

PHOENIX UNIT TRUST MANAGERS

MANAGER'S ANNUAL REPORT

For the year: 16 May 2022 to 15 May 2023

PUTM BOTHWELL ASIA PACIFIC (EX JAPAN) FUND



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

Investment review

Dear Investor

Welcome to the PUTM Bothwell Asia Pacific (ex-Japan) Fund annual report for the 12 months to 15 May 2023.

Performance Review

Over the review period, the PUTM Bothwell Asia Pacific (ex-Japan) Fund returned -2.1%. This compared to its benchmark index return of -0.7%.

The table shows how the Fund performed against its benchmark index over the last five discrete one-year periods.

Standardised Past Performance

	May 22-23 % growth	May 21-22 % growth	May 20-21 % growth	May 19-20 % growth	May 18-19 % growth
PUTM Bothwell Asia Pacific (ex-Japan) Fund	-2.1	-10.9	30.1	0.6	-0.9
Benchmark Index	-0.7	-8.3	27.0	0.0	-3.2

Source: Fund performance is Standard Life Investments; benchmark index performance is Datastream, MSCI AC Asia Pacific ex Japan (NR) Index to 15 May for each year. The Fund's benchmark changed from the FTSE AW Asia Pacific ex Japan (TR) Index to the MSCI AC Asia Pacific ex Japan (NR) Index on 30/04/11.

Past performance is not a guide to future performance.

Please note that we calculate all past performance figures 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

Asia Pacific equities were flat over the 12 months under review. The first half of the period saw markets affected by concerns around inflation, the sharp rise in US interest rates and the growing prospect of a global recession. However, sentiment later improved thanks to the reopening of the Chinese economy after the ending of Covid-19 restrictions, which led investors to anticipate strong demand for everything from consumer electronics to travel and commodities. That helped to lift other Asian markets, including the technology-heavy markets of South Korea and Taiwan which had been affected by investors moving from growth to value stocks.

Hopes of a peak to the rapid pace of interest-rate increases faltered as inflation remained stubbornly high and the risk of a recession began to weigh on sentiment. Stresses in the US banking system led to the closure of several banks and, as concerns spread around the developed world, the Swiss government arranged an emergency takeover of Credit Suisse by UBS. While the mainland China market was flat over the period, India and Australia proved more resilient and Singapore emerged as one of the top-performing markets.

Over the 12 months, the Fund lagged the MSCI AC Asia Pacific ex Japan Index, but our overarching focus remains on holding quality companies that hold up well over longer time periods.

From a country perspective, China proved to be largest detractor from performance mainly due to stock selection. The consumer discretionary sector was particularly hard hit, with luxury car dealer **Zhongsheng Group** affected by the weak market sentiment while **China Tourism Group Duty Free** dropped back as investors became concerned that the level of outbound travel might affect demand for domestic duty free. Fears about cyclical weakness in the e-commerce sector also weighed on **JD.com**, but the company has responded with a new strategy to restore price competitiveness.

Yunnan Energy New Material's shares weakened substantially after the announcement of a probe into the chairman and vice chairman, which caused volatility in the share price. We sought the views of industry analysts and experts, and then decided that the best route was to sit on the sidelines for now and move our investment to other opportunities in Asia. Within the same sector, **Longi Green Energy Technology** also detracted on concerns

over the impact of Europe's new Green Deal and a rotation by investors out of renewable stocks and into reopening plays in China.

China's strained relations with the US were another factor that affected some companies. Pharmaceutical company **WuXi Biologics**, a stock that has fundamentally performed well, detracted as the US added two of its subsidiaries to the "unverified list" of exporters. Fortunately, that decision was reversed halfway through the period.

On a more positive note, our holdings in the financial sector made the largest contribution to performance thanks to good stock selection and our overweight position. **Bank Central Asia**, which has a strong balance sheet and is our key holding in Indonesia, benefited from the central bank's interest-rate increases. Singapore's **DBS Group** and **Oversea-Chinese Banking Corporation** also performed well in the sector. China is a critical growth market for Hong Kong-based **AIA Group**, so its stock received a boost from the country's reopening and was helped further by results that comfortably beat investor expectations.

The materials sector, in which we are overweight, made a positive contribution. In South Korea, **LG Chem** benefited from expectations that it could be a prime beneficiary of the US Inflation Reduction Act within the battery supply chain as well as hopes that China's reopening will boost demand in the company's core petrochemicals business.

