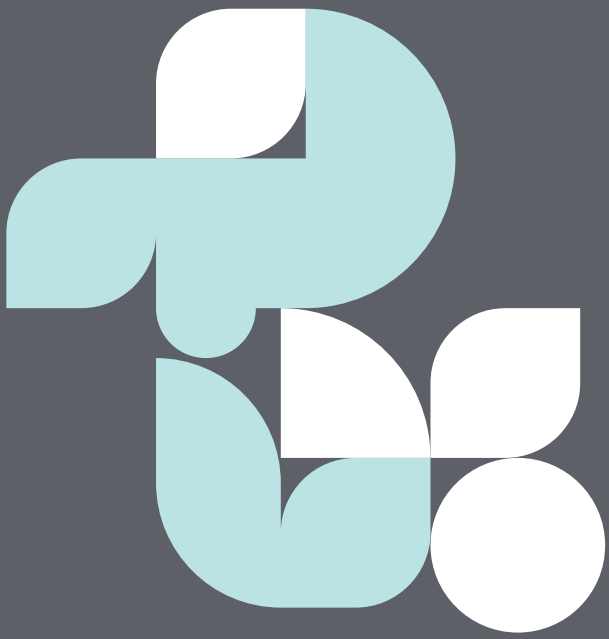
Rathbones
Look forward

Rathbone Global Sustainability Fund

Annual report for the period ended 30 April 2019



Rathbone Global Sustainability Fund

Authorised Corporate Director (ACD)

Rathbone Unit Trust Management Limited
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Facsimile 020 7399 0057
A member of the Rathbone Group
Authorised and regulated by the
Financial Conduct Authority and member
of The Investment Association

The Company

Rathbone Global Sustainability Fund
Head Office:
8 Finsbury Circus,
London EC2M 7AZ

Dealing office

DST Financial Services Europe Limited
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Telephone 0330 123 3810
Facsimile 0330 123 3812

Independent Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
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Directors of the ACD

PL Howell – Chairman
MM Webb – Chief Executive Officer
JR Chillingworth – Chief Investment Officer
JM Ardouin – Finance Director
CRC Hexton
RP Lanyon (retired 30 November 2018)
CR Stick
JG Thomson
BN Jones

Administrator

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Registrar

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Depositary

NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London EC2M 4AA
Authorised and regulated by the
Financial Conduct Authority

ACD's report for the year ended 30 April 2019

We launched the Rathbone Global Sustainability Fund on 19 July 2018 to give people the chance to invest in businesses with a clear and demonstrable commitment to sustainability. To do this well, we believe we must be completely transparent about our process and how we have built our portfolio.

From launch till 30 April 2019, our fund returned 3.1%, whilst the FTSE World Index returned 3.47% and the IA Global sector 1.9%.

Global markets were volatile during the period. Investors continue to grapple with several underlying tensions: the longevity of US economic recovery, the China-US trade war and the outcome of Brexit.

Throughout all of these ups and downs, US GDP growth has remained robust. It registered an annualised 3.2% in the first quarter. Americans are still benefiting from the tax cuts of late 2017, in the shape of better wages and better prospects of employment. The housing market is also solid, especially having received a boost from the US Federal Reserve (Fed) slamming the brakes on further interest rate hikes. As with most advanced economies, household spending is the core driver of the wider US economy. It accounts for some 70% of total economic activity in the US, which is why we focus very closely on main street spending. This strong backdrop has encouraged companies to re-invest in their businesses, which is itself positive. We don't anticipate a US recession in the short term, given the underlying strength of the economy, but it remains a tail risk in the medium term.

A key concern of ours – and virtually every other investor – remains the potential commercial harm from the Sino-American trade war. In early 2019, markets had appeared relatively relaxed about the whole thing, expecting a truce to be struck sometime in the spring. Indeed, all indications suggested both sides were very close to an agreement. But then a series of tweets broke the calm, raising the threat of the trade war becoming entrenched. Tariffs are damaging to both sides of the import/export divide, and they would likely have a negative ripple effect on global growth. The situation remains fluid, with a deal still possible. We continue to watch the situation closely.

A Brexit solution also remains elusive. Brexit has been a big concern for European investors for some time, but particularly in the last six months. Some people have become increasingly fearful of a 'no-deal' Brexit, which could be more damaging to companies and markets than the endless delays. The delay to Article 50 (legislation allowing Britain to leave the EU) has alleviated some of these concerns in the short-term, but we believe Brexit will again become an issue for markets in the second half of 2019.

During the period we made a number of large purchases, obviously, to set-up our fund. The five largest were the following:

Aptiv is a US auto-parts supplier, although it has nothing to do with traditional petrol and diesel engines. Recently spun out of more traditional auto-parts company Delphi, Aptiv focuses solely on making the infrastructure for driverless vehicles and infotainment systems (the dashboard console that keeps you informed and your kids entertained). It makes very strong returns on capital and we think the increasing computerisation of cars should make Aptiv less cyclical than the wider auto industry. On-board computers tend to make drivers more fuel efficient as our innate thriftiness kicks in when you can see just how much petrol you're guzzling right beside the speedometer. And automated cars are expected to reduce fuel emissions even more dramatically over the coming decades.

