Rathbones
Look forward

Rathbone Global Sustainability Fund

Annual report for the year ended 30 April 2020

Rathbone Global Sustainability Fund

Authorised Corporate Director (ACD)

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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
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Dealing office

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Independent Auditor

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Statutory Auditor
110 Queen Street
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Directors of the ACD

RP Stockton – Chairman
MM Webb – Chief Executive Officer
JR Chillingworth – Chief Investment Officer
JM Ardouin – Finance Director
MS Warren – Non-Executive Director
J Lowe – Non-Executive Director
CRC Hexton – (resigned 29 October 2019)
CR Stick – (resigned 29 October 2019)
JG Thomson – (resigned 29 October 2019)
BN Jones – (resigned 29 October 2019)

Administrator

HSBC Securities Services
1-2 Lochside Way
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Authorised and regulated by the
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Registrar

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Depositary

NatWest Trustee and Depositary Services Limited
250 Bishopsgate
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Authorised and regulated by the
Financial Conduct Authority

ACD's report for the year ended 30 April 2020

In the year to 30 April 2020, our fund returned 7.0%, while the FTSE World Index lost 1.0% and the IA Global sector fell 0.8%.

2019 was a year of omnipresent doom and gloom, which ended as one of the best for investors on record. In the UK, more than three years of political impasse and rancour was washed away by a resounding electoral victory for Boris Johnson. The Conservatives' massive majority in the House of Commons has paved the way to the resolution of Brexit and dispatched the risk of a Labour government led by Jeremy Corbyn ever coming to power. And despite all the trade tussles and panics, the US economy remained resilient. Economic growth did decelerate from its tax cut-driven 2018 peak, but it remained in good order. That was, until 2020.

This year, markets have looked a little different. The hare-like speed of the coronavirus's spread and the unprecedented economic lockdowns and policy support sent markets on a crazy run. The three months to 31 March was the worst quarter since 1987, with the FTSE All-Share falling 25% and the S&P 500 dropping 20% (in dollars). Markets then rallied sharply in April, roughly halving their losses since the initial sell-off.

Oil companies have been particularly hard hit by the crisis, obviously this is an area where we have zero exposure. Our holdings have suffered in other industries, however. At first, we concentrated on our portfolio holdings. We reassessed all of them to decide whether they are companies that are likely to survive the current crisis and whether we want to hold them for the long term.

We initiated a position in US software company **Microsoft**. This is a company that has successfully broadened its revenue stream and strengthened the economic moat around its core franchise. We believe that it will continue to benefit from rising digital spend globally and management have allocated capital well in the past several years. It's highly cash generative and has no need to do a transformational acquisition — to us that's a clear positive. Its products help improve IT security and we like management's approach to sustainability.

The shift to cashless transactions is continuing apace. Before the pandemic it seemed like every second cafe or shop we visited had stopped accepting cash. Now it's unusual to find anyone who hasn't completely embraced contactless as a safer alternative to notes and coins. This digitisation of payments makes a lot of sense for businesses too, as they don't have to manage cash balances and pay to ferry cash between banks and safes. And customers can dispense with counting out coins and even accelerate their saving by using whizzy apps. This increasing use of digital payments is also a good part of the reason why we own **Visa**. This electronic-payments giant has built one of the few global networks that provides the plumbing for card-based commerce worldwide. We continue to like the long-term prospects of the business and increased our position during the period.

We also bought simulation software designer **Ansys**. Based in Pennsylvania, this company has an impressive lineage. Its founder left the Westinghouse Astronuclear Laboratory in the late 1960s to set up one of the first computerised analysis tools for engineering design. It has really come into its own in the 2000s, with greater computing power allowing the company to simulate all sorts of situations and forces on hypothetical designs. For everything from the efficiency of motherboard designs, the aerodynamics of a plane to the reliability of gadgets connected to the Internet of Things, Ansys has a swathe of programs that provide answers. This technology is really exciting because it has a tangible effect on companies' research and development costs. Just one example: to certify safety, car companies must crash scores of new model cars into a wall. But using simulated tests with Ansys's software, drastically fewer cars have to go to the wall. When your product offers such obvious savings to customers, you tend to be able to push through decent price rises. Just the kind of company we like.