Good stock selection in the resilient Indian market also made a positive contribution with **HDFC**, **Maruti Suzuki** and **Hindustan Unilever** among the top performers. Through the review period, too, the market spotlight fell on conglomerate Adani Group. We do not hold Adani stocks owing to quality and governance concerns. In late January 2023, the group was targeted by a short seller that accused it of accounting fraud and stock manipulation. The unwinding in the share prices benefited performance.

It was a busy 12 months in terms of portfolio activity. In addition to the new purchases mentioned in the interim report, there were several other additions to the Fund's holdings in China during the period. **Aier Eye Hospital** is China's largest domestic private eyecare hospital chain, with demand supported by the ageing population, rising living standards and government policies to improve the

Investment review

accessibility and standards of drugs and healthcare.

Foshan Haitian Flavouring and Food Company is the leading soy sauce maker in China and is expanding its market share via a greater geographic reach and a wider range of quality premium condiments. We also established new positions in **Silergy**, which designs and manufactures a wide range of semiconductor products, and **Yum China**, the restaurant group that operates the KFC and Pizza Hut brands in China.

As well as the disposals mentioned in the interim report, we also sold Aristocrat Leisure in view of the company's mixed outlook, and Yunnan Energy New Material, as previously mentioned. Our stakes in Tata Consultancy Services and Larsen & Toubro were divested in order to take up better opportunities elsewhere.

Outlook & Strategy

Recent financial turmoil in Europe and the US has caused volatility in global financial markets, owing to fears over contagion risks to the global banking sector. There is also uncertainty over whether central banks will shift their focus from combating inflation to ensuring financial stability. The US Federal Reserve has been tightening monetary policy in order to slow economic growth, which will ease stubborn inflationary pressures, but not to the extent of triggering a deep recession. The current developments, however, have the potential to lead to tighter financial conditions and hurt economic growth, as well as accelerate a looming recession in the US. This will have consequences for the recovery across Asia.

While China is an important trade and export partner for other Asian countries – and its reopening will bolster its neighbours through a rebound in demand for exports, services, trade and tourism – it is worth noting that the US and eurozone also remain key markets, especially for ASEAN. However, we continue to believe that Asia will prove more resilient economically and could perform relatively well if China's economy continues to recover as expected. We are optimistic about better economic numbers in the coming few months, particularly given the very low base of comparison, with China having been badly hurt by lockdowns in key cities in April and May last year.

Under an environment where financial stress could rise, due diligence becomes even more important. In particular, we continue to assess the potential impact and risks to our underlying holdings, including banks, to ensure that their fundamentals remain robust and their cash flows and dividends continue to be sustainable over the long term. As contagion fears persist in volatile markets, we would expect a refocus on fundamentals, a flight to quality and a potential peak in interest rates to be good for quality stocks. Companies that have strong balance sheets, low or minimal leverage and an ability to generate steady free cash flows will be more resilient than those that are highly geared, have frail balance sheets and weak market positions. Given our focus on quality companies, we believe that the portfolio is well positioned for the potential challenges ahead.