First Republic Bank is a US bank based in California. It has an unrelenting focus on customer relationships and we very much like the strength of its core culture. Unlike many banks that are obsessed with being 'digital', First Republic still meets its customers face to face. This means that very few ever want to leave. It has an excellent community banking programme and takes sustainability issues very seriously. Its returns on capital are attractive and steady. We think there are plenty of growth opportunities ahead for the company. Due to the strength of First Republic's share price, we subsequently reduced our holding – making it one of the most significant sales as well.

AO Smith makes highly efficient water heaters for homes, offices and factories in the US. Its commercial products in particular offer customers significant savings in water usage. This is good for companies and for the planet. AO Smith invests significant amounts in developing new technologies that are more efficient. As well as being one of the largest boilermakers in the US, AO Smith is also the market leader in China, where continued urbanisation should mean strong growth.

Becton Dickinson is a leading medical supply business in the US. The company enjoys strong market share and its medical consumables are considered best in class among its customers. Its management have continued to buy new businesses that fit well with the overall group. One such addition is C R Bard, a specialist manufacturer of medical devices, which completed in late 2017. We think this deal offers significant opportunities both in synergies (cost reductions and boosts from cross-selling) and future growth, although we continue to monitor the potential risks that may arise from legacy issues linked to alleged defects in some of its surgical mesh and vein filtration implant products.

Sampo is a pan-Nordic financial services business. Its core insurance business has been a consistent performer for many years. Customers like the quality of its service as well as the cover they receive, making it hard for new entrants to take its market share away. Sampo's management think long-term as well. They have a clear focus on allocating capital well, which has helped drive consistent dividend growth, and demonstrate a good awareness of climate-related risks and opportunities for the insurance sector.

We sold out of four holdings during the period:

We sold our holding in **Alphabet** because of governance concerns. While the underlying business remains attractive, we were disappointed with the management's level of disclosure. When we tried to engage with the company we did not receive the answers we required.

Dormakaba is a Swiss-listed business that designs and makes locks and entry systems. We think the access market has great potential – spending on building security is rising strongly and the switch to digital locks should boost margins. However, Dormakaba is the result of a merger of two separate companies and its managers have failed to integrate them as well as we had anticipated. We lost confidence that promised cost synergies would be delivered and sold the holding.

Halfords is a UK-listed retailer. We sold the holding because we were worried operating performance would deteriorate. We met the new management team on several occasions and while we liked their approach to running the business, we think the UK retail environment remains tough for us to jump back in.

Stabilus is the global leader in gas springs, which are found in everything from cars and furniture to medical devices and caravans. The German-listed business commands significant market share in many of its end markets and generates attractive returns. However, in July the chief executive resigned unexpectedly. He was a driving force at Stabilus and his departure raised concerns about its future strategic direction.

Our outlook for global markets remains broadly balanced. We expect further volatility, particularly as the trade conflict between US and China rumbles on. We remain positive on the US domestic economy and believe its consumers are in a strong position. The outcome of Brexit remains something of an unknown, but we anticipate that news flow will pick up again in the coming months, which could have an impact on markets across Europe.

We see a significant number of long-term investment opportunities for our fund. More and more companies are beginning to embrace sustainability, with the greatest pace of change in the US, we believe. This is incredibly positive for our fund, for our investors and for the world as whole.

David Harrison
6 June 2019

Sustainability spotlight – plastics

Plastic waste is a problem that will impact our environment for generations to come.

Research published by the journal Science Advances in July 2017 calculated that, of the estimated 8.3 billion tonnes of plastic produced since the 1950s, over half has ended up in landfill or the natural environment.

This is a problem that's been building for decades, but it's fair to say that 2018 was something of a watershed moment in terms of public awareness of the damage caused by plastic pollution.

Plastic packaging in particular is under scrutiny. Plastic bottles are a testament to the material's durability, taking at least 450 years to degrade. UK consumers alone discard around 35 million of these each year.

More broadly, plastic is so ubiquitous in packaging because it is a cheap, lightweight and durable product, that can serve a wide range of important functions. As an example, plastic wrapping on a cucumber extends product life from three days to fourteen. Removing plastic in this scenario would therefore generate an associated increase in food waste.

There are nevertheless many cases where we can identify and challenge unnecessary or excessive packaging. Single-use plastics – straws, disposable coffee cups and plastic cutlery – are likewise all common sources of waste.

Investors need to encourage more companies to recognise and respond to the issue of plastic mismanagement as part of their broader sustainability frameworks. We can encourage companies to eliminate the unnecessary use of plastic and ensure that reusable, recyclable, or compostable alternatives are used wherever possible.

It tends to be retailers and consumer goods companies that are highlighted in the media, but it's important to look across the whole value chain. Which chemicals companies are producing different types of plastics? Who is designing and producing packaging? Who is involved in the collection and sorting of waste? And how are all these different agents interacting to promote or hinder a more circular economy for plastic?

Ethical and environmental concerns aside, investors increasingly recognise the long-term financial consequences of unchecked plastic pollution. At a basic level, better resource stewardship makes good business sense. But how companies think about plastic will also determine who benefits most from future changes in regulation and consumer preferences. We work with Rathbone Greenbank's ethical research team to understand where the fund has exposure to plastics and what risks and opportunities this creates.

