective

The Fund aimed to provide capital growth by outperforming the benchmark (before fees) by 0.75% to 1.5% over any given 3 year period.

The benchmark was the Tokyo Stock Price Total Return Index (the "Index").

Investment policy

The Fund aimed to achieve its objective by investing at least 70% of the portfolio in equities and equity related securities of Japanese companies that are constituents of the Index. The Fund could invest up to 15% in Japanese companies listed outside of the Index.

The Fund's holdings typically consisted of "equity related securities" which include convertible stocks, stock exchange listed warrants, depositary receipts, and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the Investment Adviser, influenced significantly by the stock market performance of the company's ordinary shares. The Fund could also invest in other transferable securities, which were non-approved securities (essentially unlisted securities), money-market instruments, deposits, cash and near cash and other collective investment schemes.

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

Investment strategy

Although a minimum of 70% of the Fund was invested in components of the Index, the Fund was actively managed. The Investment Adviser used numerical techniques to select investments, seeking to improve the level of return that can be achieved for a level of risk similar to that of the Index. The Fund was managed within constraints, so that divergence from the Index was controlled. The Fund's portfolio could, therefore, be similar to components of the Index.

Revenue distribution and pricing

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

There could be two potential distributions in each accounting year: an interim distribution as at 31 July and a final distribution as at 31 January.

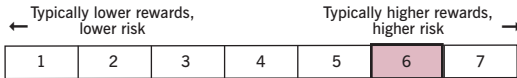
At each distribution the net revenue after deduction of expenses, from the investments of the Fund, was apportioned amongst the unitholders.

Unitholders received a tax voucher giving details of the distribution and the Manager's Report no later than two months after these dates.

Statistical information

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, could change over time and could 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 was ranked at 6 (31/01/22: 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
- Class 'C' Accumulation

Please note that even the lowest risk class could 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 risk(s) of investing in this Fund:

- Investing overseas can bring additional returns and spread risk to different markets. There were risks, however, that changes in currency rates will reduce the value of your investment.
- Counterparty Risk: the insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

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 period 1 February 2022 to 31 July 2022

Statement of total return

	Notes	31/07/22		31/01/22	
		£000	£000	£000	£000
Income					
Net capital losses	4		(15,380)		(186)
Revenue	5	(21)		4,293	
Expenses	6	(172)		(400)	
Interest payable and similar charges		(17)		–	
Net (expense)/revenue before taxation		(210)		3,893	
Taxation	7	2		(414)	
Net (expense)/revenue after taxation			(208)		3,479
Total (deficit)/return before distribution			(15,588)		3,293
Equalisation	8		178		(3,492)
Change in net assets attributable to unitholders from investment activities			(15,410)		(199)

Statement of change in net assets attributable to unitholders

	31/07/22***		31/01/22*	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		323,672		342,323
Amounts receivable on issue of units		400		2,841
Amounts payable on in-specie transfer**		(307,299)		–
Amounts payable on cancellation of units		(1,363)		(28,623)
		(308,262)		(25,782)
Change in net assets attributable to unitholders from investment activities		(15,410)		(199)
Retained distributions on accumulation units		–		6,303
Closing net assets attributable to unitholders		–		322,645

*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.

**Represents the value of units cancelled by in-specie transfer of assets during the period.

***All of the units were cancelled by in specie transfer on 14 April 2022 therefore no NAV remained at the end of the period.

Annual financial statements

As at 31 July 2022

Balance sheet

	Notes	31/07/22		31/01/22	
		£000	£000	£000	£000
Assets:					
Fixed assets:					
Investments		–		309,411	
Current assets:					
Debtors	9	72		13,330	
Cash and bank balances	10	54		16,328	
Total current assets			126		29,658
Total assets			126		339,069
Liabilities:					
Investment liabilities			–		(641)
Creditors:					
Other creditors	11	(126)		(14,756)	
Total creditors			(126)		(14,756)
Total liabilities			(126)		(15,397)
Net assets attributable to unitholders			–		323,672

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.