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Australia (15/05/22 – 16.40%)		15.20
	Banks (15/05/22 - 3.68%)		2.49
139,000	Commonwealth Bank of Australia	7,289	1.51
334,866	National Australia Bank	4,719	0.98
	Financial Services (15/05/22 - 1.39%)		1.05
54,344	Macquarie Group	5,072	1.05
	Healthcare Equipment & Services (15/05/22 - 1.32%)		1.57
58,799	Cochlear	7,582	1.57
	Mining (15/05/22 - 4.63%)		3.97
32,957	BHP Billiton	772	0.16
775,776	BHP Group	18,343	3.81
	Oil & Gas Producers (15/05/22 - 0.49%)		1.82
2,820,000	Beach Energy	2,095	0.44
227,028	Woodside Energy	4,108	0.85
140,183	Woodside Energy (GBP price)	2,564	0.53
	Pharmaceuticals & Biotechnology (15/05/22 - 2.22%)		3.11
91,612	CSL	14,986	3.11
	Real Estate Investment Trusts (15/05/22 - 1.11%)		1.19
532,418	Goodman Group	5,727	1.19
	Software & Computer Services 0.00% (15/05/22 - 0.51%)		
	Travel & Leisure 0.00% (15/05/22 - 1.05%)		
	Cayman Islands (15/05/22 – 11.76%)		15.96
	Automobiles & Parts (15/05/22 - 1.15%)		0.16
210,500	Zongsheng Group	747	0.16
	Beverages (15/05/22 - 1.27%)		2.22
4,890,000	Budweiser Brewing	10,671	2.22
	Electronic & Electrical Equipment (15/05/22 - 0.00%)		0.41
195,000	Silergy Corporation	1,975	0.41
	Healthcare Equipment & Services (15/05/22 - 0.69%)		0.94
959,500	Wuxi Biologics	4,525	0.94
	Software & Computer Services (15/05/22 - 8.03%)		11.90
1,659,860	Alibaba Group	14,463	3.00
426,184	JD.com	6,128	1.27
531,803	Meituan Dianping	7,391	1.53
845,632	Tencent Holdings	29,387	6.10
	Technology Hardware & Equipment (15/05/22 - 0.62%)		0.33
1,402,952	GDS Holdings 'A'	1,599	0.33
	China (15/05/22 – 13.68%)		12.54
	Alternative Energy (15/05/22 - 0.65%)		0.90
325,343	Sungrow Power Supply 'A'	4,357	0.90
	Banks (15/05/22 - 1.70%)		0.97
1,156,384	China Merchants Bank	4,693	0.97
	Beverages (15/05/22 - 1.51%)		1.34
32,614	Kweichow Moutai 'A'	6,436	1.34
	Electronic & Electrical Equipment (15/05/22 - 1.54%)		0.78
1,189,417	NARI Technology Development 'A'	3,749	0.78
	Food Producers (15/05/22 - 0.00%)		0.45
279,521	Foshan Haitian Flavour and Food	2,166	0.45
	General Industrials 0.00% (15/05/22 - 1.40%)		
	General Retailers (15/05/22 - 0.46%)		0.34
108,800	China Tourism Group	1,623	0.34

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Healthcare Equipment & Services (15/05/22 - 1.24%)		2.32
1,187,941	Aier Eye Hospital	4,010	0.83
201,653	Shenzhen Mindray Bio-Medical Electronics 'A'	7,186	1.49
	Leisure Goods (15/05/22 - 0.80%)		1.36
238,370	Contemporary AmpereX Technology	6,531	1.36
	Real Estate Investment Services (15/05/22 - 0.80%)		0.85
3,500,000	China Vanke	4,111	0.85
	Software & Computer Services (15/05/22 - 0.73%)		1.69
907,188	Glodon 'A'	3,928	0.82
1,771,720	Yonyou Network Technology	4,180	0.87
	Technology Hardware & Equipment (15/05/22 - 1.62%)		0.84
1,045,160	Longi Green Energy Technology	4,064	0.84
	Travel & Leisure (15/05/22 - 1.23%)		0.70
207,454	China International Travel Service 'A'	3,387	0.70
	Hong Kong (15/05/22 - 7.09%)		7.02
	Financial Services (15/05/22 - 1.16%)		1.41
212,672	Hong Kong Exchanges and Clearing	6,796	1.41
	Household Goods 0.00% (15/05/22 - 1.10%)		
	Life Insurance (15/05/22 - 3.91%)		4.55
2,618,805	Alia Group	21,911	4.55
	Personal Goods (15/05/22 - 0.92%)		1.06
970,000	Li-Ning	5,089	1.06
	India (15/05/22 - 14.00%)		13.90
	Automobiles & Parts (15/05/22 - 0.94%)		1.79
96,353	Maruti Suzuki	8,616	1.79
	Banks (15/05/22 - 1.20%)		1.13
284,738	Kotak Mahindra Bank	5,456	1.13
	Construction & Materials (15/05/22 - 2.21%)		1.06
67,870	UltraTech Cement	5,116	1.06
	Electricity (15/05/22 - 0.97%)		1.43
2,917,017	Power Grid Corporation of India	6,891	1.43
	Financial Services (15/05/22 - 3.06%)		3.39
604,225	Housing Development Finance Corporation	16,339	3.39
	Life Insurance (15/05/22 - 1.54%)		2.07
862,518	SBI Life Insurance	9,964	2.07
	Personal Goods (15/05/22 - 1.42%)		1.76
326,896	Hindustan Unilever	8,452	1.76
	Software & Computer Services (15/05/22 - 2.66%)		1.27
499,524	Infosys	6,105	1.27
	Indonesia (15/05/22 - 2.27%)		3.47
	Banks (15/05/22 - 2.27%)		1.97
20,022,600	Bank Central Asia	9,490	1.97
	Fixed Line Telecommunications (15/05/22 - 0.00%)		1.50
33,741,300	Telekomunikasi Indonesia	7,235	1.50
	Netherlands (15/05/22 - 1.85%)		3.40
	Technology Hardware & Equipment (15/05/22 - 1.85%)		3.40
21,130	ASM International	6,205	1.29
19,653	ASML Holding	10,167	2.11