We also increased our position in **Unilever**, one of the world's largest global consumer companies. We have faith in the heavy focus its managers have on the sustainability of its products and processes. Unilever can clearly show how it invests to achieve its sustainability goals. We also believe this focus on ensuring today's products are fit for tomorrow will spur innovation that should help drive Unilever's revenue growth and make its returns more durable.

Last year we increased our position in financial services multinational, **Legal and General**, as we thought Brexit-related concerns had pushed its valuation down too far. L&G is a well-managed business with an excellent franchise and significant growth opportunity in both the UK and US. It has also taken significant steps towards integrating sustainability into its core business strategy.

We exited our position in **Henry Schein**, US dental distribution business, as many of the company's core customers were forced to shut down during the lockdown. We were concerned that some dental businesses would be slow to re-open and others may disappear completely. A sustained slowdown in demand was not being factored into the share price and we saw more attractive opportunities in healthcare.

We completely sold our holding in **Becton Dickinson** earlier this year. The business enjoys an extremely high market share in hospital consumable products, but we thought its investment case was starting to change. We were also concerned that the company would keep buying new businesses when it was already highly leveraged and this worried us, especially in the current economic environment. We saw better opportunities in global healthcare.

We exited our position in UK drugs distribution and marketing business, **UDG Healthcare**. We felt that marketing activity for non-virus-related drugs could slow significantly over the next 12 months, significantly impacting the company's earnings. We were also concerned that the market did not appreciate the severity of the slowdown on UDG and any recovery would be slower than anticipated.

At the start of the year we reduced our holding in publisher, **RELX**. This reflects the company's strong investment performance but also some concerns we had about the US scientific journal business. Overall, we still believe the investment case for RELX is solid.

This spring we also reduced our position in **Diasorin**, the Italian medical diagnostic business. The company's investment performance has been very strong as the company continues to develop new tests to help combat the virus. The management team is superb at execution and we believe the long-term investment case is excellent.

As the period came to an end, US Federal Reserve (Fed) Chair Jay Powell gave a sombre assessment of the US economy as lockdowns were eased across a number of states. He expects the recovery to be slower than many optimistic forecasters have been touting. Given the sheer number of unemployed, it will take some time to get people back to work, he warns. Mr Powell's downbeat speech dampened stock market enthusiasm and sent American and European indices lower. As did very weak US economic data.

The longer the lockdowns and restrictions go on for, the less taxes governments will collect and the more cheques that they have to mail out to the hard-up. This means much higher government borrowing. Higher debt isn't necessarily a bad thing for a nation, as long as the debt is productive. Brexit is virtually guaranteed to increase the cost of imports for people and companies, make UK businesses less efficient, and therefore decrease the productivity of the UK. With the June-end deadline for extending Brexit beyond the end of the year looming, debt issued today is looking less sustainable in five and 10 years' time. So, investors are selling British assets, thereby sending the pound sinking. Over the past month, sterling was the worst-performing currency of the G10 group of large developed nations. Will the government charge on with Brexit regardless of the terrible economic situation?

David Harrison
15 June 2020

Sustainability spotlight – ESG considerations in the technology value chain

The wider use of disruptive technology – such as online healthcare, remote working and learning, autonomous vehicles and augmented reality – is set to touch more and more aspects of our everyday lives.

However, as the demand from consumers, business and government alike for greater connectivity and convenience grows, it's important to bear in mind the need for checks and balances to avoid some of the more negative impacts associated with these advances.

While many of the technological benefits we enjoy today have their roots in industries such as defence, adult entertainment and gambling, we now accept the advantages these have given us – although a broad range of issues remain beneath the surface.

The devices that deliver these services are exposed to many ESG risks. The greenhouse gas emissions, water consumption and amount of chemicals associated with the extraction and refining of raw materials such tin, copper, gold and cobalt – often sourced from areas of conflict or countries with weak governance on environmental and workplace issues – are prodigious.

And in addition to concerns around supply chain transparency, there is the amount of end-of-life waste generated if consideration for repair and recycling is not built in the design process of the original product.

Another side of the equation is the need to consider the social implications of what is on offer: digital poverty, data privacy, cybersecurity and the mental wellbeing of young people are among the myriad issues that come with wider access within an ecosystem where everything can be tracked, traced and commoditised by unscrupulous scammers and 'Big Data' alike.