For example, the fund invests in the Norwegian company Tomra.

Tomra is a world-leading provider of advanced sensor-based solutions for optimal resource productivity. Its technology helps to minimise waste in the food and minerals industries, while significantly improving the recovery and sorting of materials such as plastic.

Governments around the world are tightening up rules on how waste plastic is handled. For example, in March 2019, the European Parliament approved new legislation that will not only see a number of single-use plastic products banned in the region by 2021, but also sets a requirement for EU member states to reach 90% collection rates for single use plastic bottles by 2029.

Tomra is in a fantastic position to take advantage of this new legislation. The group's 'reverse vending machines' promote a more circular economy by refunding deposits on used containers returned for recycling. The company is already running successful schemes across the world including in Scandinavia, Germany and Australia and estimated that its global network of 80,000 reverse vending machines collected over 35 billion containers for reuse and recycling in 2018. In the next few years, we believe Tomra will continue to be able to capitalise on global efforts to improve the collection, sorting and handling of plastic waste.

Kate Elliot
6 June 2019

Net asset value per share and comparative tables

I-Class income shares

	30.04.19** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	4.10p
Operating charges	(0.66p)
Return after operating charges*	3.44p
Distributions on income shares	(1.37p)
Closing net asset value per share	102.07p
*after direct transactions costs[1] of:	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	3.44%

Other information

Closing net asset value	£141,479
Closing number of shares	138,615
Operating charges	0.90%
Direct transaction costs	0.19%

Prices***

Highest share price	103.00p
Lowest share price	87.27p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the closing net asset value per share shown in the comparative table, this may result in the closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

I-Class accumulation shares

	30.04.19** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	4.09p
Operating charges	(0.68p)
Return after operating charges*	3.41p
Distributions on accumulation shares	(1.37p)
Retained distributions on accumulation shares	1.37p
Closing net asset value per share	103.41p
*after direct transactions costs[1] of:	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	3.41%

Other information

Closing net asset value	£496,094
Closing number of shares	479,743
Operating charges	0.90%
Direct transaction costs	0.19%

Prices***

Highest share price	103.35p
Lowest share price	87.57p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the closing net asset value per share shown in the comparative table, this may result in the closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

S-Class income shares

	30.04.19** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	3.41p
Operating charges	(0.49p)
Return after operating charges*	2.92p
Distributions on income shares	(1.36p)
Closing net asset value per share	101.56p
*after direct transactions costs[1] of:	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	2.92%

Other information

Closing net asset value	£1,980,868
Closing number of shares	1,950,350
Operating charges	0.65%
Direct transaction costs	0.19%

Prices***

Highest share price	102.50p
Lowest share price	86.77p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the closing net asset value per share shown in the comparative table, this may result in the closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

S-Class accumulation shares

	30.04.19** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	3.45p
Operating charges	(0.49p)
Return after operating charges*	2.96p
Distributions on accumulation shares	(1.36p)
Retained distributions on accumulation shares	1.36p
Closing net asset value per share	102.96p
*after direct transactions costs[1] of:	0.18p

[1] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	2.96%

Other information

Closing net asset value	£516,797
Closing number of shares	501,956
Operating charges	0.65%
Direct transaction costs	0.19%

Prices***

Highest share price	102.90p
Lowest share price	87.11p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the closing net asset value per share shown in the comparative table, this may result in the closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Risk and reward profile as published in the fund's most recent Key Investor Information Document

This indicator is a measure of the fund's past volatility (the extent and rapidity of up-and-down movements of the value of an investment). It may not be a reliable indication of the fund's future risk. The risk category shown is not a target or a guarantee and may change over time.

Discrete annual performance, year ending 30 April 2019

No discrete annual performance available as the fund launched 16 July 2018.

Past performance should not be seen as an indication of future performance.

The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Portfolio and net other assets as at 30 April 2019

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Chemicals			
630	Ecolab	88,920	2.84
810	Linde	111,939	3.57
		200,859	**6.41**
Industrial Engineering			
2,200	Kone 'B'	92,123	2.94
2,500	Tomra	57,614	1.84
1,400	Xylem	89,532	2.85
		239,269	**7.63**
Automobiles and Parts			
1,600	Aptiv	**105,182**	**3.35**
Electronic and Electrical Equipments			
1,800	Halma	32,373	1.03
590	Littlefuse	90,832	2.90
1,900	Trimble	59,478	1.90
		182,683	**5.83**
Construction and Materials			
2,100	A.O. Smith	84,699	2.70
3,500	Assa Abloy	57,357	1.83
2,300	Kingspan Group	92,574	2.95
		234,630	**7.48**
Real Estate			
5,800	Big Yellow Group	60,320	1.92
53,000	PRS REIT	52,682	1.68
		113,002	**3.60**
Food Producers			
1,200	Christian Hansen	**93,657**	**2.99**
Personal Goods			
2,600	Unilever	**120,585**	**3.85**