Portfolio of investments (unaudited)

Investments held at 15 May 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	New Zealand 0.00% (15/05/22 - 0.45%)		
	Philippines (15/05/22 – 0.70%)		0.73
	General Industrials (15/05/22 - 0.70%)		0.71
365,000	Ayala	3,413	0.71
	Oil & Gas Producers (15/05/22 - 0.00%)		0.02
1,095,000	AC Energy	94	0.02
	Singapore (15/05/22 – 4.53%)		3.52
	Banks (15/05/22 - 4.53%)		3.52
457,299	Development Bank of Singapore	8,459	1.76
1,154,522	Overseas-Chinese Banking	8,457	1.76
	South Korea (15/05/22 – 10.84%)		7.78
	Chemicals (15/05/22 - 1.37%)		1.57
18,306	LG Chem	7,563	1.57
	Electronic & Electrical Equipment (15/05/22 - 6.12%)		4.81
67,817	Samsung Electronics	2,615	0.54
631,852	Samsung Electronics Preference	20,552	4.27
	Pharmaceuticals & Biotechnology (15/05/22 - 1.41%)		1.22
12,425	Samsung Biologics	5,854	1.22
	Software & Computer Services (15/05/22 - 0.86%)		0.18
25,574	Daum Kakao	869	0.18
	Technology Hardware & Equipment 0.00% (15/05/22 - 1.08%)		
	Taiwan (15/05/22 – 11.16%)		11.13
	Electronic & Electrical Equipment (15/05/22 - 2.95%)		3.12
792,000	Delta Electronics	6,174	1.28
3,349,000	Hon Hai Precision Industry	8,862	1.84
	Technology Hardware & Equipment (15/05/22 - 8.21%)		8.01
3,001,749	Taiwan Semiconductor Manufacturing	38,585	8.01
	Thailand (15/05/22 – 0.52%)		1.24
	Banks (15/05/22 - 0.52%)		1.24
1,861,100	Kasikornbank	5,989	1.24
	United Kingdom (15/05/22 – 0.94%)		0.97
	Mining (15/05/22 - 0.94%)		0.97
93,973	Rio Tinto	4,663	0.97
	United States (15/05/22 – 0.00%)		0.65
	Travel & Leisure (15/05/22 - 0.00%)		
64,000	Yum China	3,150	0.65
	Money Markets (15/05/22 – 2.44%)		1.96
£9,437	Aberdeen Standard Liquidity Fund (LUX) - Seabury Sterling Class Z-1+	9,433	1.96
	Portfolio of investments	479,128	99.47
	Net other assets	2,569	0.53
	Net assets	481,697	100.00

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.

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

Top ten purchases and sales

For the year ended 15 May 2023

Purchases	Cost £000	Sales	Proceeds £000
Aberdeen Standard Liquidity Fund (LUX) -		Aberdeen Standard Liquidity Fund (LUX) -	
Seabury Sterling Class Z-1	117,723	Seabury Sterling Class Z-1	121,257
Tencent Holdings	8,988	OZ Minerals	11,526
Telekomunikasi Indonesia	8,929	Tata Consultancy Services	8,765
JD.com	6,352	Larsen & Toubro	7,787
Alibaba Group	5,553	DBS Group	6,481
Aier Eye Hospital	4,730	Samsung Electronics	6,253
Woodside Energy	4,005	Bank Central Asia	6,112
Maruti Suzuki	3,970	Aristocrat Leisure	5,382
Budweiser Brewing	3,793	Yunnan Energy New Material	5,146
Meituan Dianping	3,668	Techtronic Industries	5,084
Subtotal	<u>167,711</u>	Subtotal	<u>183,793</u>
Other purchases	<u>61,665</u>	Other sales	<u>74,920</u>
Total purchases for the year	<u>229,376</u>	Total sales for the year	<u>258,713</u>

Statistical information

Comparative tables

	15/05/23 pence	Class 'A' Accumulation 15/05/22 pence	15/05/21 pence
Change in net assets per unit			
Opening net asset value per unit	370.06	424.80	332.78
Return before operating charges*	(6.51)	(48.27)	98.34
Operating charges	(5.88)	(6.47)	(6.32)
Return after operating charges*	(12.39)	(54.74)	92.02
Distributions on accumulation units	(2.92)	(1.31)	(1.35)
Retained distributions on accumulation units	2.92	1.31	1.35
Closing net asset value per unit	357.67	370.06	424.80
*after direct transaction costs of:	0.25	0.30	0.38