Following the decision of the Manager to wind up the Fund and approval from the FCA received on 8 September 2021, all of the units in the Fund were cancelled by in-specie transfer on 14 April 2022. Accordingly, the financial statements have been prepared on a break-up basis, all assets are measured at recoverable value and all liabilities at settlement value. No adjustments were required in these financial statements to reduce assets to their recoverable value or liabilities to their settlement value. The Manager of the Fund will bear the costs relating to any such liabilities arising. Unless otherwise stated all accounting policies are consistent with those of the prior period.

(b) Valuation of investments

All of the investments of the Fund were cancelled by in specie transfer on 14 April 2022. Therefore, no investments were held at the end of the accounting period.

(c) Foreign exchange

Transactions in foreign currencies during the period were 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, 31 July 2022, the last valuation point in the accounting period.

(d) Revenue

Dividends receivable from equity investments were credited to revenue when they are first quoted ex-dividend. Interest receivable on bank deposits is accounted for on a receipts basis. Any commission arising from stocklending is recognised on an accruals basis and is disclosed net of fees.

(e) Special dividends

Special dividends were 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.

(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.

(g) Expenses

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

Notes to the financial statements

Note 1 Accounting policies (continued)

(h) Taxation

The charge for taxation is based on taxable income for the period 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 accumulated to unitholders.

Prior to closure, the Fund was 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 were 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 was based upon the proportion of the Fund's assets attributable to each unit class on the day the revenue was earned or the expense is suffered. The Manager's periodic charge was specific to each unit class. Tax could be allocated between the unit classes according to income. Consequently, the revenue available to distribute for each unit class could 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.

(f) Expenses

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

Note 3 Risk management policies

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

Notes to the financial statements

Note 3 Risk management policies (continued)

(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 was exposed to market fluctuations which were 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 were 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

All of the Fund's investment portfolio was invested in overseas securities and the Balance sheet could be significantly affected by movements in foreign exchange rates. The Fund might have been 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 were 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.

(d) Liquidity risk

The Fund's assets were comprised of mainly readily realisable securities. If insufficient cash were available to finance unitholder redemptions then securities held by the Fund might need to be sold. The risk of low market liquidity, through reduced trading volumes, might have been affected the ability of the Fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity might 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.

Notes to the financial statements

Note 3 Risk management policies (continued)

(f) Derivatives (continued)

The use of derivatives for investment purposes means that the net asset value of the Fund may at times have high volatility, although derivatives will not be used with the intention of raising the risk profile of the Fund. Where derivatives are used for hedging this will not compromise the risk profile of the Fund. Use of derivatives will not knowingly contravene any relevant investment objective or limits.

There were no derivatives held at the period end.

Note 4 Net capital gains

	31/07/22 £000	31/01/22 £000
The net capital (losses)/gains during the period comprise:		
(losses)/gains on non-derivative securities	(15,257)	1,174
Gains on derivative contracts	40	1,087
Currency losses	(34)	(1,052)
Forward currency losses	(94)	–
Handling charges	(35)	(353)
Net capital (losses)/gains	<u>(15,380)</u>	<u>856</u>

Note 5 Revenue

	31/07/22 £000	31/01/22 £000
Overseas dividends	(24)	8,041
Bank interest	<u>3</u>	<u>–</u>
Total revenue	<u>(21)</u>	<u>8,041</u>

Note 6 Expenses

	31/07/22 £000	31/01/22 £000
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>138</u>	<u>751</u>
	138	751
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	<u>3</u>	<u>15</u>
	3	15
(c) Other expenses:		
Audit fee	25	7
Safe custody charges	5	28
Printing & stationery	–	2
Professional fees	<u>1</u>	<u>1</u>
	<u>31</u>	<u>38</u>
Total expenses	<u>172</u>	<u>804</u>