So, whether we are looking at step-changes in electricity storage for utility-scale batteries, smart charging for electric vehicles, building and home automation using the 'Internet of Things' (IoT) or enhancing the efficiency of existing conventional power plants, we are keen to ensure that there should be no such thing as a 'free pass' for those companies contributing to innovation in these areas.

Within the fund, a number of companies are involved in many aspects of the technology value chain:

Cadence is a leading supplier of electronic design automation software. Customers use its software, hardware and services to design and verify advanced semiconductors, consumer electronics, networking and telecommunications equipment and computer systems in a number of markets, such as mobile and consumer devices, communications, cloud and data centre infrastructure, personal computers, automotive systems and medical systems.

Ansys is active in the same sphere; its software is used to design products and semiconductors, as well as to create simulations that test a product's durability, temperature distribution, fluid movements and electromagnetic properties.

ASML makes equipment and software used in the manufacture of microchips and is focused on innovation in lithography technology to enable the manufacture of smaller, more powerful and more energy efficient circuits and chips. Lithography is the process by which lasers are used to etch the pattern and structure of microchips. ASML's customers include designers and contract manufacturers of microchips for smartphones, tablets and other IoT devices.

Adobe develops and markets computer software products that allow users to create and manage content across print and electronic media. The move to distributing information digitally enables end-users to reduce paper consumption with the education sector being one of its biggest markets.

Microsoft has been involved in the development and support of software, hardware and personal electronics since 1975. Its operating systems, business solution applications and software development tools have made desktop computing accessible in both home and office environments. It is cloud-based Azure service reduces the need for businesses to invest in and maintain costly hardware.

Trimble integrates positioning technologies, including GPS, laser, optical and inertial technologies, with application software and wireless communications to provide complete solutions that allow customers to collect, manage and analyse complex information, making them more efficient and sustainable. Its software, hardware and services are transforming industries such as agriculture, construction, transportation and logistics.

Aptiv provides solutions for safer, cleaner and more connected transportation, using enhanced software and hardware to improve safety and the development of autonomous vehicles.

Perry Rudd
15 June 2020

Net asset value per share and comparative tables

I-class income shares

	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share		
Opening net asset value per share	102.07p	100.00p
Return before operating charges*	5.56p	4.10p
Operating charges	(0.94p)	(0.66p)
Return after operating charges*	4.62p	3.44p
Distributions on income shares	(1.44p)	(1.37p)
Closing net asset value per share	105.25p	102.07p
*after direct transactions costs[1] of:	0.39p	0.18p

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

Performance

Return after charges	4.53%	3.44%

Other information

Closing net asset value	£714,807	£141,479
Closing number of shares	679,174	138,615
Operating charges	0.90%	0.90%
Direct transaction costs	0.37%	0.19%

Prices***

Highest share price	115.97p	103.00p
Lowest share price	88.44p	87.27p

** The fund was launched on 16 July 2018.

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

Net asset value per share and comparative tables *(continued)*

I-class accumulation shares

	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share		
Opening net asset value per share	103.41p	100.00p
Return before operating charges*	5.97p	4.09p
Operating charges	(0.96p)	(0.68p)
Return after operating charges*	5.01p	3.41p
Distributions on accumulation shares	(1.47p)	(1.37p)
Retained distributions on accumulation shares	1.47p	1.37p
Closing net asset value per share	108.42p	103.41p
*after direct transactions costs[1] of:	0.40p	0.18p

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

Performance

Return after charges	4.84%	3.41%

Other information

Closing net asset value	£4,743,254	£496,094
Closing number of shares	4,374,946	479,743
Operating charges	0.90%	0.90%
Direct transaction costs	0.37%	0.19%

Prices***

Highest share price	118.34p	103.35p
Lowest share price	90.24p	87.57p

** The fund was launched on 16 July 2018.

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

S-class income shares

	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share		
Opening net asset value per share	101.56p	100.00p
Return before operating charges*	5.56p	3.41p
Operating charges	(0.68p)	(0.49p)
Return after operating charges*	4.88p	2.92p
Distributions on income shares	(1.43p)	(1.36p)
Closing net asset value per share	105.01p	101.56p
*after direct transactions costs[1] of:	0.39p	0.18p

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

Performance

Return after charges	4.81%	2.92%

Other information

Closing net asset value	£4,560,740	£1,980,868
Closing number of shares	4,343,103	1,950,350
Operating charges	0.65%	0.65%
Direct transaction costs	0.37%	0.19%