Performance

Return after charges	(3.35%)	(12.89%)	27.65%
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Other information

Closing net asset value (£000)	23,539	24,992	27,523
Closing number of units	6,581,067	6,753,296	6,479,193
Operating charges	1.54%	1.53%	1.55%
Direct transaction costs	0.07%	0.07%	0.09%

Prices⁺

Highest unit price (pence)	447.01	485.72	513.86
Lowest unit price (pence)	339.22	365.71	329.37

⁺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

	15/05/23	Class 'B' Accumulation 15/05/22	15/05/21
	pence	pence	pence
Change in net assets per unit			
Opening net asset value per unit	439.50	496.98	383.58
Return before operating charges*	(8.07)	(57.30)	113.69
Operating charges	(0.18)	(0.18)	(0.29)
Return after operating charges*	(8.25)	(57.48)	113.40
Distributions on accumulation units	(10.35)	(8.38)	(7.99)
Retained distributions on accumulation units	10.35	8.38	7.99
Closing net asset value per unit	431.25	439.50	496.98
*after direct transaction costs of:	0.30	0.35	0.45

Performance

Return after charges	(1.88%)	(11.57%)	29.56%
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Other information

Closing net asset value (£000)	458,158	507,424	543,143
Closing number of units	106,239,150	115,455,147	109,287,664
Operating charges	0.04%	0.03%	0.06%
Direct transaction costs	0.07%	0.07%	0.09%

Prices⁺

Highest unit price (pence)	499.11	529.51	557.17
Lowest unit price (pence)	405.78	433.41	379.83

⁺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 MSCI AC Asia Pacific ex Japan Sterling Index (the "Index").

Investment policy

The Fund will invest at least 70% of the portfolio in equities and equity related securities of Asian, including Australasian, companies but excluding Japanese companies. The Fund may invest in emerging markets in the region. The Fund may also invest in companies that are headquartered or quoted outside the region which deliver a significant part of their business from the region, and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund can invest up to 15% in other regions.

The Fund's holdings will typically consist of equities or "equity related securities" which will include convertible stocks, stock exchange listed warrants, depository 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 may also invest in other transferable securities, which are non-approved securities (essentially unlisted securities), money-market instruments, deposits, cash and near cash and other collective investment schemes.

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 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 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 15 November and a final distribution as at 15 May.

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.

Statistical information

Risk and reward profile

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

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

This Fund is ranked at 6 (15/05/22: 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 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 that 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 15 May 2023

Statement of total return

	Notes	15/05/23		15/05/22	
		£000	£000	£000	£000
Income					
Net capital losses	4		(17,410)		(77,781)
Revenue	5	12,960		10,466	
Expenses	6	(590)		(604)	
Interest payable and similar charges		(6)		(3)	
Net revenue before taxation		12,364		9,859	
Taxation	7	(1,847)		(294)	
Net revenue after taxation			10,517		9,565
Total deficit before distributions			(6,893)		(68,216)
Distributions	8		(11,670)		(9,377)
Change in net assets attributable to unitholders from investment activities			(18,563)		(77,593)

Statement of change in net assets attributable to unitholders

	15/05/23		15/05/22	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		532,416		570,666
Amounts receivable on issue of units	14,274		58,689	
Amounts payable on cancellation of units	(57,761)		(28,847)	
		(43,487)		29,842
Change in net assets attributable to unitholders from investment activities		(18,563)		(77,593)
Retained distributions on accumulation units		11,331		9,501
Closing net assets attributable to unitholders		481,697		532,416

Annual financial statements

As at 15 May 2023

Balance sheet

	Notes	15/05/23		15/05/22	
		£000	£000	£000	£000
Assets:					
Fixed assets:					
Investments			479,128		525,112
Current assets:					
Debtors	9	4,282		3,916	
Cash and bank balances	10	2,001		4,432	
Total current assets			<u>6,283</u>		<u>8,348</u>
Total assets			<u>485,411</u>		<u>533,460</u>
Liabilities:					
Creditors:					
Other creditors	11	(2,752)		(82)	
Total creditors			<u>(2,752)</u>		<u>(82)</u>
Deferred tax liability			(962)		(962)
Total liabilities			<u>(3,714)</u>		<u>(1,044)</u>
Net assets attributable to unitholders			<u>481,697</u>		<u>532,416</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 15 May 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.