Notes to the financial statements

Note 7 Taxation

	31/07/22 £000	31/01/22 £000
(a) Analysis of tax charge for the period		
Overseas withholding tax	(2)	788
Total taxation (Note 7(b))	(2)	788
(b) Factors affecting the tax charge for the period		
The tax assessed for the period is lower than that calculated when the standard rate of corporation tax for Authorised Unit Trusts is applied to total revenue return. The differences are explained below:		
Net (expense)/revenue before taxation	(210)	7,237
Corporation tax at 20% (31/01/22: 20%)	(42)	1,447
Effects of:		
Revenue not subject to taxation	5	(1,608)
Overseas withholding tax	(2)	788
Current period expenses not utilised	37	161
Total tax charge for the period (Note 7(a))	(2)	788

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

(c) Provision for deferred taxation

At 31 July 2022 the Fund had a potential deferred tax asset of £1,813,826 (31/01/22: £1,776,625) in relation to surplus management expenses of £9,069,129 (31/01/22: £8,883,124).

This is not being recognised as the Fund is closing.

Note 8 Equalisation/Distribution

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units, and comprise:

	31/07/22 £000	31/01/22 £000
Interim	–	3,446
Final	–	2,857
	–	6,303
Amounts deducted on cancellation of units	(178)	184
Amounts added on issue of units	–	(10)
Net (equalisation)/distribution for the period	(178)	6,477
Net (expense)/revenue after taxation	(208)	6,449
Expenses taken to capital	30	28
Net (equalisation)/distribution for the period	(178)	6,477

Details of the distribution per unit are set out in the tables on page 21.

Notes to the financial statements

Note 9 Debtors

	31/07/22	31/01/22
	£000	£000
Sales awaiting settlement	–	12,791
Accrued income	–	539
Deficit due from manager	72	–
Total debtors	<u>72</u>	<u>13,330</u>

Note 10 Cash and bank balances

	31/07/22	31/01/22
	£000	£000
Cash and bank balances	54	10,671
Amounts held at futures clearing houses	–	5,657
Total cash and bank balances	<u>54</u>	<u>16,328</u>

Note 11 Other creditors

	31/07/22	31/01/22
	£000	£000
Cancellations awaiting settlement	–	1,987
Purchases awaiting settlement	–	12,411
Manager's periodic charge payable	90	315
Trustee's fees payable	1	3
Safe custody charges payable	–	2
Audit fee payable	7	7
Handling charges payable	–	31
Surplus due to manager	28	–
Total other creditors	<u>126</u>	<u>14,756</u>

Note 12 Reconciliation of units

	Class 'A' Accumulation	Class 'B' Accumulation	Class 'C' Accumulation
Opening units issued at 01/02/22	18,521,380	110,307,787	82,170,478
Unit movements in period:			
Units issued	132,310	–	166,917
Units cancelled	(18,653,690)	(110,307,787)	(82,337,395)
Closing units at 31/07/22	<u>–</u>	<u>–</u>	<u>–</u>

Note 13 Contingencies and commitments

At 31 July 2022 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (31/01/22: £nil).

Notes to the financial statements

Note 14 Related party transactions

The Manager was 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.

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 31 July 2022 in respect of these transactions are shown in Notes 9 and 11.

Note 15 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 period end.

Currency exposure

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

Currency	Net currency assets 31/07/22			Net currency assets 31/01/22		
	Monetary exposure £000	Non- monetary exposure £000	Total £000	Monetary exposure £000	Non- monetary exposure £000	Total £000
Sterling	–	–	–	3,134	–	3,134
Japanese Yen	–	–	–	11,763	308,770	320,533
US Dollar	–	–	–	5	–	5
	–	–	–	14,902	308,770	323,672

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 period end date, 0.00% (31/01/22: 5.04%) 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.

Notes to the financial statements

Note 16 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.

All of the units in the fund were cancelled by in specie transfer on 14 April 2022, therefore, there are no holdings at the period end.