Prices***

Highest share price	115.65p	102.50p
Lowest share price	88.21p	86.77p

** The fund was launched on 16 July 2018.

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

Net asset value per share and comparative tables *(continued)*

S-class accumulation shares

	30.04.20 pence per share	30.04.19** pence per share
Change in net assets per share		
Opening net asset value per share	102.96p	100.00p
Return before operating charges*	5.63p	3.45p
Operating charges	(0.69p)	(0.49p)
Return after operating charges*	4.94p	2.96p
Distributions on accumulation shares	(1.46p)	(1.36p)
Retained distributions on accumulation shares	1.46p	1.36p
Closing net asset value per share	107.90p	102.96p
*after direct transactions costs[1] of:	0.39p	0.18p

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

Performance

Return after charges	4.80%	2.96%

Other information

Closing net asset value	£4,267,972	£516,797
Closing number of shares	3,955,376	501,956
Operating charges	0.65%	0.65%
Direct transaction costs	0.37%	0.19%

Prices***

Highest share price	118.03p	102.90p
Lowest share price	90.03p	87.11p

** The fund was launched on 16 July 2018.

*** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/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

1	2	3	4	5	6	7

Lower potential risk/reward
(Not risk-free)

Higher potential risk/reward

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 2020

	2016	2017	2018	2019	2020
I-class units	–	–	–	–	2.15%
S-class units	–	–	–	–	2.38%
FTSE World index	–	–	–	–	-6.00%

Source performance data Financial Express, mid to mid, net income reinvested.

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 2020

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Chemicals (30.04.19: 6.41%)			
2,500	Ecolab	383,597	2.68
2,750	Linde	401,114	2.81
		784,711	**5.49**
Industrial Engineering (30.04.19: 7.63%)			
5,000	Kone 'B'	240,187	1.68
24,500	SIG Combibloc Group	312,340	2.18
15,200	Tomra	401,389	2.81
3,400	Xylem	193,835	1.36
		1,147,751	**8.03**
Automobiles and Parts (30.04.19: 3.35%)			
6,100	Aptiv	**336,108**	**2.35**
Electronic and Electrical Equipment (30.04.19: 5.83%)			
5,100	Badger Meter	238,837	1.67
16,200	Halma	338,580	2.37
1,750	Littlefuse	201,506	1.41
9,200	Trimble	252,583	1.77
		1,031,506	**7.22**
Construction and Materials (30.04.19: 7.48%)			
17,800	Assa Abloy 'B'	255,372	1.79
8,600	Kingspan Group	346,957	2.43
		602,329	**4.22**
Real Estate (30.04.19: 3.60%)			
18,000	Big Yellow Group	192,960	1.35
15,500	Hannon Armstrong	342,970	2.40
		535,930	**3.75**
Personal Goods (30.04.19: 3.85%)			
9,700	Unilever	**383,670**	**2.69**

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Healthcare Equipment and Services (30.04.19: 12.16%)			
700	Becton Dickinson	139,895	0.98
2,200	Diasorin	296,300	2.07
1,950	Edwards Lifesciences	336,247	2.35
9,900	GN Store Nord	358,172	2.51
1,550	Sartorius Stedim Biotech	293,956	2.06
1,350	Thermo Fisher Scientific	357,881	2.51
		1,782,451	**12.48**
General Retailers (30.04.19: 2.92%)			
11,000	RELX	**197,629**	**1.38**
Banks (30.04.19: 7.44%)			
17,000	Close Brothers	185,300	1.30
3,000	First Republic Bank	248,044	1.74
6,000	US Bancorp	173,481	1.21
		606,825	**4.25**
Life Insurance (30.04.19: 3.49%)			
59,000	AIA	**433,822**	**3.04**
General Financial (30.04.19: 5.31%)			
188,500	Legal & General	385,671	2.70
10,000	Sampo Oyj	262,243	1.83
		647,914	**4.53**
Financial Services (30.04.19: 3.74%)			
1,750	Mastercard	381,563	2.67
2,800	Visa 'A'	395,887	2.77
		777,450	**5.44**
Software and Computer Services (30.04.19: 5.82%)			
1,500	Adobe	420,193	2.94
2,000	Ansys	415,016	2.90
6,200	Cadence Design System	398,489	2.79
3,500	Microsoft	497,217	3.48
8,200	TeamViewer	281,759	1.98
		2,012,674	**14.09**