Portfolio and net other assets as at 30 April 2019 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Healthcare Equipment and Services			
520	Becton Dickinson	95,994	3.06
760	Diasorin	56,874	1.82
2,400	GN Store Nord	94,154	3.00
1,400	Henry Schein	68,784	2.19
630	Sartorius Stedim Biotech	65,532	2.09
		381,338	**12.16**
Food and Drug Retailers			
7,000	UDG Healthcare	**45,955**	**1.47**
General Retailers			
5,200	RELX	**91,461**	**2.92**
Banks			
3,500	Close Brothers	54,320	1.73
1,100	First Republic Bank	89,087	2.84
2,200	US Bancorp	89,947	2.87
		233,354	**7.44**
Life Insurance			
14,000	AIA	**109,439**	**3.49**
General Financial			
22,000	Legal & General	61,182	1.95
3,000	Sampo Oyj	105,223	3.36
		166,405	**5.31**
Financial Services			
310	Mastercard	60,442	1.93
450	Visa 'A'	56,724	1.81
		117,166	**3.74**
Software and Computer Services			
570	Adobe	126,483	4.03
1,000	Cognizant Technology Solutions	55,966	1.79
		182,449	**5.82**

Portfolio and net other assets as at 30 April 2019 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Technology Hardware and Equipments			
550	ASML	87,669	2.80
1,700	Norma Group	61,614	1.96
		149,283	**4.76**
Alternative Energy			
820	Vestas Wind Systems	**56,936**	**1.82**
Pharmaceuticals and Biotechnology			
1,400	Abbott Laboratories	**85,419**	**2.72**
Total value of investments		2,909,072	92.79
Net other assets		226,166	7.21
Total value of the fund as at 30 April 2019		**3,135,238**	**100.00**

Note: The fund was launched on 16 July 2018, hence no figures for comparatives.

Summary of portfolio investments

	Value £	Percentage of total net assets
Equity Securities	2,909,072	92.79
Total value of investments	**2,909,072**	**92.79**

Statement of total return for the period from 16 July 2018 to 30 April 2019

	Note	30.04.19* £	30.04.19* £
Income			
Net capital gains	2		**92,581**
Revenue	3	**38,507**	
Expenses	4	**(12,947)**	
Interest payable and similar charges		**(24)**	
Net revenue before taxation		**25,536**	
Taxation	5	**(2,022)**	
Net revenue after taxation			**23,514**
Total return before distributions			**116,095**
Distributions	6		**(36,055)**
Change in net assets attributable to shareholders from investment activities			**80,040**

Statement of change in net assets attributable to shareholders for the period from 16 July 2018 to 30 April 2019

	30.04.19* £	30.04.19* £
Opening net assets attributable to shareholders		**—**
Amounts receivable on issue of shares	**3,645,465**	
Amounts payable on cancellation of shares	**(602,180)**	
		3,043,285
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		**80,040**
Retained distributions on accumulation shares		**11,913**
Closing net assets attributable to shareholders		**3,135,238**

* As the fund was launched on 16 July 2018, there are no comparatives.

Balance sheet as at 30 April 2019

	Note	30.04.19* £	30.04.19* £
Assets			
Fixed assets:			
Investments			**2,909,072**
Current assets:			
Debtors	7	**57,629**	
Cash and bank balances		**216,586**	
Total current assets			**274,215**
Total assets			**3,183,287**
Liabilities			
Creditors:			
Distribution payable on income shares		**(20,681)**	
Other creditors	8	**(27,368)**	
Total liabilities			**(48,049)**
Net assets attributable to shareholders			**3,135,238**

* As the fund was launched on 16 July 2018, there are no comparatives.

1 Accounting policies

a) Basis of accounting
The annual financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014.

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 28, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

b) Recognition of revenue
All dividends on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits. Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

c) Treatment of scrip and special dividends
Any stock received in lieu of cash dividends is credited to capital in the first instance, followed by a transfer to revenue of the cash equivalent being offered, and this forms part of the distribution made by the fund.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

d) Treatment of expenses
All expenses (excluding overdraft interest) are charged against capital.

e) Distribution policy
Revenue arising from the fund's investments accumulates during each accounting period. If, at the end of the accounting period, revenue exceeds expenses, the net revenue of the fund is available to be distributed to shareholders.

For the purpose of calculating the distribution available to shareholders, the ACD's charge is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

In order to conduct a controlled dividend flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining revenue is distributed in accordance with the regulations.

f) Basis of valuation of investments
The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If no market price is available we use two different vendors (at least one being independent) to obtain a price and verify it against. If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

All assets are recognised and derecognised on trade date. Any trades occurring between valuation point and close of business are included in the Financial Statements.

g) Exchange rates
The functional currency of the fund is pound sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at the closing middle exchange rates ruling on that date.

h) Taxation/Deferred tax
i) Corporation tax is provided for at 20% on taxable revenue, after deduction of expenses.

ii) Where overseas tax has been deducted from taxable overseas revenue, that tax can, in some instances, be set off against the corporation tax payable by the fund, by way of double taxation relief.