(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 15 May 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.

(f) 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.

Notes to the financial statements

Note 1 Accounting policies (continued)

(g) 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.

(h) 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) Special dividends

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

(e) Distributions from collective investment schemes

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

(f) Expenses

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

Notes to the financial statements

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 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.

(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.

Notes to the financial statements

Note 3 Risk management policies (continued)

(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.

There were no derivatives held during the year or at the year end.

Note 4 Net capital losses

The net capital losses during the year comprise:

	15/05/23	15/05/22
	£000	£000
Losses on non-derivative securities	(16,647)	(77,855)
Losses on derivative contracts	–	(3)
Currency (losses)/gains	(761)	91
Handling charges	(2)	(14)
Net capital losses	<u>(17,410)</u>	<u>(77,781)</u>

Note 5 Revenue

	15/05/23	15/05/22
	£000	£000
UK dividends	382	1,510
Overseas dividends	12,340	8,906
Stocklending commission	7	34
Bank interest	16	–
Liquidity interest	215	16
Total revenue	<u>12,960</u>	<u>10,466</u>

Note 6 Expenses

	15/05/23	15/05/22
	£000	£000
(a) Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>408</u>	<u>446</u>
(b) Payable to the Trustee or associates of the Trustee and agents of either of them:		
Trustee's fees	<u>22</u>	<u>19</u>
(c) Other expenses:		
Audit fee	8	7
Safe custody charges	112	93
Printing & stationery	–	1
FTSE licence fees	4	12
Professional fees	36	26
	<u>160</u>	<u>139</u>
Total expenses	<u>590</u>	<u>604</u>

Notes to the financial statements

Note 7 Taxation	15/05/23 £000	15/05/22 £000
(a) Analysis of tax charge for the year		
Overseas withholding tax	805	608
Reclaimable tax written off	2	1
Overseas capital gains tax	1,040	24
Total current tax	<u>1,847</u>	<u>633</u>
Deferred tax on overseas capital gains (Note 7(c))	–	(339)
Total taxation (Note 7(b))	<u>1,847</u>	<u>294</u>

- (b) Factors affecting the tax charge for the year
- The tax assessed for the year is lower (15/05/22: 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:

Net revenue before taxation	<u>12,364</u>	<u>9,859</u>
Corporation tax at 20% (15/05/22 : 20%)	2,473	1,972
Effects of:		
Revenue not subject to taxation	(2,526)	(2,063)
Overseas withholding tax	805	608
Reclaimable tax written off	2	1
Tax relief on overseas tax suffered	(2)	(1)
Excess management expenses unutilised	55	92
Overseas capital gains tax	1,040	(315)
Total tax charge for the year (Note 7(a))	<u>1,847</u>	<u>294</u>

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

(c) Provision for deferred taxation		
Provision at start of the year	962	1,301
Deferred tax charge in year (Note 7 (a))	–	(339)
Provision at end of the year	<u>962</u>	<u>962</u>

Whilst Authorised Unit Trusts are exempt from tax on capital gains in the UK, this is not the case in certain overseas domiciles. As such, the Manager has determined there is potential liability for capital gains tax on Indian securities and a provision of £961,939 (15/05/22: £961,939) has been made.

At 15 May 2023 the Fund had a potential deferred tax asset of £1,204,803 (15/05/22: £1,149,650) in relation to surplus management expenses of £6,024,017 (15/05/22: £5,748,248). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised in the year or the prior year.

Notes to the financial statements

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:

	15/05/23	15/05/22
	£000	£000
Interim	7,026	6,094
Final	4,305	3,407
	<u>11,331</u>	<u>9,501</u>
Amounts deducted on cancellation of units	401	89
Amounts added on issue of units	(62)	(213)
Net distribution for the year	<u>11,670</u>	<u>9,377</u>
Net revenue after taxation	10,517	9,565
Expenses taken to capital	112	93
Capital tax balances	1,041	(315)
Income deficit transfer	–	34
Net distribution for the year	<u>11,670</u>	<u>9,377</u>

Details of the distribution per unit are set out in the tables on page 25.