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Ordinary shares unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
Technology Hardware and Equipment (30.04.19: 4.76%)			
1,700	ASML Holdings	399,461	2.80
9,400	Norma Group	187,249	1.31
		586,710	**4.11**
Alternative Energy (30.04.19: 1.82%)			
4,600	Vestas Wind Systems	**314,855**	**2.20**
Pharmaceuticals and Biotechnology (30.04.19: 2.72%)			
5,000	Abbott Laboratories	**364,530**	**2.55**
General Industrials (30.04.19: 0.00%)			
12,600	Smurfit Kappa	**313,140**	**2.19**
Household Goods (30.04.19: 0.00%)			
1,550	Clorox	**229,400**	**1.61**
Electricity (30.04.19: 0.00%)			
30,000	EDP Renováveis	**289,162**	**2.02**
Total value of investments (30.04.19: 92.79%)		13,378,567	93.64
Net other assets (30.04.19: 7.21%)		908,206	6.36
Total value of the fund as at 30 April 2020		**14,286,773**	**100.00**

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Sectors eliminated since the beginning of the year:	
Food Producers	2.99%
Food and Drug Retailers	1.47%

Summary of portfolio investments

	Value £	Percentage of total net assets
Equity Securities	13,378,567	93.64
Total value of investments	**13,378,567**	**93.64**

Statement of total return for the year ended 30 April 2020

	Note	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Income					
Net capital (losses)/gains	*2*		**(144,114)**		92,581
Revenue	*3*	**143,858**		38,507	
Expenses	*4*	**(72,642)**		(12,947)	
Interest payable and similar charges		**(7)**		(24)	
Net revenue before taxation		**71,209**		25,536	
Taxation	*5*	**(8,677)**		(2,022)	
Net revenue after taxation			**62,532**		23,514
Total return before distributions			**(81,582)**		116,095
Distributions	*6*		**(133,626)**		(36,055)
Change in net assets attributable to shareholders from investment activities			**(215,208)**		80,040

Statement of change in net assets attributable to shareholders for the year ended 30 April 2020

	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Opening net assets attributable to shareholders		**3,135,238**		–
Amounts receivable on issue of shares	**18,058,335**		3,645,465	
Amounts payable on cancellation of shares	**(6,844,373)**		(602,180)	
		11,213,962		3,043,285
Dilution adjustment		**16,018**		–
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		**(215,208)**		80,040
Retained distributions on accumulation shares		**136,763**		11,913
Closing net assets attributable to shareholders		**14,286,773**		3,135,238

* The fund was launched on 16 July 2018.

Balance sheet as at 30 April 2020

	Note	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Assets					
Fixed assets:					
Investments			**13,378,567**		2,909,072
Current assets:					
Debtors	7	**518,105**		57,629	
Cash and bank balances		**702,958**		216,586	
Total current assets			**1,221,063**		274,215
Total assets			**14,599,630**		3,183,287
Liabilities					
Creditors:					
Distribution payable on income shares		**(36,160)**		(20,681)	
Other creditors	8	**(276,697)**		(27,368)	
Total liabilities			**(312,857)**		(48,049)
Net assets attributable to shareholders			**14,286,773**		3,135,238

* The fund was launched on 16 July 2018.

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 and dividend collection) 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 year. 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 year 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 (losses)/gains

	30.04.20 £	30.04.19 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	**(160,871)**	108,425
Currency gains/(losses)	**16,757**	(15,844)
Net capital (losses)/gains	**(144,114)**	92,581

3 Revenue

	30.04.20 £	30.04.19 £
Dividends — UK Ordinary	**42,846**	8,309
— Overseas	**95,945**	28,686
— Property income distributions	**4,212**	1,309
Bank interest	**855**	203
Total revenue	**143,858**	38,507

4 Expenses

	30.04.20 £	**30.04.20 £**	30.04.19 £	30.04.19 £
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		**58,549**		10,070
Other expenses:				
Registration fees	**14,093**		2,877	
		14,093		2,877
Total expenses		**72,642**		12,947

*Audit fees for 2020 are £7,950 excluding VAT (30.04.19: £7,700 excluding VAT). These are borne by the ACD.