1 Accounting policies *(continued)*

iii) The charge for deferred tax is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax assets can be offset. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

2 Net capital gains

	30.04.19 £
The net capital gains during the period comprise:	
Non-derivative securities	**108,425**
Currency losses	**(15,844)**
Net capital gains	**92,581**

3 Revenue

	30.04.19 £
Dividends – UK Ordinary	**8,309**
– Overseas	**28,686**
– Property income distribution	**1,309**
Bank interest	**203**
Total revenue	**38,507**

4 Expenses

	30.04.19 £	30.04.19 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's charge		**10,070**
Other expenses:		
Registration fees	**2,877**	
		2,877
Total expenses		**12,947**

Audit fees in the period were £7,700 excluding VAT and were borne by the ACD.

5 Taxation

	30.04.19 £
a) Analysis of charge in the period	
Overseas tax	**2,022**
Total taxation charge (note 5b)	**2,022**

b) Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%). The differences are explained below:

	30.04.19 £
Net revenue before taxation	**25,536**
Corporation tax at 20%	**5,107**
Effects of:	
Revenue not subject to taxation	**(7,399)**
Excess management expenses not utilised	**2,292**
Corporate tax charge	**—**
Higher tax rates on overseas withholding tax	**2,022**
Total taxation charge (note 5a)	**2,022**

c) Deferred tax

At the period end the fund had surplus management expense of £11,459. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £2,292 has not been recognised in the financial statements.

6 Distributions

The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	30.04.19 £
Interim	**9,301**
Final	**30,399**
	39,700
Add: Amounts deducted on cancellation of shares	**1,614**
Deduct: Amounts received on issue of shares	**(5,259)**
Net distribution for the period	**36,055**

Reconciliation of net distribution for the period to net revenue after tax:	
Net distribution for the period	**36,055**
Expenses allocated to capital:	
ACD's periodic charge	**(10,070)**
Registration fees	**(2,877)**
Tax relief on expenses	**298**
Equalisation on conversions	**(1)**
Balance brought forward	**—**
Balance carried forward	**109**
Net revenue after taxation	**23,514**

7 Debtors

	30.04.19 £
Amounts receivable for issue of shares	**51,793**
Accrued revenue	**5,423**
Taxation recoverable	**413**
Total debtors	**57,629**

8 Other creditors

	30.04.19 £
Purchases awaiting settlement	**25,647**
Accrued expenses	**371**
Accrued manager's periodic charge	**1,350**
Total other creditors	**27,368**

9 Reconciliation of shares

	I-Class income	I-Class accumulation	S-Class income	S-Class accumulation
Opening shares issued at 16.07.18	–	–	–	–
Share movements 16.07.18 to 30.04.19				
Shares issued	327,445	493,488	2,327,619	536,841
Shares cancelled	(188,791)	(13,745)	(412,206)	(1)
Shares converted	(39)	–	34,937	(34,884)
Closing shares at 30.04.19	138,615	479,743	1,950,350	501,956

10 Related parties

ACD fees paid to Rathbone Unit Trust Management Limited (the ACD) are disclosed in note 4 and amounts outstanding at the period end in note 8.

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Global Sustainability Fund during the period.

All other amounts paid to or received from the related parties, together with the outstanding balances are disclosed in the financial statements.

At the period end there were no significant shareholders.

11 Shareholder funds

The fund has two share classes: I-Class and S-Class. The annual ACD charge on I-Class is 0.75% and S-Class is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 5 to 8.

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

13 Risk disclosures on financial instruments

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for liquidations and debtors for accrued revenue.

There is little exposure to credit or cash flow risk. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions.

The fund does not make use of derivatives.

13 Risk disclosures on financial instruments *(continued)*

The main risks arising from the financial instruments are:

(i) Foreign currency risk, being the risk that the value of investments will fluctuate as a result of exchange rate movements. The value of some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

The table below shows the foreign currency risk profile at the balance sheet date:

	30.04.19 £
Currency:	
Danish krone	**244,747**
Euro	**775,142**
Hong Kong dollar	**109,439**
Norwegian krone	**57,614**
Swedish krone	**58,345**
US dollar	**1,360,225**
Pound sterling	**529,313**
	3,134,825
Other net assets not categorised as financial instruments	**413**
Net assets	**3,135,238**

If GBP to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £236,865. If GBP to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the fund would have increased by £289,501. These calculations assume all other variables remain constant.

(ii) Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate charges.

The table below shows the interest rate risk profile at the balance sheet date:

	30.04.19 £
Floating rate assets:	
Euro	**14,438**
Pound sterling	**202,148**
	216,586
Assets on which no interest is paid:	
Danish krone	**244,747**
Euro	**775,142**
Hong Kong dollar	**109,439**
Norwegian krone	**57,614**
Swedish krone	**58,345**
US dollar	**1,360,225**
Pound sterling	**360,776**
	2,966,288

13 Risk disclosures on financial instruments *(continued)*

(ii) Interest rate risk *(continued)*

	30.04.19 £
Liabilities on which no interest is paid:	
Euro	**(14,438)**
Pound sterling	**(33,611)**
	(48,049)
Other net assets not categorised as financial instruments	**413**
Net assets	**3,135,238**

Due to the proportion of interest bearing assets held within the portfolio, no sensitivity analysis has been prepared illustrating the impact changes in yields would have on the value of the fund's portfolio.