Note 9 Debtors

	15/05/23	15/05/22
	£000	£000
Creations awaiting settlement	–	1,431
Sales awaiting settlement	3,126	1,659
Accrued income	1,143	816
Overseas tax recoverable	13	10
Total debtors	<u>4,282</u>	<u>3,916</u>

Note 10 Cash and bank balances

	15/05/23	15/05/22
	£000	£000
Cash and bank balances	<u>2,001</u>	<u>4,432</u>

Note 11 Other creditors

	15/05/23	15/05/22
	£000	£000
Cancellations awaiting settlement	–	15
Purchases awaiting settlement	2,664	–
Manager's periodic charge payable	48	51
Trustee's fees payable	4	5
Safe custody charges payable	26	4
Audit fee payable	8	7
Handling charges payable	2	–
Total other creditors	<u>2,752</u>	<u>82</u>

Note 12 Reconciliation of units

	Class 'A' Accumulation	Class 'B' Accumulation
Opening units issued at 16/05/22	6,753,296	115,455,147
Unit movements in year:		
Units issued	24,752	4,639,390
Units cancelled	(196,981)	(13,855,387)
Closing units at 15/05/23	<u>6,581,067</u>	<u>106,239,150</u>

Notes to the financial statements

Note 13 Contingencies and commitments

At 15 May 2023 the Fund had no outstanding calls on partly paid shares, no potential underwriting commitments or any other contingent liabilities (15/05/22: £nil).

Note 14 Stocklending

The total value of securities on loan at the Balance sheet date was £nil (15/05/22: £nil).

The gross earnings and fees paid for the year were £8,711 (15/05/22: £41,826) and £1,568 (15/05/22: £7,529).

The gross earnings were split by the lending agent as follows:

- 82% to the Lender (PUTM Bothwell Asia Pacific (ex Japan) Fund)
- 8% to the Manager (Phoenix Unit Trust Managers Limited)
- 10% retained by the Lending Agent (eSec)

Note 15 Unitholders' funds

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

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 16 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 100.00% of the units in Class 'A' Accumulation at the year end (15/05/22: 100%) and 99.59% of the units in Class 'B' Accumulation at the year end (15/05/22: 99.61%).

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 unitholder/(Statement of change in unitholders' funds) and Note 8.

Any balances due to/from the Manager or its associates at 15 May 2023 in respect of these transactions are shown in Notes 9 and 11.

Notes to the financial statements

Note 17 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.

Currency exposure

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

Currency	Net currency assets 15/05/23			Net currency assets 15/05/22		
	Monetary exposure	Non-monetary exposure	Total exposure	Monetary exposure	Non-monetary exposure	Total exposure
	£000	£000	£000	£000	£000	£000
Sterling	(640)	35,003	34,363	525	35,409	35,934
Australian Dollar	1,501	52,350	53,851	355	72,282	72,637
Chinese Yuen	41	49,994	50,035	–	57,064	57,064
Euro	14	16,372	16,386	11	9,857	9,868
Hong Kong Dollar	(2,516)	122,284	119,768	2,717	113,797	116,514
Indian Rupee	1,619	66,939	68,558	–	74,561	74,561
Indonesian Rupiah	562	16,724	17,286	–	12,072	12,072
Korean Won	110	37,454	37,564	164	57,690	57,854
Philippine Peso	–	3,507	3,507	–	3,706	3,706
Singaporean Dollar	1,359	16,917	18,276	1,095	24,113	25,208
Taiwanese Dollar	–	55,595	55,595	1,044	59,442	60,486
Thai Baht	139	5,989	6,128	–	2,780	2,780
US Dollar	380	–	380	1,393	2,339	3,732
	2,569	479,128	481,697	7,304	525,112	532,416

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, 2.37% (15/05/22: 3.27%) 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.

Notes to the financial statements

Note 17 Financial instruments (continued)

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 £22,366,671 (15/05/22: £24,824,111). 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 £23,956,397 (15/05/22: £26,255,623). A five percent decrease would have an equal and opposite effect.

Note 18 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 15/05/23

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	469,695	–	–	469,695
Money markets	9,433	–	–	9,433
	479,128	–	–	479,128

For the year ended 15/05/22

Level	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	512,140	–	–	512,140
Money markets	12,972	–	–	12,972
	525,112	–	–	525,112

Note 19 Portfolio transaction costs

For the year ended 15/05/23

	Value	Commission		Taxes	Other		Total
Analysis of total purchases costs	£000	£000	%	£000	£000	%	costs
Equity transactions	111,503	72	0.06	68	10	0.01	111,653
Money markets	117,723	–	–	–	–	–	117,723
Total	229,226	72		68	10		229,376

Notes to the financial statements

Note 19 Portfolio transaction costs (continued)

Analysis of total sales costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Equity transactions	136,522	(58)	(0.04)	(134)	(0.10)	(10)	(0.01)	136,320
Money markets	121,257	–	–	–	–	–	–	121,257
Corporate actions	1,136	–	–	–	–	–	–	1,136
Total	258,915	(58)		(134)		(10)		258,713