5 Taxation

	30.04.20 £	30.04.19 £
a) Analysis of charge for the year/period		
Overseas tax	**8,677**	2,022
Total taxation charge (note 5b)	**8,677**	2,022

b) Factors affecting current tax charge for the year/period

The tax assessed for the year/period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%) (30.04.19: 20%). The differences are explained below.

	30.04.20 £	30.04.19 £
Net revenue before taxation	**71,209**	25,536
Corporation tax at 20%	**14,242**	5,107
Effects of:		
Revenue not subject to taxation	**(27,301)**	(7,399)
Tax relief on overseas tax suffered	**(69)**	–
Excess management expenses not utilised	**13,128**	2,292
Corporate tax charge	–	–
Higher tax rates on overseas withholding tax	**8,677**	2,022
Total taxation charge (note 5a)	**8,677**	2,022

c) Deferred tax

At the year end the fund had surplus management expense of £77,098 (30.04.19: £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 £15,420 (30.04.19: £2,292) has not been recognised in the financial statements.

6 Distributions

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

	30.04.20 £	30.04.19 £
Interim	**93,054**	9,301
Final	**97,409**	30,399
	190,463	39,700
Add: Amounts deducted on cancellation of shares	**15,034**	1,614
Deduct: Amounts received on issue of shares	**(71,871)**	(5,259)
Net distribution for the year	**133,626**	36,055
Reconciliation of net distribution for the year to net revenue after tax:		
Net distribution for the year	**133,626**	36,055
Expenses allocated to capital:		
ACD's periodic charge	**(58,549)**	(10,070)
Registration fees	**(14,093)**	(2,877)
Tax relief on expenses	**1,126**	298
Equalisation on conversions	**(7)**	(1)
Balance brought forward	**(109)**	–
Balance carried forward	**538**	109
Net revenue after taxation	**62,532**	23,514

7 Debtors

	30.04.20 £	30.04.19 £
Amounts receivable for issue of shares	**479,820**	51,793
Accrued revenue	**35,142**	5,423
Taxation recoverable	**3,143**	413
Total debtors	**518,105**	57,629

8 Other creditors

	30.04.20 £	30.04.19 £
Amounts payable for cancellation of shares	**52,252**	–
Purchases awaiting settlement	**216,609**	25,647
Accrued expenses	**1,599**	371
Accrued ACD's charge	**6,237**	1,350
Total other creditors	**276,697**	27,368

9 Reconciliation of shares

	I-class income	I-class accumulation	S-class income	S-class accumulation
Opening shares issued at 01.05.19	138,615	479,743	1,950,350	501,956
Share movements 01.05.19 to 30.04.20				
Shares issued	627,644	10,450,451	2,528,167	3,469,801
Shares cancelled	(36,485)	(6,555,746)	(186,154)	(15,881)
Shares converted	(50,600)	498	50,740	(500)
Closing shares at 30.04.20	679,174	4,374,946	4,343,103	3,955,376

10 Related parties

ACD fees paid to Rathbone Unit Trust Management Limited (the ACD) are disclosed in note 4 and amounts outstanding at the year 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 year (30.04.19: nil).

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

At the year end there were no significant shareholders (30.04.19: nil).

11 Shareholder funds

The fund has two share class: 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 4 and 8.

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.04.19: nil).

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:

	30.04.20 £	30.04.19 £
Currency:		
Danish krone	**673,027**	244,747
Euro	**3,493,506**	775,142
Hong Kong dollar	**433,822**	109,439
Norwegian krone	**401,389**	57,614
Swedish krona	**258,262**	58,345
Swiss franc	**312,340**	–
US dollar	**6,630,647**	1,360,225
Pound sterling	**2,080,637**	529,313
	14,283,630	3,134,825
Other net assets not categorised as financial instruments	**3,143**	413
Net assets	**14,286,773**	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 £1,109,363 (30.04.19: £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 £1,355,888 (30.04.19: £289,501). These calculations assume all other variables remain constant.