The floating rate financial assets and liabilities comprise bank balances that earn or pay interest at rates linked to the UK base rate or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities, other than equities and collective investment schemes, which do not have maturity dates.

(iii) Market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than currency or interest rate movements.

The investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy set out in the Prospectus. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and Prospectus and the rules of the FCA's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices had increased by 10% as at the balance sheet date the net asset value of the fund would have increased by £290,907. If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £290,907. These calculations assume all other variables remain constant.

(iv) Counterparty risk, being the risk that the counterparty will not deliver the investments for a purchase, or the cash for a sale after the fund has fulfilled its responsibilities.

(v) Fair value. There is no material difference between the carrying value and fair value of the financial instruments disclosed in the balance sheet.

(vi) Leverage. In accordance with the IA SORP issued in May 2014 we are required to disclose any leverage of the Fund. There is no significant leverage in Rathbone Global Sustainability which would increase its exposure.

14 Portfolio transaction cost

For the period ended 30 April 2019

Analysis of total purchases costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	3,174,746	1,409	0.04	3,077	0.10
Total purchases before transactions costs	3,174,746	1,409		3,077	
Total purchases including commission and taxes	3,179,232				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	378,738	148	0.04	5	0.00
Total sales including transactions costs	378,738	148		5	
Total sales net of commission and taxes	378,585				

Commissions and taxes as % of average net assets	
Commissions	0.06%
Taxes	0.13%

In the case of share, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.08%.

15 Fair value of investments

The fair value of investments has been determined using the following hierarchy:

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 period ended 30 April 2019

Category	1	2	3	Total
Investment assets	**£**	**£**	**£**	**£**
Equities	2,909,072	–	–	2,909,072
	2,909,072	–	–	2,909,072

16 Share price movement since the balance sheet date

Subsequent to the period end, the net asset value per share of the fund has increased using the share prices at the period end date compared to 18 June 2019. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments.

Share Type	30.04.19 mid price	18.06.19 mid price
I-Class income	102.74p	105.42p
I-Class accumulation	103.09p	106.80p
S-Class income	102.24p	104.94p
S-Class accumulation	102.64p	106.37p

Distribution tables for the period from 16 July 2018 to 30 April 2019

Distribution tables (pence per share)

Interim

Group 1 – Shares purchased prior to 16 July 2018
Group 2 – Shares purchased on or after 16 July 2018 and on or before 31 October 2018

I-Class income shares	Net Income	Equalisation	Paid 31.12.18*
Group 1	0.38	–	0.38
Group 2	0.23	0.15	0.38

I-Class accumulation shares	Net Income	Equalisation	Accumulated 31.12.18*
Group 1	0.38	–	0.38
Group 2	0.15	0.23	0.38

S-Class income shares	Net Income	Equalisation	Paid 31.12.18*
Group 1	0.37	–	0.37
Group 2	0.35	0.02	0.37

S-Class accumulation shares	Net Income	Equalisation	Accumulated 31.12.18*
Group 1	0.37	–	0.37
Group 2	0.16	0.21	0.37

*The fund was launched on 16 July 2018.

Notes for corporate shareholders

Corporate shareholders should read the important information on the reverse of the tax voucher in respect of this distribution. The relevant information required by a corporate shareholder is as follows:

Franked investment income	100.00%
Unfranked investment income	0.00%
Depositary net liability to corporation tax	nil pence per share

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Distribution tables (pence per share) *(continued)*

Final

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased on or after 1 November 2018 and on or before 30 April 2019

I-Class income shares	Net Income	Equalisation	Payable 28.06.19*
Group 1	0.99	–	0.99
Group 2	0.53	0.46	0.99

I-Class accumulation shares	Net Income	Equalisation	Allocated 28.06.19*
Group 1	0.99	–	0.99
Group 2	0.57	0.42	0.99

S-Class income shares	Net Income	Equalisation	Payable 28.06.19*
Group 1	0.99	–	0.99
Group 2	0.86	0.13	0.99

S-Class accumulation shares	Net Income	Equalisation	Allocated 28.06.19*
Group 1	0.99	–	0.99
Group 2	0.59	0.40	0.99

*The fund was launched on 16 July 2018.

Notes for corporate shareholders

Corporate shareholders should read the important information on the reverse of the tax voucher in respect of this distribution. The relevant information required by a corporate shareholder is as follows:

Franked investment income	100.00%
Unfranked investment income	0.00%
Depositary net liability to corporation tax	nil pence per share

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Directors' statement

This report is approved in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

MM Webb JR Chillingworth
for Rathbone Unit Trust Management Limited
ACD of Rathbone Global Sustainability Fund
26 June 2019

Statement of the ACD's responsibilities in relation to the report and accounts of the Rathbone Global Sustainability Fund

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue and of the net capital gains or losses on the property of the Company for that year. In preparing those financial statements, the ACD is required to:

1. select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. comply with the disclosure requirements of the SORP relating to financial statements of UK authorised funds issued by The Investment Association;
4. follow United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 to 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
6. keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Collective Investment Schemes Sourcebook. The ACD has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

1. there is no relevant audit information of which the Company's auditor is unaware;
2. the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
3. the ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the fund consist predominantly of securities that are readily realisable and, accordingly, the Company has adequate resources to continue in operational existence for the foreseeable future.