For the year ended 31/01/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	309,411	–	–	309,411
	309,411	–	–	309,411
Investment liabilities	£000	£000	£000	£000
Derivatives	(641)	–	–	(641)
	(641)	–	–	(641)

Notes to the financial statements

Note 17 Portfolio transaction costs

For the period ended 31/07/22

	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total purchases costs						
Equity transactions	308,578	45	0.01	–	–	308,623
Total	308,578	45		–		308,623
	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total sales costs						
Equity transactions	299,784	(39)	(0.01)	–	–	299,745
In-specie transactions	303,032	–	–	–	–	303,032
Total	602,816	(39)		–		602,777

The Fund has paid £602 as commission on purchases and sales of derivatives transactions for the period ended 31.07.22.

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

Commission	0.03%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31/01/22

	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total purchases costs						
Equity transactions	1,204,627	43	0.00	–	–	1,204,670
Total	1,204,627	43		–		1,204,670
	Value £000	Commission £000	%	Taxes £000	%	Total costs £000
Analysis of total sales costs						
Equity transactions	1,219,539	(7)	0.00	–	–	1,219,532
Corporate actions	2	–	–	–	–	2
Total	1,219,541	(7)		–		1,219,534

The Fund has paid £3,236 as commission on purchases and sales of derivatives transactions for the year ended 31/01/22.

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

Commission	0.02%
Taxes	0.00%
Other expenses	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

At the Balance sheet date the portfolio dealing spread was 0.00% (31/01/22: 0.24%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution table

For the period ended 31 July 2022

Interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 14 April 2022

	Net income	Equalisation	2022* pence per unit payable 30 Sep	2021 pence per unit paid 30 Sep
Class 'A' Accumulation				
Group 1	n/a	n/a	n/a	0.5529
Group 2	n/a	n/a	n/a	0.5529
Class 'B' Accumulation				
Group 1	n/a	n/a	n/a	1.9312
Group 2	n/a	n/a	n/a	1.9312
Class 'C' Accumulation				
Group 1	n/a	n/a	n/a	1.2396
Group 2	n/a	n/a	n/a	1.2396

* Accumulation classes terminated and sold all of their units on 14 April 2022.

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 a going concern basis unless it is inappropriate to presume that the Fund will continue in operation. For reasons stated in the Manager's Report and Note 1(a), the financial statements have been prepared on a break-up basis as the Fund is not a going concern..

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

- b) The Depositary in its capacity as Trustee of the PUTM Bothwell Japan 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, 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 Japan Equity Fund (the Trust) for the period ended 31 July 2022.

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 November 2022

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 November 2022

Craig Baker, Director
Brid Meaney, Director

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

Opinion

We have audited the financial statements of the PUTM PUTM Bothwell Japan Equity Fund ("the Fund") for the period ended 31 July 2022 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).

The financial statements have been prepared on a break up basis, as disclosed in Note 1(a).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 July 2022 and of the net expense and the net capital losses on the scheme property of the Fund for the period 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.

Emphasis of matter – financial statements prepared on a break up basis

We draw attention to Note 1(a) to the financial statements which explains that the Manager intends to wind up the Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis as described in Note 1(a). Our opinion is not modified in respect of this matter.

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 Japan 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 period 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 xx, 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 Japan 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 November 2022

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 2021

	Headcount	Total remuneration
Phoenix Unit Trust Managers	2	90,655.88
of which		
Fixed Remuneration	2	59,744.92
Variable Remuneration	1	30,910.96
Carried Interest	n/a	
Highest paid Director's Remuneration		40,843.47

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 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 Japan Equity Fund. This has been performed based on the information available as at 31 July 2022.

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 comfortable that the fund meets the required Assessment of Value criteria. No immediate action is required.

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

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

Risks

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

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

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

Corporate information (unaudited)

Manager

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

Directors

Brid Meaney	PUTM Director, Chief Executive Phoenix Life;
Craig Baker	PUTM Director, Head of 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

Ignis Investment Services Limited
1 George Street
Edinburgh EH2 2LL
Registered in Scotland – No.SC101825
Authorised and regulated by the Financial Conduct Authority.

Former Investment Adviser (to 14 March 2022)

Nikko Asset Management Europe Limited
City Tower,
40 Basinghall Street
London
EC2V 5DE
Registered in England - 1803699
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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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.