13 Risk disclosures on financial instruments *(continued)*

(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:

	30.04.20 £	30.04.19 £
Floating rate assets:		
Euro	**135,761**	14,438
Pound sterling	**567,197**	202,148
	702,958	216,586
Assets on which no interest is paid:		
Danish krone	**673,027**	244,747
Euro	**3,493,506**	775,142
Hong Kong dollar	**433,822**	109,439
Norwegian krone	**401,389**	57,614
Swedish krone	**258,262**	58,345
Swiss franc	**312,340**	–
US dollar	**6,711,495**	1,360,225
Pound sterling	**1,609,688**	360,776
	13,893,529	2,966,288
Liabilities on which no interest is paid:		
Euro	**(135,761)**	(14,438)
US dollar	**(80,848)**	–
Pound sterling	**(96,248)**	(33,611)
	(312,857)	(48,049)
Other net assets not categorised as financial instruments	**3,143**	413
Net assets	**14,286,773**	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.

13 Risk disclosures on financial instruments *(continued)*

(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 £1,337,857 (30.04.19: £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 £1,337,857 (30.04.19: £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 year ended 30 April 2020

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	18,956,540	9,221	0.05	21,050	0.11
Total purchases before transactions costs	18,956,540	9,221		21,050	
Total purchases including commission and taxes	18,986,811				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	8,361,145	4,451	0.05	250	–
Total sales including transactions costs	8,361,145	4,451		250	
Total sales net of commission and taxes	8,356,444				

Commissions and taxes as % of average net assets

Commissions	0.14%
Taxes	0.23%

14 Portfolio transaction cost *(continued)*

For the year ended 30 April 2019

Analysis of total purchase 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	–
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 shares, 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 0.12% (30.04.19: 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 year ended 30 April 2020

Category	1	2	3	Total
Investment assets	**£**	**£**	**£**	**£**
Equities	13,378,567	–	–	13,378,567
	13,378,567	–	–	13,378,567

For the year 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 year end, the net asset value per share of the fund has increased using the share prices at the year end date compared to 16 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	30.04.20 mid price	16.06.20 mid price
I-class income	108.11p	113.96p
I-class accumulation	110.33p	117.08p
S-class income	107.87p	113.75p
S-class accumulation	110.09p	116.86p

During the period from the balance sheet date to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the price of each unit has been disclosed above in the unit price movement since the balance sheet date note to the financial statements. The Authorised Fund Manager is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying investment holdings in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date.

Distribution tables for the year ended 30 April 2020

Distribution tables (pence per share)

Interim

Group 1 – Shares purchased prior to 1 May 2019
Group 2 – Shares purchased on or after 1 May 2019 and on or before 31 October 2019

I-class income shares	Net income	Equalisation	Paid 31.12.19	Paid 31.12.18*
Group 1	0.72	–	0.72	0.38
Group 2	0.20	0.52	0.72	0.38

I-class accumulation shares	Net income	Equalisation	Accumulated 31.12.19	Accumulated 31.12.18*
Group 1	0.73	–	0.73	0.38
Group 2	0.13	0.60	0.73	0.38

S-class income shares	Net income	Equalisation	Paid 31.12.19	Paid 31.12.18*
Group 1	0.71	–	0.71	0.37
Group 2	0.36	0.35	0.71	0.37

S-class accumulation shares	Net income	Equalisation	Accumulated 31.12.19	Accumulated 31.12.18*
Group 1	0.73	–	0.73	0.37
Group 2	0.23	0.50	0.73	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 2019
Group 2 – Shares purchased on or after 1 November 2019 and on or before 30 April 2020

I-class income shares	**Net income**	**Equalisation**	**Payable 30.06.20**	**Paid 28.06.19***
Group 1	0.72	–	0.72	0.99
Group 2	0.48	0.24	0.72	0.99

I-class accumulation shares	**Net income**	**Equalisation**	**Allocated 30.06.20**	**Accumulated 28.06.19***
Group 1	0.74	–	0.74	0.99
Group 2	0.42	0.32	0.74	0.99

S-class income shares	**Net income**	**Equalisation**	**Payable 30.06.20**	**Paid 28.06.19***
Group 1	0.72	–	0.72	0.99
Group 2	0.61	0.11	0.72	0.99

S-class accumulation shares	**Net income**	**Equalisation**	**Allocated 30.06.20**	**Accumulated 28.06.19***
Group 1	0.73	–	0.73	0.99
Group 2	0.54	0.19	0.73	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
31 July 2020

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.