In accordance with COLL 4.5.8 R, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Scheme and authorised for issue on 26 June 2019.

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Rathbone Global Sustainability Fund (the Company) for the period ended 30 April 2019

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together the Regulations), the Company's Instrument of Incorporation 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 Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

1. the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;

2. the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;

3. the value of shares in the Company is calculated in accordance with the Regulations;

4. any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;

5. the Company's income is applied in accordance with the Regulations; and

6. the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Depositary of Rathbone Global Sustainability Fund
26 June 2019

Independent Auditor's Report to the shareholders of Rathbone Global Sustainability Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of Rathbone Global Sustainability Fund (the Company) as at 30 April 2019 and of the net revenue and the net capital gains on the property of the Company for the period from 16 July 2018 to 30 April 2019; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of the Company which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- individual notes 1 to 16; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the authorised corporate director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for safeguarding the property of the company and the ACD 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 ACD 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 ACD is responsible for assessing the company'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 ACD either intends to liquidate the company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- where the information required by COLL4.5.9R is not all included within the ACD's report: the information disclosed in the annual report for the period from 16 July 2018 to 30 April 2019 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
26 June 2019

UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbone Unit Trust Management Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS that it manages (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000	Headcount
Senior Management	1,084	4,510	5,594	5
Risk takers	1,214	2,764	3,978	13
Control functions	256	54	310	3
Other	106	134	240	1
Total remuneration code staff	2,660	7,462	10,122	22
Non-remuneration code staff	751	486	1,237	17
Total for the Manager	**3,411**	**7,948**	**11,359**	**39**

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2018, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages for discrete annual periods ending on 31 December each year. Consequently, it is not possible to apportion the variable award between calendar years as the award for 2019 can not be known until after 31 December 2019 has passed.

Authorised status

The Rathbone Global Sustainability Fund (the company) is an open-ended investment company with variable capital, incorporated in England and Wales under registered number IC001117 and authorised by the FCA with effect from 10 July 2018.

On 21 December 2011, the Open Ended Investment Company Regulations 2001 (SI 2001/1228) (the Regulations) were amended to introduce a Protected Cell Regime (PCR) for OEICs. Under the PCR, each fund represents a segregated portfolio of assets and accordingly, the assets of each fund belong exclusively to that fund and shall not be used or made available to discharge the liabilities of any other fund.

Investment objective, policy and strategy

Investment objective

The investment objective of the Rathbone Global Sustainability Fund is to provide a total return (net of fees) in excess of the FTSE World Index over a five year period. Shareholders should be willing and able to commit to an investment of at least five years and preferably longer.

The Company does not have an income yield target so is likely to provide a variable income yield.

There is no guarantee that this investment objective will be achieved over five years, or any, time period. Capital is at risk.

Investment policy

To meet the objective, the Company will invest at least 80% of the Scheme Property in a portfolio of global stocks and shares which meet the Company's ethical and sustainability criteria (please see further details at paragraphs 1.1 – 1.4 below). This means the Company will seek to invest in companies whose activities or ways of operating are aligned with sustainable development and therefore support the achievement of the UN Sustainable Development Goals. We believe that companies displaying strong policies and practices with regard to environmental, social and governance issues are likely to be well-positioned to deliver long-term value creation for investors. The Company will avoid exposure to companies creating significant negative impacts that are considered to be incompatible with sustainable development.

The Company may also invest in other transferable securities (which meet the Company's suitability criteria), money market instruments, warrants, cash and near cash, deposits and units in collective investment schemes. Use may be made of cash holdings permitted by the FCA Rules. However, the Company will maintain at least 80 per cent of its holdings in global stocks and shares.

Derivatives and forward transactions may be used by the Company for the purposes of Efficient Portfolio Management (including hedging).

The Company is actively managed and will typically hold a relatively concentrated portfolio of investments comprising exposure to between 30 to 50 companies. As such investors should expect the performance of the Company to deviate significantly from the FTSE World Index, particularly over shorter-term time periods.

Ethical and sustainability criteria

1.1 The Company will apply ethical criteria and screening in order to avoid investing in:

1.1.1 companies involved in specific activities or engaged in behaviour that the ACD considers may be of concern to ethical investors; or,

1.1.2 companies that the ACD considers to be creating significant negative impacts and/or that the ACD considers to be incompatible with sustainable development.

1.2 In addition, the Company will seek to invest in companies that are aware of their wider responsibilities to society and the environment and are contributing to a more sustainable world. In doing so, the Company will aim to invest in companies that support the achievement of the UN Sustainable Development Goals (SDGs) through their activities or ways of operating.

1.3 Accordingly, the companies that meet the criteria at paragraph 1.1 above must also, in the opinion of the ACD:

1.3.1 display leading or well-developed policies and practices in one or more key responsible business areas; and/or,

1.3.2 have significant involvement in the provision of products or services aligned with sustainable development.

1.4 Further details in relation to the current ethical and sustainability criteria may be obtained from the ACD. Investors should be aware that these criteria may change over time.

Fund benchmark

FTSE World Index.