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

Commission	0.03%
Taxes	0.04%
Other expenses	0.00%

For the year ended 15/05/22

Analysis of total purchases costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Equity transactions	182,662	100	0.05	64	0.04	14	0.01	182,840
Money markets	131,530	–	–	–	–	–	–	131,530
Corporate actions	573	–	–	–	–	–	–	573
Total	314,765	100		64		14		314,943

Analysis of total sales costs	Value £000	Commission £000	%	Taxes £000	%	Other expenses £000	%	Total costs £000
Equity transactions	153,210	(60)	(0.04)	(166)	(0.11)	(9)	(0.01)	152,975
Money markets	127,068	–	–	–	–	–	–	127,068
Corporate actions	297	–	–	–	–	–	–	297
Total	280,575	(60)		(166)		(9)		280,340

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

Commission	0.03%
Taxes	0.04%
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 0.46% (15/05/22: 0.88%) being the difference between the respective bid and offer prices for the Fund's investments.

Distribution tables

For the year ended 15 May 2023

Interim distribution in pence per unit

Group 1: units purchased prior to 16 May 2022

Group 2: units purchased 16 May 2022 to 15 November 2022

	Net income	Equalisation	2023 pence per unit paid 13 Jan	2022 pence per unit paid 15 Jan
Class 'A' Accumulation				
Group 1	2.4240	—	2.4240	1.3090
Group 2	2.4029	0.0211	2.4240	1.3090

Class 'B' Accumulation

Group 1	6.3262	—	6.3262	5.4307
Group 2	6.2761	0.0501	6.3262	5.4307

Final distribution in pence per unit

Group 1: units purchased prior to 16 November 2022

Group 2: units purchased 16 November 2022 to 15 May 2023

	Net income	Equalisation	2023 pence per unit payable 14 Jul	2022 pence per unit paid 15 Jul
Class 'A' Accumulation				
Group 1	0.4965	—	0.4965	0.0000
Group 2	0.4965	0.0000	0.4965	0.0000

Class 'B' Accumulation

Group 1	4.0211	—	4.0211	2.9515
Group 2	2.5553	1.4658	4.0211	2.9515

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 the PUTM Bothwell Asia Pacific (excluding Japan) 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 PUTM Bothwell Asia Pacific (excluding Japan) Fund of the PUTM Bothwell Unit Trusts ("the Trust") for the Period Ended 15 May 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
13 September 2023

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
13 September 2023

Craig Baker, Director
Brid Meaney, Director

Independent auditor's report to the unitholders of the PUTM Bothwell Asia Pacific (ex Japan) Fund

Opinion

We have audited the financial statements of the PUTM Bothwell Asia Pacific (ex Japan) Fund ("the Fund") for the year ended 15 May 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 15 May 2023 and of the net revenue and the net capital losses 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.

Independent auditor's report to the unitholders of the PUTM Bothwell Asia Pacific (ex Japan) Fund

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.

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 26, 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.

Independent auditor's report to the unitholders of the PUTM Bothwell Asia Pacific (ex Japan) Fund

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.

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
13 September 2023

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.

Global Data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.35

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£1,628,326	0.34

* 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

Top Ten collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value* £000
French Republic Government 10% 01/03/2032	1,865,662	1,785

* These figures are correct to be identical, as an equal amount was placed with each issuer.

All counterparties

Counterparty	Gross Volume of outstanding transactions
	Fair Value £000
Goldman Sachs International	1,628

Aggregate Data

Type and quality of collateral

Type	Quality*	Fair value £000
Bonds	Investment grade	1,785
		1,785

* 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.

Appendix (unaudited) continued

Maturity tenor of collateral

Maturity	Fair value £000
Rolling Maturity	1,785
	1,785

Currency of collateral

Currency	Fair value £000
Sterling	1,785
	1,785

Maturity tenor of SFTs

Maturity	Fair value £000
Rolling Maturity	1,628
	1,628

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	9	(2)	82.00	7
	9	(2)		7

The gross earnings were split by the lending agent as follows:

- 82% to the Lender (PUTM Bothwell Asia Pacific (ex Japan) 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

Corporate information (unaudited)

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.

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 Asia Pacific (ex Japan) Fund. This has been performed based on the information available as at 15 May 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 can confirm that the Fund meets all of the required Assessment of Value criteria. No immediate action is required.

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

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

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.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.

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.