The ACD has considered the activities of the Company together with the factors likely to affect its future development, including those related to the COVID-19 pandemic. The assets of the Rathbone Global Sustainability Fund consist predominantly of cash and liquid securities that are readily realisable and therefore has adequate resources to continue in operational existence for the foreseeable future. The ACD has also considered the impact of the COVID-19 pandemic on the operations of the ACD and material third party service providers which continue to be maintained and fully functioning. Accordingly, the ACD continues to adopt the going concern basis in the preparation of the financial statements.

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 31 July 2020.

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Rathbone Global Sustainability Fund (the Company) for the year ended 30 April 2020

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
31 July 2020

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 of Rathbone Global Sustainability Fund (the company):

- give a true and fair view of the company as at 30 April 2020 and of the net revenue and the net capital gains on the property of the Company for the year ended 30 April 2020; 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 year ended 30 April 2020 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Independent Auditor's Report to the shareholders of Rathbone Global Sustainability Fund *(continued)*

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
31 July 2020

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	1,301	2,740	4,041	5
Risk takers	1,323	1,724	3,047	13
Control functions	267	40	307	3
Other	108	74	182	1
Total remuneration code staff	2,999	4,578	7,577	22
Non-remuneration code staff	959	279	1,238	23
Total for the Manager	**3,958**	**4,857**	**8,815**	**45**

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2019, 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.

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

The objective of the fund is to deliver a greater total return than the FTSE World Index, after fees, over any five-year period.

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

We use the FTSE World Index as a target for our fund's return because we want to offer you higher returns than global stock markets.

We also compare our fund against the IA Global sector to give you an indication of how we perform against other funds in our peer group. Like us, the funds in this sector invest globally, although most of them don't invest using a sustainability framework.

Investment policy

To meet the objective, the fund manager will invest at least 80% of our fund in global shares, with the remainder in cash, short-term deposits and UK government debt.

Derivatives may be used by the fund for the purposes of efficient portfolio management and hedging.

The manager may use all investment powers as permitted by the prospectus, outside the ranges described above, to ensure the fund is managed in the best interest of investors in times of market irregularities or stress.

The fund may invest at the fund manager's discretion in other transferable securities, money market instruments, warrants, cash and near cash and deposits and units in collective investment schemes. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA Rules.

Investment strategy

Sustainable investing means different things to different people. For us, sustainable investing is about long-term value creation for investors, society and the environment.

We invest in companies that operate sustainably and are committed to helping achieve the United Nations Sustainable Development Goals. We avoid companies that fail our rigorous sustainability criteria. We believe that companies displaying strong environmental, social and governance policies and practices are likely to be well positioned to deliver long-term value for investors. As shareholders we work with companies to encourage best practice and highlight any concerns we have.

When choosing investments we use our own trinity of risk framework: price, business and financial.

We look for businesses that offer good value and make strong and consistent profits with high quality earnings — those that are backed by real cash rather than accounting contrivance. Companies shouldn't have more debt than they can handle.

Ethical investment policy

The fund will seek to invest in companies that are aware of their wider responsibilities to society and the environment. In doing so, the fund will aim to invest in companies that support the achievement of the UN Sustainable Development Goals (SDGs) through their activities or ways of operating.

The companies must, in the opinion of the manager:

– Display leading or well-developed policies and practices in one or more key responsible business areas, and/or,

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

The manager will further apply ethical criteria and screening in order to avoid investing in companies involved in specific activities or engaged in behaviour that is considered to be of concern to ethical and sustainable investors.

Further details in relation to the current ethical and sustainability criteria may be obtained by contacting Rathbone Unit Trust Management. 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

Prices are available on our website rathbonefunds.com

Other information

You can see 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 by visiting 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, SS&C Financial Services International Limited, SS&C 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.

If you have any queries or complaints about the operation of the fund you should put them 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

An investment in an investment company should be regarded as a medium to long 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.

Value assessment

Our regulator, the Financial Conduct Authority (FCA), has asked us to assess the value of our funds. Assessing value is much more than just looking at the fees you pay or the performance of your fund in isolation. Considering this, we have designed an assessment which looks at nine criteria.

We have also appointed an independent research firm, Square Mile Investment Consulting & Research, to provide an impartial report on the value our funds offer compared with the market.

It is the responsibility of our board of directors to consider the outcomes of these assessments, ensure they are clear and fair, and then communicate to you, our investors, if we have delivered value or, if not, where we need to improve.

You can view the value assessment for this fund on rathbones.com

Other funds

Rathbone Unit Trust Management Limited is also 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 require 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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