Valuation of the sub-funds

The fund is valued on each business day at 12 noon for the purpose of determining prices at which shares in the fund may be bought or sold. Valuations may be made at other times on business days with the Depositary's approval.

Stewardship code

Rathbone Unit Trust Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council. Our statement on complying with the Code can be found on our website: rathbonefunds.com

Buying and selling of shares

The ACD is available to receive requests for the buying and selling of shares on business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for shares (obtainable from the ACD or the Administrator) should be completed and sent to the Administrator. In respect of telephoned orders, remittances should be sent on receipt of the contract note. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. Purchasers of shares are required to enter their registration details on the form supplied with their contract note. Once shares are paid for these details will be entered on the share register.

Shares can be sold by telephone, fax or letter followed by despatch to the Administrator of the authorisation to sell duly completed by all shareholders.

In the absence of clear written instructions signed by all the registered holders, a Form of Renunciation will be sent out together with the repurchase contract note. This will need to be signed by all registered holders, and returned to our Administrators before settlement can be made. Settlement will be made on whichever is the later of four business days after the dealing date or four days after the receipt of written confirmation.

Shareholders may sell shares on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of shares will not take place if dealing in the shares is suspended by operation of law or any statute for the time being in place. Sales, in retail units, constituting a 'large deal' of £50,000 or more may receive a lower price than the published price.

The minimum initial investment for I-Class shares at present is to the value of £1,000 which may be varied by the ACD Thereafter holders may invest additional amounts to the value of £500 or more from time to time as they wish. The minimum initial and additional investment for S-Class shares is at Fund Manager discretion. Any number of shares may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

The ACD currently receives an annual remuneration for managing the I-Class and S-Class from the property of the fund at the rate of 0.75% and 0.5% respectively.

Statements

A distribution statement showing the rate per share and your shareholding will be sent half yearly on the 30 June and 31 December.

The current value of your shares is shown on a valuation statement, which shows the number of shares bought over the previous six months, the total number of shares in your account and their current value. Twice yearly on 30 June and 31 December, shareholders will receive a consolidated valuation statement showing, where applicable, their ICVC, Unit Trust and ISA holdings for each fund held.

Prices

The prices of shares are available on the IA website under the heading Rathbone Unit Trust Management Limited. The associated cancellation price is available on request from the Manager or the Administrator.

Other information

The Instrument of Incorporation, the Key Investor Information Document and Supplementary Information Document, the Prospectus and the most recent half yearly report of each fund may be inspected at the registered offices of the ACD. Copies of the Prospectus, the Key Investor Information Document and Supplementary Information Document and the most recent half yearly report of each fund may be obtained free of charge on application to the ACD.

The Register of Shareholders can be inspected during normal business hours at the office of the Registrar, DST Financial Services International Limited, DST House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Further copies of this report are available upon request, free of charge, from Client Services Department, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

Shareholders who have any queries or complaints about the operation of the Company should address them in the first instance to the Compliance Officer, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer.

If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further details about the Financial Ombudsman Service are available on their website at financial-ombudsman.org.uk

ISA eligibility

The fund has been managed throughout the year to ensure that it is eligible to qualify and be included in an Individual Savings Account (ISA). The fund will at all times be invested in such a way that the units will constitute 'Qualifying Investments' for the purposes of the Individual Savings Account (ISA) Regulations 1998, as amended from time to time.

Risk factors

Investments in an investment Company with variable capital should be regarded as a longer term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates which can be favourable or unfavourable. Where the ACD's charge is fully or partly taken out of the fund's capital, distributable income will be increased at the expense of capital which will either be eroded or future growth restricted.

Other funds

Rathbone Unit Trust Management Limited is the Manager of the following funds:

Rathbone Active Income and Growth Fund
Rathbone Core Investment Fund for Charities
Rathbone Dragon Trust
Rathbone Ethical Bond Fund
Rathbone Global Opportunities Fund
Rathbone Heritage Fund
Rathbone Income Fund
Rathbone Spenser Fund
Rathbone Strategic Bond Fund
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Global Alpha Fund
Rathbone High Quality Bond Fund
Rathbone Enhanced Growth Portfolio
Rathbone Strategic Growth Portfolio
Rathbone Strategic Income Portfolio
Rathbone Total Return Portfolio
Rathbone Pharaoh Fund
Rathbone Quercus Growth Fund
Rathbone Sherwood Fund
Rathbone Sussex Income Fund
Rathbone Sussex Growth Fund

Further details

Should you need further details of this fund or any of the other funds managed by Rathbone Unit Trust Management Limited, a Prospectus, Key Investor Information Document and Supplementary Information Document or an application form for the purchase of shares or units, please write to:

Client Services Department
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

All literature is available free of charge. Information is also available on our website: rathbonefunds.com

Data protection

Where relevant, Rathbones' privacy notice for clients, together with our relevant terms of business, sets out how your personal data (as further detailed in the privacy notice) shall be processed by Rathbones. A copy of the privacy notice is available on request or on Rathbones' website.

From time to time Rathbone Unit Trust Management Limited may wish to communicate with you with information on other products and services offered by the Rathbone group. If you do not wish to receive these communications, please advise us in writing at the following address:

Data Protection Officer
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

Rathbones
Look forward

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